ThomasLloyd Cleantech Infrastructure Fund SICAV

Société Anonyme (« S.A. ») qualifying as investment company
with variable capital (« Société d'Investissement à Capital Variable »)

RCS Luxembourg: B 212.272

Registered office:
6A, Rue Gabriel Lippmann
L-5365 Munsbach
Grand Duchy of Luxembourg
Share Capital: EUR 7,947,401

FINANCIAL STATEMENTS

As at and for the year ended 31 December 2019
and Report of the Réviseur d'Entreprises Agréé

Contents

Management and administration

Overview

The Board of Directors of ThomasLloyd Cleantech Infrastructure Fund SICAV (the “Board” or its “Directors”) presents its Annual Report and audited Financial Statements as at and for the year ended 31 December 2019.

Company information

ThomasLloyd Cleantech Infrastructure Fund SICAV (the “Fund”) is a closed-ended investment fund domiciled and incorporated as a public company limited by shares (société anonyme) with variable capital (société d'investissement à capital variable) governed by Part II of the Law of 17 December 2010 and qualifying as an undertaking of collective investment of the closed-end variety type within the meaning of the Prospectus Act. The Fund is governed by an Offering Memorandum, under the Prospectus Act, dated 19 July 2017 and updated as of 31 March 2020. The Fund is registered with the Luxembourg Register of Commerce (B 212.272).

The Fund was incorporated on 2 January 2017 as a closed-ended fund ending with an end date of no later than 31 December 2024, although the Directors may propose to shareholders twice to extend by two consecutive one-year periods.

The address of the Fund’s registered office is 6A, rue Gabriel Lippmann, L-5365 Munsbach, Grand-Duchy of Luxembourg.

The amended articles of incorporation have been registered with the Registre de Commerce et des Sociétés de Luxembourg on 28 December 2018. The Fund is authorised and regulated by the 'Commission de Surveillance du Secteur Financier' (“CSSF”) under the laws of the Grand-Duchy of Luxembourg.

The Fund’s principal activity is to carry on business as a SICAV. The Fund’s financial year is 1 January to 31 December of each calendar year. The functional and reference currency is the Euro (“EUR”)

Under Luxembourg law, the Fund is itself a legal entity. Shareholders are not liable for the debts of the respective fund. A Shareholder is not liable to make any further payment to the respective fund after payment has been made in full for the purchase of shares. Each Fund may offer more than one class of shares. Each share class may have different features with respect to its criteria for subscription (including eligibility requirements), redemption, minimum holding, fee structure, currency and distribution policy (further information on share classes is fully described in the Fund’s Offering Memorandum).

Fund objective

The objective of the Fund is to achieve an attractive return from capital invested in infrastructure assets such as

- power generation, storage and transmission assets using renewable and sustainable energy sources, including wind, solar, biomass, geothermal, hydro and marine (“Renewable energy”);
- utility infrastructure assets to provide public services, including but not limited to water and sewage and waste (“Utilities”);
- transport infrastructure assets for goods or passengers for example toll roads, motorways road, maintenance and/or widening bridges, tunnels, ports, airports, locks or railways (“Transport”);
- infrastructure assets accommodating social services, such as schools and other education facilities, healthcare facilities and senior homes (“Social Infrastructure”);
- and infrastructure assets which provide communication services to the public, including transmission, towers, cable networks, data centres and satellites (“Communication”) and
- other assets providing social and economic benefits (“Infrastructure Assets”) with a socially and environmentally responsible investment approach that is geared towards sustainable business values.

The Fund will invest in a broad portfolio of infrastructure assets operated by listed or non-listed publicly or privately owned entities, which in turn own, either directly or indirectly, and develop or operate one or more infrastructure assets.

Investor information

The Offering Memorandum, Articles of Incorporation, latest annual or interim report and financial statements are available free of charge at the registered address to the Fund.

The most recent Offering Memorandum of the Fund was last approved by the CSSF on 6 April 2020.

No subscription may be accepted on the basis of the financial reports. Subscriptions are accepted only on the basis of the current Offering Memorandum, accompanied by the latest audited annual report or unaudited interim report if published thereafter.

Alternative investment fund manager (“AIFM”)

The Fund is managed by its Board of Directors, in accordance with the Law of 10 August 1915. The Fund appointed MDO Management Company S.A. as the Alternative Investment Fund Manager (the “AIFM”) to perform the portfolio management and risk management activities of the Fund in accordance with the Law of 12 July 2013.

As of 1 January 2020 the Fund has appointed Adepa Asset Management, S.A. to carry out the duties of the AIFM from that date forward.

Registered office

6A, rue Gabriel Lippmann
L-5365 Munsbach
Grand Duchy of Luxembourg

Directors of the Fund

Mr Luc Caytan, Chairman of the Board
Mr Michael Sieg
Mr Anthony Coveney
Mr Matthias Klein
Ms. Lisa Backes *(appointed 25 February 2019)*
(together the “Board of Directors” or the “Directors”)

Alternative Investment Fund Manager (“AIFM”)

MDO Management Company S.A.
19, rue de Bitbourg
L-1273 Luxembourg
Grand Duchy of Luxembourg
(AIFM to 31 December 2019)

Adepa Asset Management, S.A.
6A, rue Gabriel Lippmann
L-5365 Munsbach
Grand Duchy of Luxembourg
(AIFM from 1 January 2020)

Directors of the AIFM

(being the directors of MDO Management Company S.A.)

Mr Géry Daeninck
Mr John Li
Mr Carlo Montagna
Mr Yves Wagner
Mr Martin Vogel

Investment Advisor

ThomasLloyd Global Asset Management (Schweiz) AG
Sihlstrasse 38
CH-8001 Zürich
Switzerland
(Investment Advisor to 31 December 2019)

ThomasLloyd Global Asset Management (Americas) LLC
427 Bedford Road, Pleasantville,
New York 10570
United States of America
(Investment Manager from 1 January 2020)

Depositary

Quintet Private Bank (Europe) S.A.
(previously KBL European Private Bankers S.A.)
43, boulevard Royal
L-2955 Luxembourg
Grand Duchy of Luxembourg

Administration agent and domiciliary agent

Adepa Asset Management, S.A.
6A, rue Gabriel Lippmann
L-5365 Munsbach
Grand Duchy of Luxembourg

Réviseur d’Entreprise Agréé

Deloitte Audit S.à r.l.
20 Boulevard de Kockelscheuer
L-1821 Luxembourg
Grand Duchy of Luxembourg

Legal advisors

Elvinger Hoss Prussen
2, Place Winston Churchill
L-1340 Luxembourg
Grand Duchy of Luxembourg

External valuer

Duff & Phelps Ltd.
32 London Bridge Street
The Shard
London SE1 9SG
United Kingdom

Authorised distributor

ThomasLloyd Global Asset Management GmbH
Hanauer Landstraße 291b,
60314 Frankfurt
Germany

Registrar and transfer agent
(*as sub-delegated by Adepa Asset Management, S.A.)*

European Fund Administration S.A.
2, rue d‘Alsace
L-1122 Luxembourg
Grand Duchy of Luxembourg

Directors' report

Directors' responsibilities

The Directors are responsible for the overall management and control of the Fund in accordance with the Articles of Association. The Directors are further responsible for the implementation of the Fund's investment objective and policies, as well as for oversight of the administration and operations of the Fund. The Directors shall have the broadest powers to act in any circumstances on behalf of the Fund, subject to the powers reserved by law to the Shareholders. The persons appointed as Directors of the Fund are listed in "Management and Administration" on the preceding page. The Directors may appoint one or more committees, authorised delegates or agents to act on their behalf.

Delegation of functions

Alternative Investment Fund Manager ("AIFM") – During the year ended 31 December 2019, the Fund engaged MDO Management Company S.A. pursuant to the AIFM Services Agreement to serve as its AIFM within the meaning of the UCI Law. The AIFM performs certain functions, subject to the overall supervision of the Directors, for the provision of portfolio and risk management services to the Fund.

As of 1 January 2020, the Fund has appointed ADEPA Asset Management S.A. to perform the duties of the AIFM.

