

Company Number 630060

**HFMX DESIGNATED ACTIVITY
COMPANY**

**DIRECTORS' REPORT
AND
AUDITED FINANCIAL
STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2024**

CONTENTS

Directors and Other Information.....	2-3
Directors' Report.....	4-6
Auditors' Report.....	7-13
Statement of Comprehensive Income.....	14
Statement of Financial Position.....	15
Statement of Changes in Equity.....	16
Statement of Cash Flows.....	17
Notes to the Financial Statements	18-40

HFMX DESIGNATED ACTIVITY COMPANY

DIRECTORS AND OTHER INFORMATION

Directors	Neil Fleming John Dunphy
Company Secretary, Registered Office and Corporate Service Provider	Verita Corporate Services Limited 116 Mount Prospect Avenue Clontarf Dublin 3 Ireland
Company Number	630060
Independent Auditor	Baker Tilly Ireland Audit Limited (Chartered Certified Accountants and Statutory Audit Firm) Penthouse Floor 5 Lapps Quay Cork Ireland
Banker, Issue Agent and Principal Paying Agent (All Series)	The Bank of New York Mellon - London Branch One Canada Square London E14 5AL United Kingdom
Placing Agent, Back Office Agent, Broker Dealer of Record or Charged Asset Realisation Agent (where appointed and as set out in the Series Memorandum)	GWM LTD Cumberland House, 7th Floor 1 Victoria Street Hamilton HM 11 Bermuda
Arranger, Charged Assets Realisation Agent or Programme Co-Ordinator (where appointed and as set out in the Series Memorandum)	FlexFunds LTD 4th Floor, Harbour Place 103 South Church Street P.O. Box 10240 Grand Cayman Cayman Islands

DIRECTORS AND OTHER INFORMATION

Calculation Agent (All Series)
Programme Coordinator (where
appointed and as set out in the Series
Memorandum)

FlexFunds ETP, LLC
1221 Brickell Ave
Suite 1500
Miami
Florida 33131
USA

Trustee

Intertrust Trustees Limited
10th Floor, 5 Churchill Place
London E14 5HU
United Kingdom

Legal Advisers

Irish law (All Series):
Mason Hayes & Curran
South Bank House
Barrow Street
Dublin 4
Ireland

Panamanian law (Series 231):
Alfaro, Ferrer & Ramírez
Avenida Samuel Lewis
P.H. Edificio AFRA
Calle 54 Este
Panamá

DIRECTOR'S REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The Directors present their report and audited financial statements for the year ended 31 December 2024 for HFMX Designated Activity Company (the "Company").

Directors and secretary and their interests

The names of the persons who were directors at any time during the financial year ended 31 December 2024 are set out below:

Neil Fleming
John Dunphy

Verita Corporate Services Limited served as secretary for the full financial year.

The Directors and their immediate relatives and the Company secretary did not hold an interest in any shares of the Company as at 31 December 2024 or at any time during or since the financial year end.

Relevant Audit Information

The Directors believe that they have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the Company's statutory auditors are aware of that information. In so far as the Directors are aware, there is no relevant audit information of which the Company's statutory auditors are unaware.

Accounting Records

The Directors believe that they have complied with the requirements of Sections 281 to 285 of the Companies Act 2014 in relation to the keeping of adequate accounting records. In fulfilling these responsibilities, the Company engaged a service provider with appropriate expertise and ensured that adequate resources were available to the finance function. The books of account of the Company are maintained at 116 Mount Prospect Avenue, Clontarf, Dublin 3..

Principal activities, review of the business and future developments

The Company is a special purpose vehicle incorporated in Ireland on 10 July 2018 with registration number 630060. The principal activity of the Company is the issue of series of Notes (the "Notes") under its EUR 5,000,000,000 Secured Note Programme. The proceeds from the Notes have been used to fund the acquisition of certain specified assets, as described in the relevant Series Memorandums. The Notes are limited recourse and amounts payable in respect of each Series of Notes are met solely from the available proceeds generated from the related assets. The Notes are listed on the third market of the Vienna Stock Exchange.

The Company continued to issue new Series of Notes during the financial year and subsequently. The Directors do not envisage any changes to principal activities of the Company for the foreseeable future.

Results

The Statement of Comprehensive Income is set out on page 14 and shows profit for the financial year after taxation of US\$518 (2023: US\$ 497).

Financial key performance indicators

The financial key performance indicators used by management to monitor the Company's performance during the year include:

- maintenance fee revenue,
- total asset value,
- the level of Notes outstanding (by Series), and related cash flows.

Dividends

The Directors have not recommended a dividend payment for the financial year ended 31 December 2024 (2023: US\$Nil).

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Going Concern

The Directors have prepared the financial statements on a going concern basis. The Directors have assessed the Company's ability to continue as a going concern and consider the going concern basis of accounting to be appropriate. Further information is set out in Note 3 to the financial statements.

Principal risk and uncertainties

The financial risk management objectives and policies of the Company and the exposure of the Company to market, credit and liquidity risks are discussed in detail in Note 21 to the financial statements.

Subsequent events

Details of subsequent events are included in Note 24.

Political donations

The Electoral Act, 1997 (as amended by the Electoral Amendment Political Funding Act, 2012) requires companies to disclose all political donations over €200 in aggregate made during a financial period. There have been no political donations during the financial year ended 31 December 2024 (2023: US\$ Nil).

Independent auditor

Baker Tilly Ireland Audit Limited (Chartered Certified Accountants and Statutory Audit Firm) has indicated its willingness to continue in office in accordance with section 383 (2) of the Companies Act 2014.

DIRECTOR'S REPORT (CONTINUED) FOR THE YEAR ENDED 31 DECEMBER 2024

Statement of directors' responsibilities with regard to the financial statements

The Directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and applicable law.

Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Company and of its profit or loss for that period. In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the European Union;
- assess the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and enable them to ensure that its financial statements comply with the Companies Act 2014. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a directors' report that complies with the requirements of the Companies Act 2014.

On behalf of the Board

Neil Fleming

Neil Fleming

Director

5 March 2026

John Dunphy

John Dunphy

Director

5 March 2026

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HFMX DESIGNATED ACTIVITY COMPANY

Report on the audit of the financial statements

Opinion

We have audited the financial statements of HFMX Designated Activity Company “(the ‘Company’)” for the year ended 31st December 2024. The financial statements that we have audited comprise:

- the Statement of Comprehensive Income
- the Statement of Financial Position
- the Statement of Changes in Equity
- the Statement of Cash Flows, and
- Notes 1 to 26 of the financial statements, including significant accounting policies.

The financial reporting framework that has been applied in the preparation of the company’s financial statements is International Financial Reporting Standards (IFRS’) as adopted by the European Union (EU’) and the provisions of the Companies Act 2014 (as amended).

In our opinion the financial statements:

- give a true and fair view of the state of the Company’s affairs as at 31st December 2024 and of the Company’s profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (‘IFRS’) as adopted by the European Union (‘EU’), and
- have been prepared in accordance with the requirements of the Companies Act 2014.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard for Auditors (Ireland) issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

Our evaluation of the Directors’ assessment of the Company’s ability to continue to adopt the going concern basis of accounting included:

- Considering the Company’s business model as a Section 110 investment vehicle, including the limited recourse and non-petition features and the segregation of assets and liabilities by Series.
- Evaluating how identified risks (including collateral performance, counterparty default, market disruption and operational/ service provider risk) could impact the Company’s ability to meet liabilities as they fall due, having regard to the priority of payments.
- Assessing the Directors’ evaluation of the Company’s liquidity, including review of expected cash flows, expected timing of receipts from collateral and expected outflows (including interest, fees and note redemptions) for the relevant period.
- Considering relevant covenants and structural triggers in the programme documentation (for instance, enforcement events, early redemption provisions) and whether any were breached or expected to be breached in the assessment period.
- Reading available evidence up to the date of our report for events that may impact going concern (for example, defaults, enforcement actions, material valuation movements or cessation/ replacement of key service providers).