Investment Advisor – For the year ended 31 December 2019, the Fund engaged ThomasLloyd Global Asset Management (Schweiz) AG. to serve as its Investment Advisor. The Investment Advisor manages and invests the assets of the Fund pursuant to their respective investment objectives and policies. The Investment Advisor has full discretion, subject to the overall review and control of the AIFM and the Directors, to purchase and sell securities and otherwise to manage the assets of the Fund on a discretionary basis.

From 1 January 2020, the Fund has appointed ThomasLloyd Global Asset Management (Americas) LLC. to serve as its Investment Manager within the meaning of the UCI Law from that date.

Authorised Distributor – ThomasLloyd Global Asset Management GmbH is the principal distributor of shares.

Registrar and transfer agent – The Fund has engaged Adepa Asset Management S.A. as registrar and transfer agent of the Fund on behalf of the Directors. Adepa Asset Management S.A. has sub-delegated this function to: European Fund Administration S.A.. Under the Registrar and Transfer Agency Agreement, the registrar and transfer agent is responsible for processing the issue, redemption and transfer of shares, as well as for the keeping of the register of Shareholders, subject to the overall review and control of the AIFM and the Directors.

Administration agent and domiciliary agent – The Fund has engaged ADEPA Asset Management S.A. as the Administrator of the Fund on behalf of the Directors. The Administrator will carry out certain administrative duties related to the administration of the Fund, including the calculation of the Net Asset Value of the shares and the provision of accounting services to the Fund, subject to the overall review and control of the AIFM and the Directors. The Fund has appointed the Administrator as its domiciliary agent. The Administrator will be responsible for the domiciliation of the Fund and will perform, inter alia, the functions as foreseen in the Luxembourg law of 31 May 1999 on the domiciliation of companies, as amended from time to time, and, in particular, allow the Fund to establish its registered office at the registered office of the Administrator and provide facilities necessary for the meetings of the Fund's officers, Directors and/or of the Shareholders of the Fund.

Depositary – The Fund, in conjunction with the Directors, has appointed Quintet Private Bank (Europe) S.A. (Formerly KBL European Private Bankers S.A.). as the Depositary. The Depositary shall perform all the duties and obligations of a depositary and paying agent of the Fund in accordance with the provisions of Part II of the Law of 17 December 2010 and the Law of 12 July 2013. The Depositary is entrusted with the following main functions:

- ensuring that the sale, issue, repurchase, redemption and cancellation of shares are carried out in accordance with applicable law and the Articles;
- ensuring that the value of the shares is calculated in accordance with applicable law and the Articles;
- carrying out the instructions of the AIFM or the Fund (as the case may be), unless such instructions conflict with applicable law or the Articles;
- ensuring that, in transactions involving the assets of the Fund, any consideration is remitted to the Fund within the usual time limits;
- ensuring that the income of the Fund is applied in accordance with applicable law and the Articles;
- monitoring and oversight of the Fund's cash and cashflows in accordance with the UCITS Directive and the Luxembourg implementing laws and regulations; and
- safe-keeping of the Fund's assets, including the safekeeping of financial instruments that can be held in custody and ownership verification and record-keeping in relation to other assets.

Management report

Overview

The objective of the Fund is to achieve an attractive return from capital invested in infrastructure assets in areas of Renewable energy, Utilities, Transport, Social infrastructure, Communication or other Infrastructure Assets with a socially and environmentally responsible investment approach that is geared towards sustainable business values.

The Fund will invest in a broad portfolio of infrastructure assets operated by listed or non-listed publicly or privately owned entities, which in turn own, either directly or indirectly, and develop or operate one or more infrastructure assets.

The Fund's investments as at 31 December 2019 are in private renewable energy assets in India, with interests held in solar plants. The Fund has invested in equities, convertible preference shares or convertible debt securities of SolarArise India Projects Pvt Ltd ("SolarArise"). SolarArise is an investment company with interests in a number of special purpose vehicles or entities involved in the construction, development or operation of solar power plants in India.

Subscriptions

	2019	2019	2018	2018
	Subscribed in share class currency	Subscribed in EUR	Subscribed in share class currency	Subscribed in EUR
EUR Shares (Accumulating)	476,849	476,849	406,000	406,000
EUR Shares (Distribution)	572,010	572,010	1,796,905	1,796,905
CHF Shares (Accumulating)	39,047	35,904	30,000	26,321
CHF Shares (Distribution)	1,698,528	1,519,928	862,474	754,321
USD Shares (Accumulating)	20,000	17,953	85,000	72,698
USD Shares (Distribution)	72,998	65,406	-	-
GBP Shares (Distribution)	50,000	54,915	-	-
CZK Shares (Distribution)	1,000,000	39,176	-	-
AUD Shares (Distribution)	27,500	16,852	-	-
SGD Shares (Accumulating)	15,000	9,903	-	-
Total		**2,808,894**		**3,056,245**

Market review

During 2019, growth in the global economy continued to slow on worries over the future relationships between the world's major trading blocs, exacerbated by growing trade conflict, particularly between the US and China, after trade tariffs were imposed on many billions of dollars of product. There is also uncertainty in the automotive sector as it transitions away from fossil fuels and stagnant real wage growth in many of the G20 countries. Manufacturing industries saw contraction at the end of Q2 2019 and although this turned into to growth in Q4 2019, recent developments demonstrate that this was a short-lived upturn.

Despite this global backdrop, the manufacturing sector in India remained resilient with a Purchasing Managers' Index ("PMI") reading of over 50 for the last 24 months. This has not been sufficient to prevent downward revisions to the local growth outlooks with the International Monetary Fund (the "IMF") now seeing 2019 annual GDP growth of 6.1% for India, the weakest pace of economic expansion in over 5 years.

In India, the growth slowdown appears more widespread. A pre-election boom has rapidly deflated amidst mounting bad debts amongst non-financial companies, fading consumer confidence as shown by total vehicle sales down almost 20% year-on-year and rapidly rising prices for agricultural produce. Growth forecasts have been marked lower.

Exchange rates – The Indian Rupee ended 2019 down against the Euro.

Interest rates – The Reserve Bank of India cut official rates by 25bp in early Q4 2019, which was the fifth rate cut of the year and took the cumulative drop from the 6.5% cycle peak to 135bp.

Review of investments

Investment in India

Project	Type	Region	Capacity (MW)	Size of project site (m²)	Reach of supply (people)	CO_2 reduction (tonnes p.a.)	Investment volume	Est. annual income
Telangana I	Solar Energy	Telangana	12	163,594	18,277	8,240	$11.8m	$2.2m
Telangana II	Solar Energy	Telangana	12	163,594	18,277	8,240	$11.8m	$2.2m
Maharashtra I	Solar Energy	Maharashtra	67	1,239,654	126,196	41,200	$60.3m	$9.9m
Maharashtra II	Solar Energy	Maharashtra	75	n/a	112,620	41,200	$33.4m	$5.3m
Karnataka I	Solar Energy	Karnataka	41	721,049	72,236	24,720	$35.0m	$5.6m
Karnataka II	Solar Energy	Karnataka	27	484,328	41,988	16,553	$13.8m	$2.0m
Uttar Pradesh I	Solar Energy	Utter Pradesh	75	809,372	109,312	41,200	$38.0m	$5.8m

Significant developments or activities in the year are as follows:

Maharashtra II – In Q2 2019, SolarArise successfully bid for and won a 75MW project. This is the first solar park project to be developed whereby the land for the project will be provided by the Maharashtra State Power Generation Company, the solar park developer. The required land is in the final stages of acquisition by the Maharashtra State Power Generation Company and SolarArise will pay annual lease charges to use the land. The Company is expected to sign a 25-year long power purchase agreement ("PPA") shortly after the nationwide lockdown has been lifted.

Uttar Pradesh I – In Q4 2019, the EPC agreement and muddle supply contract has been executed. Due to developments in technology and reduction in the cost of mono PERC PV modules, the plant will be developed using mono PERC technology. This will allow higher efficiency, lower annual degradation compared to polycrystalline PV modules and lower land requirement for the same output. The revised land requirement is now 200 acres instead of 325 acres as previously required. The sale deeds for 80 acres of land have been signed and the acquisition process is ongoing for the remaining land requirements. The land acquisition is partially compete by the end of Q1 2020. By the end of 2019, the debt financing has been secured with the financing documents executed. Construction has started during the first half of 2020 and the commercial operations are expected to commence in the fourth quarter of 2020.