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company’s ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HFMX DESIGNATED ACTIVITY COMPANY

Overview of our audit approach

Scope	Our audit was scoped by obtaining an understanding of the Company and its environment, including the Company's system of internal control, and assessing the risks of material misstatement in the financial statements. We also addressed the risk of management override of internal controls, including assessing whether there was evidence of bias by the directors that may have represented a risk of material misstatement.		
Materiality	2024	2023	
Overall Materiality	€2,402,856	€1,246,792	0.5% (2023: 0.5%) of gross assets

Key Audit Matters

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

(1) Valuation of financial assets measured at fair value (including Level 1 & Level 3) and the corresponding fair value of note liabilities

Key audit matter description The Company holds significant financial assets measured at fair value through profit or loss ("FVTPL") and issues corresponding notes, largely measured at FVTPL, that are intended to economically match the collateral assets by Series.

As at 31 December 2024, financial assets at FVTPL totalled approximately **USD 216 million** and financial liabilities at FVTPL totalled approximately **USD 221 million**.

A substantial portion of these balances are classified within **Level 1 & Level 3** of the fair value hierarchy (i.e. fair value measurements using significant unobservable inputs), increasing estimation uncertainty and judgement. Note 22 of the financial statements describe the valuation approach and the fair value hierarchy and include a reconciliation of Level 1 & Level 3 movements during the year, including additions, disposals and fair value gains/(losses) recognised in profit or loss.

Accordingly, there is an increased risk that the fair values attributed to these positions may be materially misstated due to the subjectivity of key inputs and assumptions and that related disclosures (including sensitivity and Level 1 & Level 3 roll-forward information) may be incomplete or inaccurate.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HFMX DESIGNATED ACTIVITY COMPANY

How the scope of our audit responded to the key audit matter	<p>Our procedures included, among others:</p> <ul style="list-style-type: none">• Obtaining an understanding of the Company's valuation process (including the role of the Calculation Agent and Portfolio Managers) to identify and assess risks of material misstatement and to design audit procedures responsive to those risks.• For a sample of Series and underlying collateral positions (selected on a risk basis):<ul style="list-style-type: none">○ agreeing the existence of the collateral to independent custodian statements, broker statements and other third-party confirmations.○ evaluating the valuation methodologies applied and the key inputs used for Level 1 & Level 3 positions (for example, NAV-based valuation) assessing whether these were consistent with the Company's accounting policy and applied consistently between periods;○ where valuations relied on third-party information, assessing the competence and objectivity of the source, testing the relevance of the information used and evaluating the reasonableness of the inputs and assumptions by comparison to supporting documentation and available market information;○ for selected positions, performing independent reasonableness checks and reperformance procedures (including reviewing post year-end information where relevant and available) to assess whether valuations were within an acceptable range.• Testing the mathematical accuracy of fair value movements recorded during the year (including purchases, sales, unrealised and realised gains/losses, and foreign exchange rate movements) and ensuring that related movements in note liabilities were recorded consistently with the relevant Series terms and the Company's accounting policy.• Evaluating the adequacy of the disclosures in the financial statements regarding the fair value hierarchy, Level 1 & Level 3 movements (including the roll-forward), valuation techniques and inputs, and significant judgements and estimation uncertainty.
---	---

Key observations	We have no matters to bring to the attention of the members in respect of this key audit matter.
-------------------------	--

(2) Loans - impairment assessment and recoverability

Key audit matter description	<p>The Company holds financial assets (loans) measured at amortised cost.</p> <p>At 31 December 2024, loans measured at amortised cost, as disclosed in note 11 of the financial statements, totalled approximately USD 11.6 million.</p> <p>The assessment of whether these loans are impaired and the measurement of any impairment provision, involves significant judgement and estimation. In particular, the Directors' assessment depends on factors such as the borrower's performance and creditworthiness, the availability and reliability of borrower financial information, the enforceability and value of security and the timing and amount of expected recoveries. These judgements may be sensitive to changes in assumptions and are inherently subject to estimation uncertainty.</p> <p>Accordingly, we considered the impairment assessment and recoverability of loans to be a key audit matter.</p>
-------------------------------------	--

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HFMX DESIGNATED ACTIVITY COMPANY

How the scope of our audit responded to the key audit matter	<p>Our procedures included, among others:</p> <p>For all material loans:</p> <ul style="list-style-type: none">• Agreeing principal balances to the underlying loan agreements, relevant Series memorandum/ Constituting Instruments/ documentation and third-party confirmations or counterparty statements.• Recalculating interest receivable using the contractual terms and agreeing interest receipts to bank statements. <p>Assessing management's impairment assessment under the applicable financial reporting framework, including:</p> <ul style="list-style-type: none">• Assessing whether indicators of impairment existed at the reporting date, including considering payment status, covenant compliance and other evidence of borrower financial difficulty.• Reviewing borrower financial information available, borrower /servicer correspondence and any enforcement, restructuring or forbearance activity.• Assessing the enforceability and adequacy of security documentation and the reasonableness of estimated recoveries by reference to supporting evidence (for instance, valuations, sale processes, recent transactions or third-party information).• Evaluating whether any impairment provision was appropriately measured and recorded in accordance with the Company's accounting policies.
Key observations	<p>We have no matters to bring to the attention of the members in respect of this key audit matter.</p>

(3) Recognition, classification and derecognition of Notes in issue (FVTPL vs amortised cost) and Series-level linkage limited recourse disclosures

Key audit matter description	<p>The Company issues multiple Series of notes under a secured note programme. The accounting treatment for these note liabilities depends on whether the liabilities are designated at fair value through profit or loss ("FVTPL") (typically to reduce accounting mismatches with collateral measured at fair value) or are measured at amortised cost.</p> <p>At 31st December 2024, note liabilities, as disclosed in note 15 of the financial statements, included amounts classified at FVTPL of approximately USD 221 million and amounts measured at amortised cost, disclosed in note 16 of the financial statements, amount to approximately USD 11.6 million.</p> <p>Given the volume of Series activity during the year, the bespoke nature of Series documentation and the importance of limited recourse, non-petition and segregation features inherent to a Section 110 programme, there is an increased risk of material misstatement arising from:</p> <ul style="list-style-type: none">• inappropriate classification of note liabilities (FVTPL vs amortised cost).• incorrect derecognition on redemption or repurchase events;• inaccurate recording of Series-level movements (including interest, fees, foreign exchange rate movements and fair value movements) and the related linkage to collateral assets; and• incomplete or unclear disclosures, particularly those relating to limited recourse, security, priority of payments, maturity/ redemption mechanics and fair value hierarchy information. <p>Accordingly, we considered the recognition, classification and derecognition of note liabilities and the related disclosures to be a key audit matter.</p>
-------------------------------------	--

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HFMX DESIGNATED ACTIVITY COMPANY

How the scope of our audit responded to the key audit matter	Our procedures included, among others: <ul style="list-style-type: none">• Obtaining an understanding of the note issuance and administration process (including the roles of the Administrator, Trustee, Placement Agent, Broker and other service providers) and evaluating the design and implementation of relevant controls over note recording, Series activity and financial reporting.• Testing a sample of note purchases and redemptions (selected on a risk basis) to supporting documentation, including Series memorandum and Constituting Instruments, confirmations and agreeing related cash movements to bank statements; and assessing whether the accounting treatment (including any derecognition) was appropriate.• Evaluating the appropriateness of classification (FVTPL vs amortised cost) by reference to the Company's accounting policies and the terms of the relevant Series, including assessing whether designation at FVTPL was applied consistently with the rationale described and appropriately supported.• Performing Series-level reconciliation procedures (on a sample and risk basis) to assess whether movements in note liabilities were consistent with movements in related collateral assets and other Series-level items, including interest accruals, fees and expenses, realised or unrealised gains or losses and foreign exchange movements.• Assessing the adequacy, accuracy and consistency of the disclosures relating to the notes and programme structure, including limited recourse, security arrangements, subordination/priority of payments, maturity and redemption mechanics and the fair value hierarchy and associated disclosures.
Key observations	We have no matters to bring to the attention of the members in respect of this key audit matter.