FY20 update and outlook

The recovery in global manufacturing output in the last quarter of 2019 was firmly reversed in 2020 as countries globally reacted to the shock of the COVID-19 virus. Output, new orders and export orders fell globally across consumer, intermediate and investment goods industries. In India the manufacturing index fell in March to 51.8 from a high of 55.3 in January 2020 which still represented an expansion, albeit at a slower pace. India was one of only four countries which recorded a manufacturing PMI of over 50.

As of the end of March 2020, a countrywide lock-down in India was announced for all but essential services. Power generation, transmission and distribution services are deemed essential services and so all five of the operational solar plants have continued to operate and generate electricity throughout the lock-down period. All plants continue to receive payments from the relevant off-takers as per the usual payment cycle.

As governments and companies alike continue to try and understand what the situation is post lock-down, the Directors believe that infrastructure investment will continue to have a key role in economic re-generation.

Financial review

€	2019	2018	€ Movement	% Movement
Income and movements on financial assets				
Interest from financial assets at FVTPL	351,260	-	351,260	n/a
Unrealised foreign exchange losses on financial assets at fair value through profit or loss (“FVTPL”)	(67,368)	-	(67,368)	n/a
Foreign exchange losses on derivative financial instruments	(355,508)	-	(355,508)	n/a
Other net changes in investments held at FVTPL	(377,632)	9,231	(386,863)	n/a
Distribution fee income	52,156	-	52,156	n/a
Total net (loss)/income and movements on financial assets	**(397,092)**	**9,231**	**(406,323)**	**(4,402%)**
Fees and expenses				
Management fees	(89,516)	(37,500)	(52,016)	139%
Initial charges	(118,118)	(27,894)	(90,224)	323%
Administration and custody fees	(179,345)	(165,800)	(13,546)	8%
Distribution fees	(52,156)	-	(52,156)	n/a
Other operating expenses	(392,072)	(87,446)	(304,625)	348%
Total fees and expenses	**(831,207)**	**(318,640)**	**(512,567)**	**161%**
Loss before taxation	**(1,228,299)**	**(309,409)**	**(918,891)**	**297%**
Tax	(2,944)	(690)	(2,254)	327%
Total comprehensive loss attributable to shareholders	**(1,231,243)**	**(310,099)**	**(921,144)**	**297%**

Income

Interest income generated in the year ended 31 December 2019 was €351,260, which represents 11.75% on the principal invested in CCDs. At 31 December 2019 the Fund has invested in four separate tranches and as at 31 December 2019 the principal investment is INR 299 million (€3.7 million). At 31 December 2018, INR 196 million had been invested at the end of December 2018, therefore no interest was accrued.

Unrealised foreign exchange losses on investments increased to a loss of €67,368 from a gain of €9,231 in the year ended 31 December 2018, primarily due to INR: Euro exchange rate volatility during 2019. Although there were no significant movements in exchange rate between 31 December 2018 and 31 December 2019, the Fund invested INR 103 million in May, July and December of 2019. Therefore, the unrealised foreign exchange losses are primarily due to the Euro weakening against the Indian rupee between the 2019 investment dates and 31 December 2019.

In the year ended 31 December 2019, foreign exchange losses on derivative financial instruments of €355,508 represents both realised losses in relation to settled Indian rupee forwards and unrealised losses on the fair value of outstanding Indian rupee forwards, with a maturity of June 2020. A loss of €319,541 was realised in July and December when contracts were settled and replaced with new contracts.

Other net changes on investments at fair value through profit or loss was a loss of €377,632 of 31 December 2019. During 2019, credit losses of €284,992 were provided for in respect of the €3.9 million investment in debt securities and €92,639 in respect of investment in equity securities to represent the risk of operating in emerging market countries and the risk profile of the investment. There were nil other net changes on investments at FVTPL in 2018 due to the investment made in December 2018.

Distribution fee income in the year ended 31 December 2019 was €52,156, which relates to the increase in subscribed capital.

Expenses

Expenses for the year ended 31 December 2019 increased to €831,207 from €318,640 in the year ended 31 December 2018.

Management fee expense increased by €52,016, or 139%, to €89,516 for the year ended 31 December 2019 in comparison to €37,500 in the year ended 31 December 2018. The increase in 2019 reflects the increase in the net asset value of the fund.

Initial charges increased to €118,118 in the year ended 31 December 2019, from €27,894 in the period ended 31 December 2018. This increase reflects the increased subscriptions, particularly in the second half of the year.

Administration and custodian fees increased by €13,546, or 8%, to €179,345 in the year ended 31 December 2019 from €165,800 in the year ended 31 December 2018. This increase was primarily driven by an increase in administration fees of €19,045 and other VAT related expenses of €11,166, offset by a decrease of €6,105 in custody fees and €15,051 in regulatory fees.

Distribution fees increased to €52,156 which relate to the increase in subscribed capital.

Other operating expenses increased by €304,625, or 348%, to €392,072 in the year ended 31 December 2019, from €87,446 in the year ended 31 December 2018. The increase was primarily due to a €116,673 increase in legal fees, €73,346 increase in audit and assurance fees, €56,359 increase in monthly valuation costs, reflecting the increased investment activity of the Fund and withholding taxes increasing to €35,157.

Comprehensive loss for the period

Comprehensive loss for the year ended 31 December 2019 was €1,231,243 in comparison to a loss of €310,099 in 2018. The increase in loss was primarily due to foreign exchange loss on derivative financial instruments of €355,508, fair value losses on investments of €386,863 and increased other operating expenses, primarily related to increased professional fees, of €304,625.

Results and dividends

The loss for the year was €1,231,243 (2018: €310,099 loss). Dividends of €196,546 were declared during the financial year (2018: €74,605) with €69,610 outstanding at 31 December 2019 (2018: nil).

On behalf of the Board of Directors

Michael Sieg

25 June 2020

Anthony Coveney

25 June 2020

Report of the reviseur d'entreprises agree

Deloitte Audit
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To the Board of Directors of
ThomasLloyd Cleantech Infrastructure Fund SICAV S.A.
6A, Rue Gabriel Lippmann
L-5365 Munsbach

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Opinion

We have audited the financial statements of ThomasLloyd Cleantech Infrastructure Fund SICAV S.A. (the "Fund"), which comprise the statement of financial position as at 31 December 2019, and the statement of comprehensive income, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Fund as at 31 December 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted in the European Union.

Basis for Opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier* (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the *Réviseur d'Entreprises Agréé* for the Audit of the Financial Statements" section of our report. We are also independent of the Fund in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the Directors' report but does not include the financial statements and our report of the *Réviseur d'Entreprises Agréé* thereon.

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

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs as adopted in the European Union, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is 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 Board of Directors of the Fund either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the *Réviseur d'Entreprises Agréé* for the audit of the financial statements

The objectives of our audit 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 a report of the *Réviseur d'Entreprises Agréé* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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.

As part of an audit in accordance with the Law dated 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.
- Conclude on the appropriateness of the Board of Directors of the Fund use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *Réviseur d'Entreprises*

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Agréé to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the *Réviseur d'Entreprises Agréé*. However, future events or conditions may cause the Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board of Directors of the Fund regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For Deloitte Audit, *Cabinet de Révision Agréé*

David Osville, *Réviseur d'Entreprises Agréé*
Partner

25 June 2020

Statement of financial position *as at 31 December 2019*

€	Notes	2019	2018
Assets			
Non-current assets			
Financial assets at fair value through profit or loss (“FVTPL”)	5a	5,011,918	3,331,747
Total non-current assets		**5,011,918**	**3,331,747**
Current assets			
Amounts receivable from related parties	6a	100,000	105,085
Other receivables and prepayments	5b	443,482	438,385
Cash and cash equivalents	5c	325,912	237,074
Total current assets		**869,394**	**780,544**
Total assets		**5,881,312**	**4,112,292**
Liabilities			
Current liabilities			
Amounts payable to related parties	6a	(251,228)	(401,049)
Other payables and accrued expenses	6b	(280,206)	(75,459)
Derivative financial instruments	6c	(35,967)	-
Advances from shareholders		(360,485)	(133,072)
		(69,610)	-
Total liabilities		**(997,496)**	**(609,580)**
Net assets attributable to shareholders at 31 December	**7**	**4,883,816**	**3,502,711**

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of financial position *as at 31 December 2019 (Continued)*

Represented by:		2019	2018
EUR Shares (Accumulating)			
Number of shares		1,006.83	422.32
Net asset value per share (EUR)	7	EUR 706.56	EUR 906.37
EUR Shares (Distribution)			
Number of shares		41,686.70	33,008.58
Net asset value per share (EUR)	7	EUR 52.17	EUR 69.41
CHF Shares (Accumulating)			
Number of shares		73.66	30.00
Net asset value per share (CHF)	7	CHF 753.98	CHF 1,003.76
CHF Shares (Distribution)			
Number of shares		3,014.85	940.78
Net asset value per share (CHF)	7	CHF 619.81	CHF 875.66
USD Shares (Accumulating)			
Number of shares		115.60	91.02
Net asset value per share (USD)	7	USD 678.35	USD 886.22
USD Shares (Distribution)			
Number of shares		73.84	-
Net asset value per share (USD)	7	USD 807.64	-
GBP Shares (Distribution)			
Number of shares		50.00	-
Net asset value per share (GBP)	7	GBP 755.13	-
CZK Shares (Distribution)			
Number of shares		1,000.00	-
Net asset value per share (CZK)	7	CZK 924.49	-
AUD Shares (Distribution)			
Number of shares		27.50	-
Net asset value per share (AUD)	7	AUD 841.22	-
SGD Shares (Accumulating)			
Number of shares		15.00	-
Net asset value per share (SGD)	7	SGD 935.52	-

The above statement of financial position should be read in conjunction with the accompanying notes

Statement of comprehensive income *for the year ended 31 December 2019*

€	Notes	2019	2018
Income and movements on financial assets			
Interest from financial assets at FVTPL	8	351,260	-
Unrealised foreign exchange losses on financial assets	9	(67,368)	9,231
Foreign exchange losses on derivative financial instruments	10	(355,508)	-
Other net changes in investments held at FVTPL	5b	(377,632)	-
Distribution fee income		52,156	-
Total net (loss)/income and movements on financial assets		**(397,092)**	**9,231**
Fees and expenses			
Management fees	14	(89,516)	(37,500)
Initial Charges	14	(118,118)	(27,894)
Administration and custody fees		(179,345)	(165,800)
Distribution fee expenses		(52,156)	-
Other operating expenses	11	(392,072)	(87,446)
Total fees and expenses		**(831,207)**	**(318,640)**
Loss before taxation		**(1,228,299)**	**(309,409)**
Tax	12	(2,944)	(690)
Total comprehensive loss attributable to shareholders		**(1,231,243)**	**(310,099)**
Attributable to EUR R shares (Accumulating)		**(148,244)**	**(23,219)**
Attributable to EUR R shares (Distribution)		**(601,691)**	**(274,266)**
Attributable to CHF R shares (Accumulating)		**(11,534)**	**394**
Attributable to CHF R shares (Distribution)		**(426,473)**	**(10,867)**
Attributable to USD R shares (Accumulating)		**(18,658)**	**(2,141)**
Attributable to USD R shares (Distribution)		**(10,594)**	**-**
Attributable to GBP R shares (Accumulating)		**(8,921)**	**-**
Attributable to CZK R shares (Distribution)		**(2,410)**	**-**
Attributable to AUD R shares (Distribution)		**(2,111)**	**-**
Attributable to SGD R shares (Accumulating)		**(609)**	**-**

The above statement of comprehensive income should be read in conjunction with the accompanying notes

Statement of changes in net assets *for the year ended 31 December 2019*

€	Total	NAV per EUR R Share (Acc)	NAV per EUR R Share (Dis)	NAV per CHF R Share (Acc)	NAV per CHF R Share (Dis)	NAV per USD R Share (Acc)	NAV per USD R Share (Dis)	NAV per GBP R Share (Acc)	NAV per CZK R Share (Dis)	NAV per AUD R Share (Dis)	NAV per SGD R Share (Acc)
Net assets attributable to share-holders as at 31 December 2017	**847,587**	**-**	**847,587**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Adjustment to retained earnings	(16,467)	-	(16,467)	-	-	-	-	-	-	-	-
Net assets attributable to share-holders as at 1 January 2018	**831,120**	**-**	**831,120**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Capital contributions from shareholders	3,056,295	406,000	1,796,955	26,321	754,321	72,698	-	-	-	-	-
Decrease in assets attributable to shareholders	(310,099)	(23,219)	(274,266)	394	(10,867)	(2,141)	-	-	-	-	-
Distributions to shareholders by way of dividends	(74,605)	-	(62,773)	-	(11,832)	-	-	-	-	-	-
Net assets attributable to share-holders as at 31 December 2018	**3,502,711**	**382,781**	**2,291,036**	**26,715**	**731,622**	**70,557**	**-**	**-**	**-**	**-**	**-**
Capital contributions from shareholders	2,808,894	476,849	572,010	35,904	1,519,928	17,953	65,406	54,915	39,176	16,852	9,903
Decrease in assets attributable to shareholders	(1,231,243)	(148,244)	(601,691)	(11,534)	(426,473)	(18,658)	(10,594)	(8,921)	(2,410)	(2,111)	(609)
Distributions to shareholders by way of dividends	(196,546)	-	(86,458)	-	(106,300)	-	(1,688)	(1,448)	(393)	(258)	-
Net assets attributable to shareholders as at 31 December 2019	**4,883,816**	**711,386**	**2,174,897**	**51,085**	**1,718,776**	**69,852**	**53,124**	**44,546**	**36,373**	**14,483**	**9,294**

The above statement of changes in net assets should be read in conjunction with the accompanying notes

Statement of cash flows *for the year ended 31 December 2019*

€	Notes	2019	2018
Cash flows from operating activities			
Decrease in net assets attributable to shareholders		**(1,231,243)**	**(310,099)**
Adjusted for:			
Interest income accrued	8	(351,260)	**-**
Other net changes in financial assets at FVTPL	5a	377,632	-
Unrealised foreign exchange losses on financial assets at FVTPL	9	67,368	(9,231)
Unrealised foreign exchange losses on derivative financial instruments	10	35,967	-
Net changes in operating assets and liabilities		**(1,101,536)**	**(319,330)**
Taxes paid		(2,944)	-
Unrealised foreign exchange gains on operating balances		(9,740)	-
Increase in trade and other receivables		(12)	(429,851)
Increase in trade and other payables		54,898	65,552
Net cash flow used in operating activities		**(1,059,334)**	**(683,630)**
Cash flows from investing activities			
Acquisition of equity	5a	(927)	(1,706)
Acquisition of CCPs	5a	(431,120)	(795,025)
Acquisition of CCDs	5a	(1,329,154)	(2,451,023)
Net cash flow used in investing activities		**(1,761,201)**	**(3,247,754)**
Cash flows from financing activities			
Proceeds from issuance of shares	7	3,036,307	3,056,295
Payment of dividends	4	(126,935)	(74,605)
Net cash flow generated by financing activities		**2,909,372**	**2,981,690**
Cash and cash equivalents at beginning of the year		**237,074**	**1,186,768**
Increase/(decrease) in cash and cash equivalents		88,837	(949,694)
Cash and cash equivalents at the end of the year	5b	**325,912**	**237,074**

The above statement of cash flows should be read in conjunction with the accompanying notes

Notes to the financial statements *for the year ended 31 December 2019*

1. General Information

a) Overview

ThomasLloyd Cleantech Infrastructure Fund SICAV (the 'Fund') is a closed-ended investment fund domiciled and incorporated as a public company limited by shares (société anonyme) with variable capital (société d'investissement à capital variable) governed by Part II of the Law of 17 December 2010 and qualifying as an undertaking of collective investment of the closed-end variety type within the meaning of the Prospectus Act.

The Fund is governed by an Offering Memorandum, under the Prospectus Act, dated 9 January 2019 and updated as at 31 March 2020. The Fund is registered with the Luxembourg Trade Register (B 212.272).