Our application of materiality

Our definition of materiality considers the value of error or omission on the financial statements that, individually or in aggregate, would change or influence the economic decision of a reasonably knowledgeable user of those financial statements. Misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole. Materiality is used in planning the scope of our work, executing that work and evaluating the results.

Materiality in respect of the Company was set at **€2,402,856 (2023: €1,246,792)** which was determined on the basis of **0.5% (2023: 0.5%)** of the Company's gross assets. This was deemed to be the appropriate benchmark for the calculation of materiality, given the nature of the Company as a section 110 investment vehicle, where the primary focus of users is the scale of the asset portfolio and related exposures presented in the Statement of Financial Position, rather than measures of operating performance such as revenue or profit. Gross assets were also considered an appropriate benchmark because it is generally less volatile than profit-based measures for this type of structure and provides a stable basis for setting materiality from period to period.

Performance materiality is the application of materiality at the individual account or balance level, set at an amount to reduce, to an appropriately low level, the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Performance materiality for the Company was set at **€2,042,428 (2023: €872,754)** which represents **70% (2023: 70%)** of the above materiality levels. The determination of performance materiality reflects our assessment of the risk of undetected errors existing, the nature of the systems and controls and the level of misstatements arising in previous audits.

We agreed to report any corrected or uncorrected adjustments exceeding **€122,320** to the Directors as well as differences below this threshold that in our view warranted reporting on qualitative grounds.

The control environment

Our audit was scoped by obtaining an understanding of the Company and its environment, including relevant components of internal control, to identify and assess the risks of material misstatement and to design audit procedures responsive to those risks. The Company utilises service organisations for certain processes relevant to financial reporting, including custody arrangements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HFMX DESIGNATED ACTIVITY COMPANY

We did not perform testing of the operating effectiveness of the Company's internal controls for the purpose of placing reliance on them. Instead, our audit approach was predominantly substantive. In respect of controls operated by service organisations, we obtained and reviewed independent assurance reports (ISAE 3402 / SOC reports) from custody providers and considered the design of the relevant controls, the scope of the reports, the period covered, and any complementary user-entity controls, and evaluated whether any exceptions reported had implications for our audit.

We also considered the information technology environment relevant to the audit, including the extent to which key processes were reliant on systems operated by service providers, in designing our substantive audit procedures.

Climate-related risks

In planning our audit and obtaining an understanding of the Company and its environment, we considered the potential impact of climate-related risks on the Company and its financial statements. As a section 110 special purpose vehicle, the Company's activities are primarily the holding of financial assets and the issuance of notes on a limited recourse basis. Accordingly, any climate-related impacts are expected to arise indirectly, principally through the performance and valuation of underlying collateral exposures, the creditworthiness of counterparties, and evolving regulatory or market developments.

Management did not prepare a formal standalone climate-related risk assessment for the year ended 31st December 2024. In the absence of a formal assessment, our work in this area included:

- making inquiries of management and the Administrator regarding whether any climate-related matters had been identified that could reasonably be expected to give rise to a material effect on the financial statements;
- considering, based on our understanding of the portfolio and the Company's activities, whether climate-related risks could have a material impact on key areas of the financial statements, particularly (i) valuation of financial assets measured at fair value (including Level 1 & Level 3 valuations), and (ii) recoverability/impairment of loans and interest receivable;
- assessing whether the financial statements included adequate disclosure of significant judgements and estimation uncertainty that could be affected by macroeconomic factors (including, where relevant, climate-related market developments); and
- performing subsequent events procedures up to the date of our auditor's report to identify any matters that might indicate a material climate-related impact requiring adjustment or disclosure.

As part of our understanding of processes relevant to the preparation of the financial statements, where information relevant to financial reporting is produced by third-party service organisations (including custody providers), we obtained and reviewed relevant independent assurance reports (ISAE 3402 / SOC reports) to consider their scope and any exceptions reported and the implications for our audit approach.

Based on the audit evidence obtained, we did not identify climate-related risks that required material adjustment to the financial statements for the year ended 31st December 2024.

Reporting on other information

The directors are responsible for the other information. The other information comprises the information included in the [annual report/other title] other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2014

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has been prepared in accordance with applicable legal requirements.

We have obtained all the information and explanations which, to the best of our knowledge and belief, are necessary for the purposes of our audit.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF HFMX DESIGNATED ACTIVITY COMPANY

In our opinion the accounting records of the company were sufficient to permit the financial statements to be readily and properly audited and the financial statements are in agreement with the accounting records.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

The Companies Act 2014 requires us to report to you if, in our opinion, the requirements of any of sections 305 to 312 of the Act, which relate to disclosures of directors' remuneration and transactions are not complied with by the Company. We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Directors' Responsibilities Statement set out on page 6, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, if applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the company or to cease operation, or has no realistic alternative but to do so

Auditor responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Irish Auditing and Accountancy Supervisory Authority's website at:

https://iaasa.ie/wp-content/uploads/docs/media/IAASA/Documents/audit-standards/Description_of_auditors_responsibilities_for_audit.pdf

Use of our report

This report is made solely to the Company's members, as a body, in accordance with section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Ms. Gail Ellis

for and on behalf of

Baker Tilly Ireland Audit Limited

Chartered Certified Accountants and Statutory Audit Firm

Penthouse Floor

5 Lapps Quay

Cork

Date: 9th March 2026

HFMX DESIGNATED ACTIVITY COMPANY**STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	2024	2023
		US\$	US\$
Interest income	6	7,828,598	8,476,836
Other income	6	3,320,612	6,773,033
Net gains/(losses) on financial assets and derivatives at fair value through profit and loss	4	4,416,124	(7,169,596)
Net (losses)/gains on financial liabilities at fair value through profit and loss-Notes	5	(9,233,026)	2,988,570
Interest expense	7	(2,686,837)	(8,910,477)
Foreign exchange (losses)/gains		(1,170,756)	196,406
Impairments		-	-
Other operating expenses	8	(2,473,676)	(2,353,667)
Profit on ordinary activities before taxation		1,039	1,105
Taxation	9	(521)	(608)
Profit on ordinary activities after taxation		518	497

The results for the financial year relate entirely to continuing operations. Total comprehensive income for the financial year is attributable to the owners of the Company. There are no items of other comprehensive income.

The notes to the financial statements on pages 18 to 40 form an integral part of the financial statements.