The Fund was incorporated on 2 January 2017 as a closed-ended fund ending with an end date of no later than 31 December 2024, although the Directors may propose to shareholders to extend by two consecutive one year periods.

The address of the Fund's registered office is 6A, rue Gabriel Lippmann, L-5365 Munsbach, Grand-Duchy of Luxembourg.

The amended articles of incorporation have been registered with the Registre de Commerce et des Sociétés de Luxembourg on 28 December 2018.

b) Objective and purpose

The objective of the Fund is to achieve an attractive return from capital invested in infrastructure assets in areas of Renewable energy, Utilities, Transport, Social infrastructure, Communication or other Infrastructure Assets with a socially and environmentally responsible investment approach that is geared towards sustainable business values.

The Fund will invest in an abroad portfolio of infrastructure assets operated by listed or non-listed publicly or privately owned entities, which in turn own, either directly or indirectly, and develop or operate one or more infrastructure assets.

The Fund has invested in a number of special purpose vehicles indirectly through the acquisition of equities, convertible preference shares or convertible debt securities of SolarArise India Projects Pvt Ltd, which is an investment company with interests in a number of special purpose vehicles or entities involved in the construction, development or operation of solar power plants.

The Fund's investment activities during 2019 were managed by MDO Management Company S.A. (the "AIFM") under the terms and conditions of an AIFM Agreement entered into on 30 June 2017, and in accordance with the AIFM Law, to perform the portfolio management and risk management of the Fund. as at 1 January 2020, Adepa Asset Management S.A. has been appointed to perform the activities of an AIFM.

c) Management of the Fund

The AIFM manages the Fund in accordance with the Offering Memorandum and Luxembourg laws and regulations in the exclusive interest of the Partners. It is empowered, subject to the rules as further set out hereafter, to exercise all the rights attached directly or indirectly to the assets of the Sub-Funds. In accordance with the terms of the AIFM Agreement, the AIFM takes the investment and divestment decisions for the Sub-Funds, in accordance with the terms of the Offering Memorandum and subject to a prior favourable recommendation by the Investment Committee.

In accordance with Article 181 of the Law of 17 December 2010, the Sub-Fund maintains a separate portfolio of assets and undertakes its investment activities in line with its own investment objectives, policies and restrictions. Each Sub-Fund is solely liable vis-à-vis creditors for the debts, commitments and liabilities relating to that Sub-Fund. Between Shareholders, each Sub-Fund is regarded as being separate from the other Sub-Funds.

d) Authorisation of these financial statements for issuance

These financial statements were authorised for issue by the Board of Directors on 25 June 2020.

2. Basis of preparation

The principal accounting policies applied in the preparation of these financial statements are set out below and in the relevant notes to these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

a) Basis of preparation

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union. The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at FVTPL. The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgement in the process of applying the Fund's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3 and further detail is provided in the relevant notes to these financial statements.

The Fund meets the definition of an investment entity under IFRS 10 "Consolidated Financial Statements" as the Fund has raised funds for the purposes of investing and providing investors with professional investment services, the Fund's purpose and objectives have been communicated to investors. As it is therefore an investment entity, any investments, regardless of the concept of control, are either measured, and subsequently remeasured, on a fair value basis and such investments are not consolidated or are indirect investments which are measured at amortised cost, assessing expected credit losses at each balance sheet date.

b) Foreign currency translation

The Fund's investors are mainly from the Eurozone, with the subscriptions of shares denominated predominantly in Euro. The primary activity of the Fund is to invest in unlisted debt or equity securities issued by unlisted companies involved in the development, construction or operation of sustainable renewable energy infrastructure assets in emerging markets. The performance of the Fund is measured and reported to the investors in Euro, although summarised in other currencies attaching to the relevant currency denominated share classes. The Board of Directors considers the Euro as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Euro, which is the Fund's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the statement of financial position date. Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Foreign exchange gains and losses relating to the financial assets carried at fair value through profit or loss ("FVTPL") are presented in the statement of comprehensive income within "Unrealised foreign exchange gains on financial assets". Further details on the accounting policies in relation to financial assets at FVTPL are contained in note 5a).

For the years ended 31 December 2018 and 2019, the following rates were utilised in relation to significant foreign currency balances:

	2019	2018
	Closing	**Closing**
EUR:INR	EUR1:INR 80.1376	EUR 1:INR 79.8280

Critical judgements – Functional currency – The Board of Directors considers that the Euro the currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The Euro is the currency in which the Fund measures its performance and reports its results, as well as the currency in which it receives the majority of its subscriptions from its investors. This determination also considers the competitive environment in which the Fund operates in and makes a comparison to other European investment products and Funds. The functional currency assessment is reviewed on a monthly basis to assess the subscriptions received in light of investments made and to be made.

c) Standards and amendments to existing standards effective 1 January 2019

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2019 that have a material effect on the financial statements of the Fund.

d) New standards, amendments and interpretations effective after 1 January 2020 and have not been early adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

e) Going concern

The Board of Directors of the Fund is of the opinion that the Fund will continue in operation as a going concern and that the Fund's liquidity is sufficient for it to be able to meet its obligations as and when they fall due, in the normal course of business, for at least twelve months from the date of approval of the financial statements. While it is noted that the Fund has net current liabilities of €128,012, this includes liabilities of €360,485 which are subscriptions received and not converted to equity until the publishing of the December 2019 NAV which occurs within ten business days following the year end. Excluding these subscriptions received as these represent future equity, the Fund has a net current asset position of €232,383, which supports the Board of Directors assessment that the Fund is a going concern.

3. Critical accounting estimates and judgements

The preparation of financial statements in compliance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Fund's accounting policies. The areas, involving a higher degree of judgment or complexity and where assumptions and estimates are significant to the financial statements. A summary of such estimates and judgements is set out below with further detail available in the relevant note to these financial statements.

a) Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities are as follows:

- Fair value of securities not quoted in an active market – see note 5a.

b) Critical judgements

- Functional currency – see note 2b.

4. Distributions to shareholders

Distributions of net assets attributable to the shareholders and repayment of funded committed capital, if any, are shown in the statement of changes in net assets attributable to the shareholders.

Proposed distributions to shareholders of distribution share classes are recognised in the statement of changes in net assets when they are appropriately authorised and no longer at the discretion of the Fund. This typically occurs when proposed distribution is ratified via board resolutions.

During 2019, distributions of €196,546 have been proposed and authorised of which €69,610 are accrued at 31 December 2019 and subsequently paid in January 2020. In the year ended 31 December 2018, €74,605 distributions were proposed and paid.

5. Financial assets

The Fund classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through OCI or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the entity’s business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will be recorded either in profit or loss or in OCI. For investments in equity instruments that are not held for trading, this will depend on whether the group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI). The group reclassifies debt investments when and only when its business model for managing those assets changes.

€	2019	2018
Financial assets		
Financial assets at fair value through profit or loss (“FVTPL”)		
Investments in equity and debt securities (note 5a)	5,011,918	3,331,747
Financial assets at amortised cost		
Other receivables and prepayments (note 5b)	543,482	543,470
Cash and cash equivalents (note 5c)	325,912	237,074
Total financial assets	**5,881,312**	**4,112,291**

a) Investments in equity and debt securities – financial assets held at FVTPL

Classification – Investments in equities, preference shares and debt securities

The Fund classifies direct investments in equities, preference shares and debt securities based on both the Fund’s business model for managing these financial assets and the contractual cash flow characteristics of these financial assets. The portfolio of financial assets is managed and its performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets’ performance and to make decisions.

The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income.

The contractual cash flows of the Fund’s direct investments in these debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund’s business model’s objective. Consequently, these direct investments are measured at FVTPL.

The Fund’s policy requires the Investment Advisor and the Board of Directors to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

Recognition, de-recognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Fund commits to purchase or sell the investment. This is generally the settlement date. Financial assets at FVTPL are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

Financial assets 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.

Subsequent to initial recognition, all financial assets at FVTPL are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets at FVTPL' category are presented in the statement of comprehensive income within "Unrealised foreign exchange gains on financial assets" in the period in which they arise.

Interest on debt securities at FVTPL is recognised in the statement of comprehensive income in "Interest from financial assets at FVTPL."

Fair value estimation of direct investments

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

The fair value of financial assets that are in relation to unlisted debt or equity securities, which are not traded in an active market, is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent ordinary transactions between market participants, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

The fair value of such securities not quoted in an active market may be determined by the Fund using reputable pricing sources (such as pricing agencies) or indicative prices from bond/debt market makers. Where no market data is available, the Fund may value positions using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry, specifically taking into account the International Private Equity and Venture Capital Valuation guidelines, recommendations and best practices. The inputs into these models are primarily earning multiples and discounted cash flows. The models used to determine fair values are validated and reviewed by experienced personnel at an independent valuation firm.

The models used for debt securities are based on net present value of estimated future cash flows, adjusted as appropriate for liquidity, and credit and market risk factors.

Critical accounting estimates and assumptions – The fair value of such securities not quoted in an active market may be determined by the Fund using its own models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. In assessing the valuation of the below assets, we considered the following valuation approaches: income method, market approach method, comparable transaction method and net asset value method. It was concluded that the income approach was the most relevant as the value of investments is influenced by many factors, including contractual terms, and the income approach allows stress testing to key value drivers.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require management to make estimates. Changes in assumptions about these factors could affect the reported fair value of financial instruments. The sensitivity to unobservable inputs is based on management's expectation of reasonable possible shifts in these inputs, taking into consideration historical volatility and estimations of future market movements.

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

€	2019	2018
Investments in equity and debt securities		
Equity securities	2,376	1,711
CCPs	1,106,198	797,282
CCDs	3,815,872	2,457,992
Capitalised legal costs related to acquisition of investments	87,472	74,762
Total financial assets at FVTPL	**5,011,918**	**3,331,747**
Included in the above fair values is the following:		
Accrued interest on CCDs (note 8)	351,260	-
Unrealised foreign exchange losses on financial assets (note 9)	(67,368)	(9,231)
Other net changes in financial assets at FVTPL	(377,632)	-

As at 31 December 2018, the Fund had invested in ordinary share capital, compulsory convertible preference shares (“CCPs”) and compulsory convertible debentures (“CDDs”) of SolarArise India Projects Pvt. Ltd (“SolarArise”).

During the year ended 31 December 2019, the Fund completed three additional purchases of ordinary share capital, CCPs and CCDs of SolarArise. The first tranche of 2019 (“Tranche 1” or “1” was completed in May 2019, the second or “2” in July 2019 and the third “3” in December 2019). The following table sets out details of the tranches acquired during 2019:

Holding at 31 December	Equity	CCPs	CCDs	Total in INR	Total in EUR
1 – units	441	20,606	63,528		
1 – acquisition price	INR 29,216	INR13,651,475	INR 42,087,300	INR 55,767,991	€716,904
2 – units	248	11,513	35,496		
2 – acquisition price	INR 16,430	INR 7,627,363	INR 23,516,100	INR 31,159,893	€405,253
3 – units	398	18,408	56,752		
3 – acquisition price	INR 26,368	INR 12,195,300	INR 37,598,200	INR 49,819,868	€639,044
2018 – total units	2,062	96,069	296,176		
2019 – total units	**3,149**	**146,596**	**451,952**		

SolarArise has utilised the proceeds of the above investment for the acquisition of land prior to initiating the construction solar project in Uttar Pradesh, India and further financing for a further solar project in Maharashtra, India, which commenced construction in 2018.

Equity securities – Represents 3,149 ordinary shares of 10 INR face value represent a 8.31% shareholding in SolarArise. The ordinary shares have voting rights and are unencumbers.

CCPs – Represents 146,596 compulsory convertible preference shares. The shares have a compulsory convertibility option into ordinary shares at the eight-year anniversary from the investment date, with a 1 CCP to 10 ordinary shares conversion ratio. These are non-voting shares.

CCDs – Represents 451,952 compulsory convertible debt securities. The CCDs have a compulsory convertibility option into ordinary shares at the eight-year anniversary from the investment date, with a 1 CCD to 10 ordinary shares conversion ratio. The CCD also accrues interest at the lower of 11.75% per annum or the highest rate permissible under applicable laws.

Significant inputs and the impact they could have on fair values are disclosed below:

Significant unobservable inputs	Inputs	Relationship of unobservable inputs to fair value
Discount rate	12.1% – 14.1%	An increase in the discount rate used in isolation would result in a decrease to the fair value. If the discount rate used was 0.5% higher while all other variables were held constant, the fair value of the investments would decrease by €50,000.
EBITDA margin	80 – 90%	An increase in the long-term margin used in isolation would result in an increase in fair value.

b) Other receivables and prepayments

€	2019	2018
Prepaid initial charges	426,917	288,095
Investor subscriptions	-	133,072
Other prepayments	16,565	17,218
Total other receivables and prepayments	**443,482**	**438,385**

Prepaid initial charges relate to expenses payable to a related party and are calculated as a percentage of the amount of total subscriptions invested, at the date of commitment. Such fees are amortised over the remaining term of the fund and recognised in the Statement of comprehensive income as “Initial charges.”

c) Cash and cash equivalents

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

€	2019	2018
Cash at bank	**325,912**	**237,074**

6. FINANCIAL LIABILITIES

This note provides information about the group’s financial instruments, including:

- an overview of all financial instruments held by the Fund;
- specific information about each type of financial instrument; and
- accounting policies

All financial liabilities are held at amortised cost and are designated as current, being payable within 12 months.

a) Amounts receivable and payable to related parties

€	Type	2019	2018
ThomasLloyd Group Limited	Operating balances	100,000	100,000
Total amounts receivable from related parties		**100,000**	**100,000**
ThomasLloyd Global Asset Management (Schweiz) AG	Management fee	(39,516)	-
MDO Management Company S.A.	Management fee	(12,500)	(37,500)
MDO Management Company S.A.	Risk Advisory fee	(2,500)	(10,500)
ThomasLloyd Global Asset Management GmbH	Placement fee	(1,930)	(34,388)
ThomasLloyd Global Asset Management (Schweiz) AG	Initial charges	14,655	(318,661)
ThomasLloyd Global Asset Management (Schweiz) AG	Operating balances	(128,168)	-
ThomasLloyd Cleantech Infrastructure Holding GmbH	Operating balances	(81,269)	-
Total amounts payable to related parties		**(251,228)**	**(401,049)**

b) Other payables and accrued expenses

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

€	2019	2018
Administrative, domiciliation and transfer agent fees	112,361	31,757
Legal, audit and professional fees	118,666	250
VAT payable	7,514	6,001
Accrued expenses	6,500	37,087
Subscription tax	642	363
Withholding taxes payable	34,523	-
Total other payables and accrued expenses	**280,206**	**75,459**

c) Derivative financial instruments

Derivative financial instruments are initially recognised at fair value on the date the contract is entered into and are subsequently re-measured at fair value at each reporting date. The method of recognising the gains and losses depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the hedged item. While providing effective economic hedges under the Fund's risk management policies, certain derivatives are not designated as hedging instruments according to IFRS 9 "Financial Instruments". They are classified as held for trading and the changes in the fair value are immediately recognised within the statement of comprehensive income. Derivatives not designated for hedge accounting are classified as a current asset or liability.

In 2019, the Fund has a number of investments denominated in currencies other than euro, being the investment in SolarArise. Additionally unhedged non-euro currency exposure of the underlying assets of the Fund should not exceed 30% of the subscriptions to the Fund, less initial charges.

The Fund has entered into foreign exchange forwards to comply with its policy of not having more than 30% non-euro currency exposure unhedged. At 31 December 2019 the forward contract hedges €3.125m INR equivalent to be settled on 1 June 2020 at a strike price of 83.2INR:1€ Hedge accounting has not been applied and therefore the mark-to-market impact is recorded in the statement of comprehensive income. For the year ended 31 December 2019, the impact of these derivatives was an unrealised loss of €35,967 and a realised loss of €319,541 as the INR depreciated against the Euro. The Group's financial derivative counterparties may require margin calls should its mark-to-market exceed a pre-agreed contractual limit.