HFMX DESIGNATED ACTIVITY COMPANY
STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2024

	Note	2024 US\$	2023 US\$
Current Assets			
Financial assets at fair value through profit and loss	10, 22	216,000,270	208,923,755
Derivative financial assets at fair value through profit and loss	14	209,627	21,637
Financial assets at amortised cost	11	9,612,407	9,762,407
Cash and cash equivalents	12	5,364,501	24,695,959
Accrued interest from loans		5,100,258	5,058,850
Interest receivable		1,727,660	1,274,574
Other assets	13	270,881	1,217,467
Total Current Assets		238,285,604	250,954,649
Non-Current Assets			
Financial assets at amortised cost	11	2,000,000	-
Total Non-Current Assets		2,000,000	-
Total assets		240,285,604	250,954,649
Equity			
Share capital	19	(1)	(1)
Retained earnings		(4,759)	(4,241)
Shareholders' funds		(4,760)	(4,242)
Current Liabilities			
Financial liabilities at amortised cost - Notes	16	(11,612,407)	(9,762,407)
Financial liabilities at fair value through profit or loss - Notes	15, 22	(5,211,249)	(16,510,565)
Derivative financial liabilities at fair value through profit and loss	14	(336,264)	(475,656)
Bank overdrafts	12	(93,107)	(144,219)
Interest payable		(5,255,194)	(5,974,341)
Other liabilities	17	(1,635,133)	(2,444,815)
Tax payable		(312)	(328)
Total Current Liabilities		(24,143,666)	(35,312,331)
Non-Current Liabilities			
Financial liabilities at fair value through profit or loss - Notes	15, 22	(216,137,178)	(215,638,076)
Financial liabilities at amortised cost	16	-	-
Total Non-Current Liabilities		(216,137,178)	(215,638,076)
Total Liabilities		(240,280,844)	(250,950,407)
Total Equity and Liabilities		(240,285,604)	(250,954,649)

The notes to the financial statements on 18 to 40 form an integral part of the financial statements. All equity is attributable to the owners of the Company. The financial statements were approved by the Board of Directors and signed on its behalf by:

Neil Fleming

Neil Fleming
Director
5 March 2026

John Dunphy

John Dunphy
Director
5 March 2026

HFMX DESIGNATED ACTIVITY COMPANY**STATEMENT OF CHANGES IN EQUITY FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Share capital	Retained Earnings	Total
	US\$	US\$	US\$
Balance as at 1 January 2024	1	4,241	4,242
Share capital	-	-	-
Profit for the year	-	518	518
Balance as at 31 December 2024	1	4,759	4,760
	US\$	US\$	US\$
Balance as at 1 January 2023	1	3,744	3,745
Share capital	-	-	-
Profit for the year	-	497	497
Balance as at 31 December 2023	1	4,241	4,242

The notes to the financial statements on pages 18 to 40 form an integral part of the financial statements.

HFMX DESIGNATED ACTIVITY COMPANY**STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

	Note	2024 US\$	2023 US\$
Operating activities			
Profit on ordinary activities after taxation		518	497
Adjustments for:			
Net (gains)/ losses on financial assets and derivatives held at FVTPL		(4,416,124)	7,169,596
Net losses/(gains) on financial liabilities held at FVTPL- Notes		9,233,026	(2,988,570)
(Decrease)/Increase in tax payable		(16)	283
FX loss/(gain)		1,412,582	(152,512)
Increase in interest receivable		(494,494)	(2,654,242)
(Decrease)/Increase in interest payable		(719,147)	2,848,602
Decrease/(Increase) in other assets		946,586	(579,705)
(Decrease)/Increase in other liabilities		(809,682)	(4,633,332)
Net cash (outflow)/inflow from operating activities		5,153,249	(989,383)
Cash flows from investing activities			
Purchase of financial assets		(134,162,119)	(116,894,798)
Sale/maturity of financial assets		128,841,001	115,967,767
Cash mark to market on derivatives		109,587	(223,537)
Loans issued		(2,000,000)	-
Loans repaid		150,000	4,131,000
Net cash (outflow)/inflow from investing activities		(7,061,531)	2,980,432
Cash flows from financing activities			
Proceeds from Issuance of Notes		28,579,573	42,057,552
Redemption of Notes		(45,951,637)	(32,956,811)
Net cash (outflow)/inflow from financing activities		(17,372,064)	9,100,741
Net (decrease)/increase in cash and cash equivalents		(19,280,346)	11,091,790
Opening balance cash and cash equivalents		24,551,740	13,459,950
Cash and cash equivalents at 31 December 2024	12	5,271,394	24,551,740

The notes to the financial statements on pages 18 to 40 form an integral part of the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

1. General information

Reporting entity

The Company is a designated activity company incorporated and domiciled in Ireland on 10 July 2018 under the Companies Act 2014 with registration number 630060. The registered address is 116 Mount Prospect Avenue, Clontarf, Dublin 3. The nature of the Company's operations and its principal activities are set out in the Directors' report.

2. Period of the financial statements

The financial statements are for the financial year 1 January 2024 to 31 December 2024. The comparatives are for the financial year 1 January 2023 to 31 December 2023.

3. Significant accounting policies

The principal accounting policies that the Company applied in preparing its financial statements for the financial year ended 31 December 2024 are set out below.

Basis of preparation

The financial statements have been prepared on the historical cost basis, except for financial instruments measured at fair value, as set out in the accounting policies below.

Statement of compliance

The financial statements of the Company have been prepared in accordance with the International Financial Reporting Standards ('IFRS') as adopted by the European Union ('EU') and as applied in accordance with the provisions of the Companies Act 2014 (as amended).

Going concern

The financial statements have been prepared on a going concern basis. In making this assessment, the Directors have considered the Company's financial position, the expected cash flows arising from the underlying assets, the contractual terms of the Notes (including the limited recourse nature of the obligations) and liquidity support from the Arranger. The Directors consider that the Company will have adequate resources to continue in operational existence for the foreseeable future and to meet its obligations as they fall due.

New and revised Standards and Interpretations in issue but not yet effective

There are no standards, amendments of interpretations that are effective for the financial year beginning on 1 January 2024 that would have a material effect on the financial statements of the Company.

Reporting currency

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are therefore presented in U.S. Dollars ("US\$" or "USD") which has been determined as the Company's functional and presentational currency.

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the exchange rates prevailing at the reporting date. Exchange differences are recognised in profit or loss in the period in which they arise.

Use of estimates, judgements and assumptions

Assumptions and estimation uncertainties

The preparation of the financial statements requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods. The valuation of certain unquoted or less liquid assets is dependent on the timely receipt of accurate financial information from relevant counterparties and other third parties. Such valuations may also require the use of market-based inputs and comparable transactions, which may not be readily available or may not be directly comparable.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

3. Significant accounting policies (continued)

Investment entities

The Company applies the investment entity exception in IFRS 10 Consolidated Financial Statements. IFRS 10 provides that an entity that meets the definition of an investment entity does not consolidate its subsidiaries (other than subsidiaries that provide investment-related services). Instead, an investment entity measures investments in subsidiaries at fair value through profit or loss (“FVTPL”) in accordance with IFRS 9.

IFRS 10 defines an investment entity as an entity that:

- obtains funds from one or more investors for the purpose of providing those investors with professional investment management services;
- commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- measures and evaluates the performance of substantially all of its investments on a fair value basis.

Further, IFRS 10 notes that an investment entity displays the following characteristics:

- It has more than one investment, to diversify the risk portfolio and maximise return;
- It has multiple investors, who pool their funds to maximise investment opportunities;
- It has investors that are not related parties of the entity; and
- It has ownership interest in the form of equity or similar interest.

In determining that it meets the definition of an investment entity, the Company considers, among other factors, that its investments are held within Series and are managed and evaluated on a fair value basis in accordance with the relevant Series Memorandum. Accordingly, the Company has not consolidated its subsidiary investments in Wrapper or Hybrid type Series but rather accounted for them at fair value through profit or loss. Additionally, and as required, the Company has applied the exemption from applying the equity method of accounting in IAS 28 ‘Investments in Associates and Joint Ventures’. That is, similar to the Company’s investments in subsidiaries, investments in associates in Wrapper type Series are accounted for at fair value through profit or loss.

Financial Instruments

Classification and measurement of financial instruments

Under IFRS 9 Financial Instruments, the classification of financial assets is based on: (i) the Company’s business model for managing the assets; and, (ii) the contractual cash flow characteristics of the financial assets (the “SPPI” test, where applicable). Classification determines how financial assets are measured and how related gains and losses are recognised. IFRS 9 also requires the recognition of expected credit losses (“ECL”) for financial assets measured at amortised cost and debt instruments measured at FVOCI.

Financial instruments are recognised when the Company becomes a party to the contractual provisions of the instrument. Regular-way purchases and sales of financial assets are recognised on the trade date, being the date on which the Company commits to purchase or sell the asset.

Under IFRS 9, financial assets are classified and subsequently measured at amortised cost, fair value through other comprehensive income (“FVOCI”) or fair value through profit or loss (“FVTPL”).

In evaluating the classification of its financial assets the Company has determined the following classifications:

Wrapper

Wrapper type Series (“Wrappers”) use the proceeds of Notes issued to invest primarily in equity instruments (and/or investments held through underlying vehicles). Equity instruments are measured at FVTPL, with changes in fair value recognised in profit or loss, as the Company manages and evaluates the performance of these investments on a fair value basis.

Hybrid

Hybrid type Series (‘Hybrids’) use the proceeds of the issuance of the Notes to enter into loan agreements and invest in equity type instruments. The contractual cash flows of these Series are not solely payments of principal and interest. Therefore, the business model is to manage the loan agreements and equity type instruments that the Hybrids invest into on a fair value basis.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

3. Significant accounting policies (continued)

Loans

Loan type Series ("Loans") use the proceeds of the issuance of the Notes to enter into loan agreements. The loans are assessed under IFRS 9 to determine whether their contractual cash flows represent solely payments of principal and interest ("SPPI") and to determine the Company's business model for managing them. Where the loans are held within a business model whose objective is to hold assets to collect contractual cash flows and the SPPI criteria are met, the loans are classified and measured at amortised cost.

Financial assets measured at amortised cost are initially recognised at fair value plus directly attributable transaction costs. Subsequently, they are measured at amortised cost using the effective interest method, less any loss allowance for expected credit losses. Interest income is recognised in Statement of Comprehensive Income using the effective interest rate method.

Funds

Fund type Series ('Funds') use the proceeds of the issuance of the Notes to invest in a securities account or a custody account and, acting through a portfolio manager, invest in a range of financial instruments: bonds, derivatives, equities etc. Portfolio manager will be responsible for identifying or selecting financial instruments and investment opportunities for investment. The contractual cash flows of these Series are not solely payments of principal and interest. Therefore, the business model is to manage the instruments that the Funds invest into on a fair value basis.

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. The Company utilises the last traded market price for both financial assets and financial liabilities. 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.

At initial recognition, financial assets at FVTPL are measured at their fair value. Such assets are carried at fair value on the Statement of Financial Position with changes in fair value included in the Statement of Comprehensive Income in the period in which they occur.

Notes issued

Under IFRS 9, when the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

The Company has designated certain notes issued upon initial recognition as at fair value through profit or loss ("fair value option"). A liability may be designated at fair value through profit or loss ("FVTPL") when it eliminates or significantly reduces a measurement or recognition inconsistency "an accounting mismatch" that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on a different basis. For any series where an accounting mismatch does not arise, the notes issued are carried at amortised cost.

The Company's financial liabilities that comprise Notes issued, are:

- classified as being measured at amortised cost for the Loans. These Notes are initially recognised at fair value at the date of issuance of the liability, and are subsequently measured at amortised cost. Interest expense from these Notes is included in 'Interest expense' in the Statement of Comprehensive Income.
- designated as financial liabilities at fair value through profit or loss for the Series backed by Wrappers, Hybrids and Funds. Financial liabilities at fair value through profit or loss are initially recognised at fair value and are subsequently measured at FVTPL on the basis that the financial liabilities and corresponding financial assets in each series are managed and their performance evaluated on a fair value basis. Gains and losses arising from changes in the fair value of the financial liabilities are presented in the Statement of Comprehensive Income in the financial year in which they arise.

Recognition/derecognition of financial instruments

Regular-way purchases and sales of investments are accounted for on the trade date. Financial assets are derecognised when the contractual rights to the cash flows from the financial asset expire, or when the financial asset is transferred and the transfer qualifies for derecognition in accordance with IFRS 9.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**3. Significant accounting policies (continued)**

Financial liabilities are derecognised when, and only when, the obligation specified in the contract is discharged, cancelled or expires. Where an existing financial liability is exchanged for another with substantially different terms, or where the terms of an existing liability are substantially modified, such an exchange or modification is accounted for as derecognition of the original liability and recognition of a new liability.

Realised gains and losses on disposal of financial assets and financial liabilities measured at FVTPL are presented within net realised gains/(losses) on financial assets and liabilities at FVTPL.

Impairment of financial assets

In accordance with IFRS 9 the Company is required to determine the impairment of financial assets on an expected credit loss (ECL) basis. Financial assets at amortised cost fall within scope of IFRS 9 impairment. Financial assets that are classified at fair value through the profit and loss (FVTPL) do not need to be assessed for impairment as they are already recorded at fair value which reflects credit risk at the measurement date.

The Company is required to calculate an ECL provision which represents an un-biased (i.e. neutral, not optimistic or pessimistic) probability weighted estimate of the present value of cash shortfalls which is determined by evaluating a range of possible outcomes. Cash shortfalls are the difference between the cash flows that are due to the Company in accordance with the contractual terms of the financial asset and the cash flows that the Company expects to receive.

ECLs are required to be measured through a loss allowance at an amount equal to:

- 12-month ECL, i.e. lifetime ECL that result from those default events on the financial instrument that are possible within 12 months after the reporting date, (referred to as Stage 1); or
- full lifetime ECL, i.e. lifetime ECL that result from all possible default events over the life of the financial instrument, (referred to as Stage 2 and Stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

Critical to the determination of ECL is the definition of default. The definition of default is used in measuring the amount of ECL and in the determination of whether the loss allowance is based on 12-month or lifetime ECL, as default is a component of the probability of default (PD) which affects both the measurement of ECLs and the identification of a significant increase in credit risk.

The Company considers an event of default as having occurred when the entities that the Company entered into loan agreements with are unlikely to pay their credit obligations in full.

The Company reviews all financial assets that are subject to the IFRS 9 impairment requirements to assess whether there has been a significant increase in credit risk since initial recognition. If there has been a significant increase in credit risk the Company will measure the loss allowance based on lifetime rather than 12-month ECL.

The Company measures ECL on an individual basis. Loss allowances for ECL which are material are presented in the statement of financial position as a deduction from the gross carrying amount of the assets.

The Company holds cash and cash equivalents, cash collateral, accrued interest from bonds, interest receivable, other assets, amounts payable on purchase of financial assets, interest payable and other liabilities at amortised cost. The Directors consider that the carrying amounts of these assets and liabilities approximate their fair values due to their short-term nature. The probability of default on these balances (other than interest receivable) is so small that the ECL on these balances is immaterial. The Company also holds loans at amortised cost. See Note 11 with regards to ECL on loans.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and cash held on call with banks and brokers. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Cash and cash equivalents also include cash balances held in the Series bank and broker accounts.