In order to protect from the potential margin calls for significant market movements, the Group holds a liquidity buffer in cash and monitors margin requirements on a monthly basis for adverse movements in the INR in comparison to the Euro. At 31 December 2019, the margin requirement related to foreign exchange hedges was €3,059.

7. Share capital and net assets attributable to shareholders

The Fund has in issue two classes of shares, which are available either as accumulation shares or distribution shares.

Both classes of shares are available in EUR, GBP, USD, CHF, CZK, AUD, JPY and SGD.

Both share classes are redeemable at the end of the term of the Fund. Each class have identical rights other than distributing shares are entitled to distributions quarterly.

The net asset value per share of each share class is determined in the reference currency of the relevant share class as at each valuation day by dividing the net assets properly allocated to each share class by the total number of shares of such share class then outstanding. The net assets of a share class consist of the value of the total assets properly allocated to such share class less the total liabilities properly allocated to such share class, calculated as at each valuation date, being the last business day of the month.

See the statement of changes in net assets for the NAV by share class.

8. Interest income

Interest from financial assets at FVTPL represents interest from investments in debt securities, being the compulsory convertible debt securities.

Where withholding taxes apply, the relevant withholding tax charge recorded in within the "Other operating expenses" in the statement of comprehensive income

€	2019	2018
Interest from financial assets at FVTPL	**351,260**	-

Interest from financial assets at FVTPL is accruing on INR 299.4 million at 11.75%.

9. Unrealised foreign currency gains or losses on financial assets at FVTPL

€	2019	2018
Unrealised foreign currency (losses)/gains – Financial assets at FVTPL	**(67,638)**	**9,231**

See note 5a for further information on investments.

10. Foreign currency losses on derivative financial instruments

€	2019	2018
Unrealised foreign currency losses	(35,967)	-
Realised foreign currency losses	(319,541)	-
Total foreign currency losses on derivative financial instruments	**(355,508)**	**-**

11. Other operating expenses

€	2019	2018
Audit fees	102,453	29,107
Legal fees	120,857	4,184
Valuation fees	56,359	-
Other professional and consulting fees	62,650	34,908
Director fees	22,577	-
Other operating expenses	1,760	28,757
Foreign exchange	(9,740)	(9,510)
Withholding tax on interest	35,157	-
Total other operating expenses	**392,072**	**87,446**

12. Taxation

The Fund is domiciled in Luxembourg. Under the current laws of Luxembourg, there is no income tax, corporation or capital gains tax payable by the Fund, although the Fund is liable for a subscription tax *(taxe d'abonnement)* of 0.05% per annum of its assets. Such tax is payable quarterly and calculated on the Net Asset Value at the end of the relevant quarter. No stamp duty or other tax is payable in Luxembourg on the issue of Interests in the Fund.

Additionally the Fund will incur withholding taxes in future periods in relation to interest income on the investments in SolarArise in December 2019. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income.

€	2019	2018
Subscription tax	**2,944**	**690**

13. Financial risks

The Fund's activities expose it to a variety of financial risks: market risk (including currency risk, fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk.

The Fund's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund's policy allows it to use derivative financial instruments to both moderate and create certain risk exposures.

All securities investments present a risk of loss of capital. The maximum loss of capital on purchased options, long equity and debt securities is limited to the fair value of those positions. On written call options, short future positions and on equity and debt sold short, the maximum loss of capital can be unlimited. The maximum loss of capital on written put options, long futures and forward currency contracts is limited to the notional contract values of those positions.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

Market risk

(i) Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the euro, the functional currency. Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities.

The Fund has entered into certain foreign exchange transactions with the aim of managing its exposure to certain foreign exchange movements in line with requirements in the Prospectus.

When the Investment Advisor formulates a view on the future direction of foreign exchange rates and the potential impact on the Fund, the Investment Advisor factors that into its portfolio allocation decisions. While the Fund has direct exposure to foreign exchange rate changes on the price of non-euro-denominated securities, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of certain companies in which the Fund invests, and therefore the below sensitivity analysis may not necessarily indicate the total effect on the Fund's net assets attributable to shareholders of future movements in foreign exchange rates.

The tables below summarise the Fund's assets and liabilities, monetary and non-monetary, which are denominated in a currency other than the euro:

2019 – In €	EUR	USD	CHF	INR	Total
Financial assets held at FVTPL	87,472	-	-	4,924,446	5,011,918
Amounts receivable from related parties	100,000	-	-	-	100,000
Other receivables	443,482	-	-	-	443,482
Cash and cash equivalents	21,546	93,533	210,833	-	325,912
Total assets	**652,500**	**93,533**	**210,833**	**4,924,446**	**5,881,312**
Amounts payable to related parties	251,228	-	-	-	251,228
Other payables and accrued expenses	280,206	-	-	-	280,206
Derivative financial instruments	-	-	-	35,697	35,697
Advances from shareholders	360,485	-	-	-	360,485
Distributions payable	69,610	-	-	-	69,610
Total net assets/(liabilities	**(309,029)**	**93,533**	**210,833**	**4,888,479**	**4,883,816**
% of NAV	(6%)	2%	4%	100%	

2018 – In €	EUR	USD	CHF	INR	Total
Financial assets held at FVTPL	74,763	-	-	3,256,984	3,331,747
Other receivables	410,938	-	133,072	-	543,470
Cash and cash equivalents	228,337	-	8,737	-	237,074
Total assets	**713,498**	**-**	**141,809**	**3,256,984**	**4,112,291**
Other liabilities	476,508	-	133,072	-	609,580
Total net assets/(liabilities	**236,990**	**-**	**8,737**	**3,256,984**	**3,502,711**
% of NAV	7%	-	0%	93%	

In accordance with the Fund's policy, the Investment Advisor monitors the Fund's monetary and non-monetary foreign exchange exposure on a daily basis, and the Board of Directors review it on a quarterly basis.

The sensitivity analysis to the Fund's exposure to fluctuations in foreign exchange rate is based on the assumptions that the relevant foreign exchange rate increased/decreased by a reasonable percentage, with all other variables held constant. A 5% fluctuation represents management's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

As at 31 December 2019, had the INR strengthened by 5% in relation to the Eurp, net assets and profit would have increased by €232,784 (2018: €171,420). A 5% weakening of the INR against the Euro would have decreased net assets and profit by €257,288 (2018: €155,094).

(ii) Price risk

The Fund is exposed to equity securities price risk and derivative price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments – for example, equity securities – are denominated in currencies other than the Euro, the price initially expressed in foreign currency and then converted into Euros will also fluctuate because of changes in foreign exchange rates.

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Board of Directors. No more than 50% of the Fund's net asset value is to be invested in any single country.

The Fund's policy also limits individual equity securities to no more than 30% of net assets attributable to shareholders.

(iii) Cash flow and interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Fund has invested in CCDs that generate fixed interest cash flows. Additionally the Fund holds cash at bank, which has a maturity of less than one year. Therefore, the Fund's exposure to interest rate risk is limited.

Liquidity risk

Liquidity risk is the risk that the Fund may not be able to generate sufficient cash resources to settle its obligations in full as they fall due.

The Fund could be exposed to cash redemptions of shares through its business model of investing in debt or equity securities that are not actively traded on a stock exchange. As a result, the Fund may not be able to liquidate quickly its investments in these instruments at an amount close to their fair value to meet its liquidity requirements, or be able to respond to specific events such as deterioration in the creditworthiness of any particular issuer.

In order to manage the Fund's overall liquidity, the Fund also has the ability to withhold redemption requests. Under extraordinary circumstances, the Fund has the ability to suspend redemptions if this is deemed to be in the best interest of all shareholders. The Fund did not withhold any redemptions or implement any suspension during 2019 and 2018.

Credit risk

The Fund is exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The main concentration to which the Fund is exposed arises from the Fund's investments in debt securities. The Fund is also exposed to a lesser extent, to counterparty credit risk on cash and cash equivalents, loans and other receivables balances.

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss.

The Fund's policy is to minimize credit risk by entering into transactions only with leading financial institutions and reputable industrial companies. Any idle funds pending investment or distribution may temporarily be invested in money market instruments and other liquid assets at the discretion of the AIFM. Any such temporary investments must be placed with reputable rated institutions such as Quintet Private Bank (Europe) S.A., Luxembourg.