Interest income and interest expense

Interest income and interest expense are recognised in profit or loss on an accrual basis. Interest income on financial assets measured at amortised cost is recognised using the effective interest method. Interest expense on financial liabilities measured at amortised cost is recognised using the effective interest method..

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

3. Significant accounting policies (continued)

Expenses

Expenses are accounted for on an accrual basis with the exception of transaction costs relating to the acquisition of financial assets at fair value through profit or loss which are charged as incurred.

Maintenance fee income

Maintenance fee income may arise as: (i) a percentage of the value of assets in a Series; (ii) a percentage of the subscription proceeds of Notes issued by the Company; or, (iii) a fixed or other fee paid by a specified party, as set out in the relevant Series Memorandum.

Maintenance fee income is recognised in profit or loss on an accrual basis over the period to which the fee relates, and is measured at the amount expected to be received.

Taxation

Corporation tax

Current tax is provided on the Company's taxable profits, at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by the financial year end date.

Deferred tax

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the end of the financial year. Provision is made at the rates expected to apply when the timing differences reverse. Timing differences are differences between the Company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in taxable profits in periods different from those in which they are recognised in the financial statements.

A net deferred tax asset is regarded as recoverable and therefore recognised only when, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

4. Net (losses)/gains on financial assets and derivatives at FVTPL

	2024	2023
	US\$	US\$
Net (losses)/gains from changes in fair value and realised gains and losses	4,416,124	(7,169,596)

Net (losses)/gains on financial assets and derivatives at FVTPL incorporates fair value and realized gains and losses on financial instrument assets and derivatives. Derivatives are principally traded in relation to underlying asset positions in listed equities.

5. Net gains/(losses) on financial liabilities at FVTPL

	2024	2023
	US\$	US\$
Net gains from changes in fair value	(13,782,221)	3,049,964
Realised gains and losses	4,549,194	(61,394)
	(9,233,026)	2,988,570

Net gains/(losses) on financial liabilities at FVTPL comprises fair value and realized gains and losses on the financial liabilities that are represented by Notes issued by the Company.

HFMX DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****6. Interest and other income**

Interest income	2024	2023
	US\$	US\$
Interest income from cash holdings	449,434	140,372
Interest income from loans	-	2,133,584
Interest income from bonds	7,379,164	6,202,880
	7,828,598	8,476,836

Other income	2024	2023
	US\$	US\$
Dividends	2,938,342	6,346,809
Maintenance fees	382,270	426,224
	3,320,612	6,773,033

7. Interest expense

	2024	2023
	US\$	US\$
Interest expense on margin accounts	(942)	(86,123)
Interest expense on Notes	(2,685,895)	(8,824,354)
	(2,686,837)	(8,910,477)

8. Other operating expenses

	2024	2023
	US\$	US\$
Portfolio management and performance fees	(1,433,803)	(1,225,238)
Other operating expenses	(1,039,873)	(1,128,429)
	(2,473,676)	(2,353,667)

	2024	2023
	US\$	US\$
Statutory auditors' remuneration (excluding VAT)		
Statutory audit (excluding VAT)	(45,712)	(39,228)
Tax advisory services (excluding VAT)	(2,597)	(1,658)
	(48,309)	(40,885)

Auditors' remuneration for work carried out relates to fees payable to Baker Tilly Ireland Audit Limited, the statutory audit firm, or its affiliates in respect of tax advisory. Fees are exclusive of VAT. Other than set out above, there were no fees in relation to non-audit assurance or other services paid to the auditors during the financial year ended 31 December 2024 (2023: EUR Nil).

HFMX DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****9. Taxation**

	2024	2023
	US\$	US\$
Analysis of charge for the financial year		
Current tax charge for the financial year	(521)	(608)
Total tax charged for the year/period	<u>(521)</u>	<u>(608)</u>
Factors affecting tax charge for the financial year	2024	2023
	US\$	US\$
Profit on ordinary activities before taxation	1,039	1,105
Profit on ordinary activities at the standard rate of corporation tax in Republic of Ireland of 12.5%	(129)	(137)
Higher tax rate applicable under Section 110 of the Taxes Consolidation Act, 1997	(129)	(137)
Disallowed expenses	(264)	(334)
Total tax charged for the year	<u>(521)</u>	<u>(608)</u>

The Company is a qualifying Company within the meaning of Section 110 of the Taxes Consolidation Act 1997. As such the profits are chargeable to corporation tax under Case III of Schedule D at a rate of 25% but are computed in accordance with the provisions applicable to Case I of Schedule D.

10. Financial assets at fair value through profit and loss (FVTPL)

All of the Company's investments fall under the definition of Collateral Assets (as set out in the relevant Series constituting instrument) and as such are secured for the payment of obligations to the specific Notes payable under that Series. Each Series' investments are legally segregated such that no other Notes or Company obligations can be met from the proceeds of the investments of that respective series.

An analysis of the financial assets as disclosed on the Statement of Financial Position is as follows:

	2024	2023
	US\$	US\$
Financial Assets at FVTPL		
Listed equities	61,225,318	43,211,749
Unlisted equities	32,464,757	57,557,897
Listed bonds	122,310,194	108,154,109
Hybrid equity/debt investments	-	-
	<u>216,000,270</u>	<u>208,923,755</u>

The Company has invested in equity type instruments and hybrid type instruments (combined equity and promissory note) in financial, entertainment and real estate sectors. The Company also invested in listed equities and listed bonds (including structured bonds issued by financial institutions).

The Company was previously informed that the investment entity underlying S220 has been struck off and there have been no asset valuations provided to the Company. The assets of this series were ascribed a fair value of US\$ Nil in a prior year and the Series was redeemed at zero, subsequent to the year end.

The Company holds promissory notes as part of the S254, S270, S271 and S396 hybrids which are exposed to the US property market. As at 31 December 2024, the assets underlying these Series were fully impaired.

HFMX DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****11. Financial assets at amortised cost**

	2024	2023
	US\$	US\$
Balance as at the beginning of the financial year	9,762,407	13,893,407
Loans advanced	2,000,000	-
Loans repaid	(150,000)	(4,131,000)
Balance as at the end of the financial year	<u>11,612,407</u>	<u>9,762,407</u>

During the financial year, the Company advanced a new loan of US\$ 2,000,000 (2023: Nil). Loans have been advanced to companies engaged in financial and real estate industries. The company received repayments of US\$ 150,000 (2023: US\$ 4,131,000) on these loans during the financial year.

	2024	2023
	US\$	US\$
The balance at the financial year end is classified as follows:		
Current assets	9,612,407	9,762,407
Non-current assets	2,000,000	-
	<u>11,612,407</u>	<u>9,762,407</u>

Current financial assets at amortised cost of US\$ 9,612,407 relates to S231. The counterparty is in default on the loan and has arranged a restructuring of the transaction with the S231 noteholders. The loan has been maintained at its carrying value for the year after giving consideration to the fact that the loan was assigned, as part of the restructuring, at face value. However, the Company ceased to recognize any interest on the loan in 2024. See the subsequent events note for further details.

12. Cash and cash equivalents

	2024	2023
	US\$	US\$
Cash at bank	795,047	9,630,089
Cash held by broker or custodian	4,569,454	15,065,870
	5,364,501	24,695,959
Overdrafts with brokers	(93,107)	(144,219)
	<u>5,271,394</u>	<u>24,551,740</u>

Certain Series invest in listed equities, bonds and trade in derivatives. This activity is conducted through Series specific accounts with Interactive Brokers LLC and may incorporate margin overdrafts from Interactive Brokers LLC that are secured by the assets held in the specific Series account. The broker may offset cash held in one currency against overdrafts in another for the same Series.

13. Other assets

	2024	2023
	US\$	US\$
Dividends receivable	183,397	981,083
Fees receivable	87,484	236,384
	<u>270,881</u>	<u>1,217,467</u>

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

14. Derivative financial instruments

Fund type Series (“Funds”) may enter into derivative contracts including futures, equity and index options, and options on futures.

Derivatives are recognised when the Company becomes a party to the contractual provisions of the instrument and are initially measured at fair value. Derivatives are subsequently remeasured at fair value, with changes in fair value recognised in the Statement of Comprehensive Income. Derivatives are presented as assets when the fair value is positive and as liabilities when the fair value is negative.

Fair values are determined using quoted prices in active markets for exchange-traded derivatives. The Company is exposed to credit risk on derivative assets to the extent of their carrying values. Credit risk on exchange-traded derivatives is mitigated as such contracts are cleared through exchanges/clearing houses.

Futures are contracts for delayed delivery of commodities, securities or money market instruments in which the seller agrees to make delivery at a specified future date of a specified commodity or instrument, at a specified price or yield.

The Funds purchase or sell either put or call options through listed exchanges. Options purchased by the Funds provide the Funds with the opportunity to purchase (call options) or sell (put options) the underlying asset at an agreed-upon value either on or before the expiration of the option.

As of 31 December 2024, the following derivative contracts were included in the Statement of Financial Position at fair value through profit or loss:

	Fair value assets	Fair value liabilities
	US\$	US\$
31 December 2024		
Equity and index options	209,627	(336,264)
Futures	-	-
	<u>209,627</u>	<u>(336,264)</u>
	Fair value assets	Fair value liabilities
	US\$	US\$
31 December 2023		
Equity and index options	21,637	(475,656)
Futures	-	-
	<u>21,637</u>	<u>(475,656)</u>

HFMX DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****15. Financial liabilities at FVTPL**

	2024	2023
	US\$	US\$
Balance as at the beginning of the financial year	(232,148,641)	(221,685,973)
Issuances	(26,579,573)	(42,057,552)
Redemptions	46,214,140	28,825,811
Foreign exchange movement	398,673	(219,497)
Net gains on financial liabilities	(9,233,026)	2,988,570
Balance as at the end of the financial year	<u>(221,348,427)</u>	<u>(232,148,641)</u>

Financial liabilities are classified in the Statement of Financial Position as follows:

- Current liabilities	(5,211,249)	(16,510,565)
- Non-current liabilities	(216,137,178)	(215,638,076)
	<u>(221,348,427)</u>	<u>(232,148,641)</u>

The Company's financial liabilities consist of Notes issued and funded. The maturity dates for the Notes range from 2 October 2024 to 3 April 2042. The Notes are scheduled to be redeemed as per the conditions of the constituting instruments. The Notes do not carry a fixed rate of interest. Notes at amortised cost are detailed in Note 16.

The value of S220, S254, S270, S271 and S396 Notes as at 31 December 2024 are US\$ Nil (2023: US\$ Nil) as they derive their value from S220, S254, S270, S271 and S396 assets, respectively. See Note 10.

Security

The Company's obligations under the Notes are secured under the Trust Deed relating to the Notes in favour of the Trustee for the benefit of the Noteholders. The Notes will be secured on the underlying charged assets.

Limited recourse

The Notes are direct limited recourse obligations of the Company which are payable solely out of amounts received by or on behalf of the Company in respect of proceeds of realisation of the Charged Assets. The payment of principal, interest, and other amounts in respect of the Notes will be made solely from amounts received in respect of the Underlying Assets of the relevant series of Notes of the Company in accordance with the priority of payments and not from the assets relating to any other series or from the general assets of the Issuer. Following maturity or redemption of the Collateral Assets there will be no other assets of a particular series available to meet any outstanding claims against that series.

Subordination of the Notes

Payments of principal in respect of the Notes are subordinated to the payment of certain amounts payable by the Company, as set out in the Series Memorandum of the relevant series. There can be no assurance that the Noteholders will receive the full redemption amount payable by the Company under the Notes or that they will receive any return on their investment in the Notes. In certain circumstances, returns to the Noteholders could be reduced to zero.

Further information in respect of, inter alia, the Notes, the underlying investments and the security provisions pertaining to the Notes are contained in the Series Memorandum issued by the Company in respect of each class of Notes issued.

Final Redemption of the Notes

Unless previously redeemed in full, the Company shall redeem the notes in full on the scheduled final maturity payment date. The Notes are listed on the third market of the Vienna Stock Exchange.

Interest

All of the Notes issued are variable coupon notes except for Series 312, which is a zero coupon note. The Notes shall receive a total return based on the performance of the portfolio during the interest period.

Notes on custody

Series of Notes may be issued free of payment and unfunded. The Company holds these Notes on behalf of the series on custody with Bank of New York Mellon until the Notes are sold to subscribing investors. The Company has not invested into these Notes and no income is generated from these Notes while held on custody. If the Note position remains unsold, the Note is redeemed and the amount of the Note under the series will be reduced. These Notes will only be included in the Company's financial liabilities once they are sold/partly sold to subscribing investors.

HFMX DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****16. Financial liabilities at amortised cost**

	2024	2023
	US\$	US\$
Balance as at the beginning of the financial year	(9,762,407)	(13,893,407)
Issuances	(2,000,000)	-
Redemptions	150,000	4,131,000
Foreign exchange movement	-	-
Balance as at the end of the financial year	<u>(11,612,407)</u>	<u>(9,762,407)</u>

The terms and conditions of the Notes are the same as the details for Notes described in Note 15.

Interest is payable to the Noteholders on the interest payment date determined by the Calculation Agent as per the conditions of the Notes.

	2024	2023
	US\$	US\$
The balance at the financial year end is classified as follows:		
Current liabilities	(9,612,407)	(9,762,407)
Non-current liabilities	(2,000,000)	-
	<u>(11,612,407)</u>	<u>(9,762,407)</u>

S231 with a notes issued principal balance of US\$9,612,407 was restructured after the year end. See the subsequent events note.

17. Other liabilities

	2024	2023
	US\$	US\$
Trade creditors and accruals	(399,565)	(693,779)
Deferred income	(197,897)	-
Trades awaiting settlement	(1,037,671)	(1,751,036)
	<u>(1,635,133)</u>	<u>(2,444,815)</u>

18. Ownership of the Company

There is no ultimate controlling party. The share capital was is held by Boru Corporate Trustees Limited as Trustee of the HFMX Trust, which is a charitable trust constituted under the laws of Ireland.

The Company's financial statements are not consolidated into the results of any other entity.

19. Share capital

	2024	2023
	US\$	US\$
Authorised:		
1,000 ordinary shares of €1 each	1,123	1,123
Allotted, called up and unpaid:		
1 ordinary shares of €1 each	1	1

The authorised share capital of the Issuer is €1,000 divided into 1,000 shares of €1.00 each, of which 1 is issued.

**NOTES TO THE FINANCIAL STATEMENT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

20. Directors and employees

The Company has no employees. The Directors received no remuneration from the Company in respect of qualifying services rendered during the financial year (2023: US\$ Nil). A portion of the fees Verita Corporate Services limited earned for corporate service (as set out in Note 23) represents directorship services provided by the Directors of the Company.

21. Financial risk management

Financial assets and financial liabilities are central to the activities of the Company. The financial liabilities provide the funding to purchase the Company's financial assets.