Capital risk management

The capital of the Fund is represented by the net assets attributable to shareholders. The amount of net assets attributable to shareholders can change on a monthly basis, as the Fund is subject to subscriptions and redemptions at the discretion of shareholders, as well as changes resulting from the Fund's performance. 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 shareholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund. In order to maintain the capital structure, the Fund's policy is to perform the following:

- Monitor the level of subscriptions and redemptions
- Redeem and issue new shares in accordance with the constitutional documents of the Fund, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

The Board of Directors and Investment Advisor monitor capital on the basis of the value of net assets attributable to redeemable shareholders.

Fair value estimation

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the year-end date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The fair value of financial assets and liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each year end date. Valuation techniques used for non-standardised financial instruments such as options, currency swaps and other over-the-counter derivatives, include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, option pricing models and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

For instruments for which there is no active market, the Fund may use internally developed models, which are usually based on valuation methods and techniques generally recognised as standard within the industry. Valuation models are used primarily to value unlisted equity, debt securities and other debt instruments for which markets were or have been inactive during the financial year. Some of the inputs to these models may not be market observable and are therefore estimated based on assumptions. The output of a model is always an estimate or approximation of a value that cannot be determined with certainty, and valuation techniques employed may not fully reflect all factors relevant to the positions the Fund holds. Valuations are therefore adjusted, where appropriate, to allow for additional factors including model risk, liquidity risk and counterparty risk.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund for similar financial instruments.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All of the Fund's assets and liabilities measured at fair value are measured at level 3 of the fair value hierarchy as they are unlisted assets and liabilities, with no existing market for trading. There have been no movements between levels in the financial year (2018: none). Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include private equity and corporate debt securities. As observable prices are not available for these securities, the Fund has used valuation techniques to derive the fair value.

Level 3 valuations are reviewed on a monthly basis by an independent valuer and the Investment Advisor's valuation team who report to the Board of Directors on a monthly basis. The appropriateness of the valuation model inputs, as well as the valuation result using various valuation methods and techniques generally recognised as standard within the industry, is assessed regularly.

14. Related party transactions

Expenses are accounted for on an accrual basis and are recognised in the statement of comprehensive income in the period to which they relate.

Transactions with related parties during 2019 and 2018 were as follows:

€	Transaction type	2019	2018
ThomasLloyd Global Asset Management (Schweiz) AG	Management fees	(39,516)	-
ThomasLloyd Global Asset Management (Schweiz) AG	Initial Charges	(118,118)	(27,894)
MDO Management Company S.A.	Management Fees	(50,000)	(37,500)
MDO Management Company S.A.	Risk Management	(10,000)	(10,500)
Adepa Asset Management S.A.	Admin and Domiciliary Fees	(115,347)	(96,277)

Amounts receivable from and payable to related parties are disclosed in note 6a.

Management fees – The Fund pays a management fee to the AIFM and also to the Investment Advisor, with remittance to the Investment Advisor through the AIFM. The Management fee is paid monthly in arrears and is calculated at 1.8% of monthly NAV

Initial charges – The Fund pays initial charges to the Investment Advisor, at a rate of up to 13.8% of the amounts subscribed. These amounts may be amortised over the life of the Fund.

Performance fees – The Fund also may pay an annual performance fee to the Investment Advisor. This performance fee is calculated on the basis of the Fund's net asset value at the 31 December less the net asset value at the end of the previous year, before deducting the performance fee. The performance fee is 20% of the return of the current year, expressed as a percentage of net asset value of the previous year. No performance fee is due if the current year net asset value is less than the net asset value of the previous year or the highest net asset value on which a performance fee has been paid in the past. No performance fee was paid or payable as at 31 December 2019 (2018: nil).

15. Events after the balance sheet date

There have been no reportable events after the balance sheet date, other than as described below:

- The COVID-19 outbreak has developed rapidly in 2020, with a significant number of infections. Measures taken to contain the virus have affected economic activity globally. Measures to prevent transmission of the virus include limiting the movement of people, restricting flights and other travel, temporarily closing businesses and schools, and cancelling events. This will have an immediate impact on businesses such as affecting supply chains and the production of goods throughout the world and lower economic activity is likely to result in reduced demand for energy. Additionally the current situation may delay investment decisions, with subscriptions to the Fund either halting or being lower than expected. The Directors' continue to monitor the ongoing situation closely and do not view it as a risk to the going concern assumption in the next 12 months. As at 31 May 2020, the Fund's reported NAV is €5.1 million.
- The Fund has entered into an agreement to subscribe for up to €50 million of preference shares in a related party entity, ThomasLloyd CTI Asia Holdings Pte Ltd over the life of the Fund. At 18 June 2020, the Fund has invested €1.53m in preference shares.
- As at 31 May 2020 the Fund has settled the outstanding foreign exchange forward and entered into a 12 month forward instrument to buy the Euro equivalent of INR 260 million at a forward rate of 90INR:1€.

16. Information for shareholders (unaudited)

Remuneration of the members of the AIFM

The AIFM has adopted a remuneration policy pursuant to applicable laws and regulations with the objective to ensure that its remuneration structure is in line with its interests and those of the collective investment schemes it manages and to prevent risk-taking which is inconsistent with the risk profiles, rules or articles of incorporation or management regulations of the collective investment schemes it manages.

Details of the remuneration policy of the AIFM, including the persons in charge of determining the fixed and variable remunerations of staff, a description of the key remuneration elements and an overview of how remuneration is determined, is available at https://www.mdo-manco.com/en/about-mdo/legal-documents.

With respect to the financial year ended 31 December 2019 (as of that date, the AIFM had a headcount of 63 employees), the total fixed and variable remuneration paid by the management company to its employees amounted to €4,752,158 and to €1,180,144 respectively. The total remuneration paid by the AIFM to senior management and members of its staff whose actions have a material impact on the risk profile of the collective investment schemes managed amounted to €3,232,370. The remuneration committee of the AIFM has reviewed the implementation of the remuneration policy and has not identified any deficiency in that respect. Moreover, the current version of the remuneration policy was updated and approved by the board of directors in the course of the financial year ended 31 December 2019, the current version being dated July 2019.

Material Changes

There were no material changes during the year ended 31 December 2019. Note that as of 1 January 2020, the Fund has appointed ADEPA Asset Management S.A. to perform the duties of the AIFM.

Risk Management Systems

All risks relevant to the portfolio of the AIF (and its sub-funds as the case may be) derived from assets and financial instruments held or invested into are appropriately identified according to market standard practices, in accordance to the risk management process and risk management policy of the AIFM. The AIFM has put in place different risk managements systems to, in an appropriate manner, depending on the asset classes identified by the AIFM, measure and monitor the different risks to which the AIF and its sub-funds may be exposed to, and as part of the risk management practices, regular reporting is prepared illustrating key risk metrics, in line with methodologies which are appropriate for the type of investments the AIF and its sub-funds may be exposed to. Furthermore, stress tests are performed and regular investment compliance checks are conducted with regards to the legal investment restrictions as well as any relevant restrictions of the offering documents. All key risk and potential issues are reported to the Board of the AIF.

Liquidity

The AIFM maintains a liquidity risk management procedure intended to allow the monitoring of the Fund’s liquidity profile. None of the Fund’s assets are subject to special arrangements arising from their illiquid nature. In the event this changes, the Board of the Fund or the AIFM will inform all Shareholders of the percentage of the Fund’s assets that are subject to special arrangements through appropriate disclosure at least annually or sooner if required by the applicable law.

Leverage

In accordance with the AIFM Regulation leverage is any method which increases the Fund’s exposure, including the borrowing of cash and the use of derivatives. It is expressed as a percentage of a Fund’s exposure to its net asset value and is calculated on both a gross and commitment method.

Under the gross method, exposure represents the sum of a Fund’s positions (including all holdings) after deduction of cash balances and cash equivalents, without taking account of any hedging or netting arrangements. Under the commitment method, exposure is calculated without the deduction of cash balances and cash equivalents and after certain hedging and netting positions are offset against each other if applicable.

As at 31 December 2019, the total amount of leverage calculated according to the gross method and according to the commitment method amounts to 167.26% and 41.07% respectively.