The strategies used by the Company in achieving its objectives regarding the use of its financial assets and liabilities were set when the Company commenced trading. The Company has attempted to match the properties of the financial liabilities to the financial assets held to avoid significant elements of risk generated by mismatches of investment performance against its obligations. However, ultimately any risk exposures will be passed to the Noteholder as the notes are limited recourse obligations of the Company which are payable solely out of amounts received by or on behalf of the Company in respect of proceeds of investments.

Risks

The principal risks arising from the Company's investments are credit risk, liquidity risk and market risk, including interest risk, currency risk and price risk. Further details of the risks associated with an investment in the notes issued by the Company are set out in the Series Memorandum.

Market risk

Market risk is the potential change in value caused by movements in interest rates, foreign exchange or market prices of financial instruments. The Noteholders are exposed to the market risk of the asset portfolio.

A disclosure of a sensitivity analysis for each type of market risk to which the entity is exposed at the reporting date is required, showing how profit or loss and equity would have been affected by changes in the relevant risk variable that were reasonably possible at that date. Whilst the financial instruments held by the Company are separately exposed to interest rate risk, currency risk and market price risk, the Company itself is not materially exposed to market risk overall. The Noteholders are exposed to the market risk of the financial instruments held by the Company. Any movement on the market value of these assets is passed on to the Noteholders due to the nature of the Notes issued.

Interest rate risk

Interest rate risk is the risk that the future cash flows of financial instruments fluctuate because of changes in the market interest rates. The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial instruments and cash flows. The interest basis on the majority of the financial liabilities in issue is floating. However, as the actual return is based on the performance of the asset portfolio of that series, the directors believe there is no significant interest risk retained in the Company and no active management of this risk is required.

The noteholders are exposed to the market risk of the financial instrument. In terms of market rate sensitivity, any movement on the market value of the assets is passed on to the noteholders due to the nature of the Notes issued. If the interest rates increased/decreased by 5% as at 31 December 2024 with all other variables held constant and excluding any sensitivity on Notes (where interest is dependent on underlying instrument cashflows), this would impact the annual net interest income and expense of the Company by approximately US\$1,507,336 (2023: US\$1,267,187).

Interest rate risk (continued)

The Company is exposed to risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its financial instruments and cash flows. The interest basis on the majority of the financial liabilities in issue is floating however as the actual return is only based on the performance of the asset portfolio of that series, the directors believe there is no significant interest risk retained in the Company and no active management of this risk is required.

HFMX DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****21. Financial risk management (continued)**

The interest rate profile of the Company's financial assets and liabilities is as follows:

2024	Fixed Interest rate US\$	Floating Interest rate US\$	Non- Interest Bearing US\$	Total US\$
Assets				
Financial assets at FVTPL	87,965,693	24,875,325	103,159,252	216,000,270
Derivative financial assets at FVTPL	-	-	209,627	209,627
Financial assets at amortised cost	11,612,407	-	-	11,612,407
Cash and cash equivalents	-	5,364,501	-	5,364,501
Accrued interest from bonds & loans	-	-	5,100,258	5,100,258
Interest receivable	-	-	1,727,660	1,727,660
Other assets	-	-	270,881	270,881
Total assets	99,578,100	30,239,826	110,467,678	240,285,604
Liabilities				
Financial liabilities at FVTPL - Notes	-	(221,348,427)	-	(221,348,427)
Derivative financial liabilities at FVTPL	-	-	(336,264)	(336,264)
Financial liabilities at amortised cost	(11,612,407)	-	-	(11,612,407)
Bank overdraft	-	(93,107)	-	(93,107)
Interest payable	-	-	(5,255,194)	(5,255,194)
Tax payable	-	-	(312)	(312)
Other liabilities	-	-	(1,635,133)	(1,635,133)
Total liabilities	(11,612,407)	(221,441,534)	(7,226,903)	(240,280,844)
Interest rate sensitivity gap	87,965,693	(191,201,708)	103,240,775	4,760

HFMX DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****21. Financial risk management (continued)***Interest rate risk (continued)*

2023	Fixed Interest rate US\$	Floating Interest rate US\$	Non- Interest Bearing US\$	Total US\$
Assets				
Financial assets at FVTPL	106,846,568	792,008	101,285,179	208,923,755
Derivative financial assets at FVTPL	-	-	21,637	21,637
Financial assets at amortised cost	9,762,407	-	-	9,762,407
Cash and cash equivalents	-	24,695,959	-	24,695,959
Accrued interest from bonds & loans	-	-	5,058,850	5,058,850
Interest receivable	-	-	1,274,574	1,274,574
Other assets	-	-	1,217,467	1,217,467
Tax receivable	-	-	-	-
Total assets	116,608,975	25,487,967	108,857,707	250,954,649
Liabilities				
Financial liabilities at FVTPL - Notes	-	(232,148,641)	-	(232,148,641)
Derivative financial liabilities at FVTPL	-	-	(475,656)	(475,656)
Financial liabilities at amortised cost	(9,762,407)	-	-	(9,762,407)
Bank overdraft	-	(144,219)	-	(144,219)
Interest payable	-	-	(5,974,341)	(5,974,341)
Tax payable	-	-	(328)	(328)
Other liabilities	-	-	(2,444,815)	(2,444,815)
Total liabilities	(9,762,407)	(232,292,860)	(8,895,140)	(250,950,407)
Interest rate sensitivity gap	106,846,568	(206,804,893)	99,962,567	4,242

Currency risk

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

The Company is exposed to movements in exchange rates between its functional currency USD and foreign currency denominated financial instruments. The Company holds assets denominated in various whilst all Notes issued are denominated in USD and EUR. As such a currency risk exists whereby the value of the Company's assets may fall should the strength of GBP or EUR fall against the USD. However, given the vast majority of the positions are denominated in USD, or in respect of Euro Series naturally hedged, and any exposure at the Series asset level is passed through to noteholders, the Directors believe there is no significant currency risk retained in the Company and no active management of this risk is required.

If the exchange rate at 31 December 2024 between the Company's functional currency and all other currencies weakened or strengthened by 5% with all other variables held constant, this would increase/decrease the assets and the liabilities of the Company by approximately US\$689,034 (2023: US\$445,581).

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

21. Financial risk management (continued)

31 December 2024	AUD	CAD	EUR	GBP	BRL	JPY	MEX	SEK & NOK	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Assets									
Financial assets at FVTPL	311,302	458,248	10,605,819	341,286	6,576,097	549,232	154,919	331,233	19,328,137
Cash and cash equivalents	103,561	17,019	131,988	6,651	78	107,992	-	-	367,288
Other assets	-	-	-	-	-	-	-	-	-
Total assets	414,863	475,267	10,737,807	347,937	6,576,175	657,224	154,919	331,233	19,695,425
Liabilities									
Financial liabilities at FVTPL - Notes	-	-	(5,788,882)	-	-	-	-	-	(5,788,882)
Bank overdraft	-	-	-	-	-	-	-	-	-
Other liabilities	-	-	(125,863)	-	-	-	-	-	(125,863)
Total liabilities	-	-	(5,914,745)	-	-	-	-	-	(5,914,745)
31 December 2023									
	AUD	CAD	EUR	GBP	HKD	JPY	MEX	SEK	Total
	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$	US\$
Assets									
Financial assets at FVTPL	-	697,444	12,434,974	871,439	89,082	577,412	827,110	118,648	15,616,110
Cash and cash equivalents	-	54,201	63,958	5,411	-	-	-	-	123,571
Other assets	-	-	7,768	-	-	-	-	-	7,768
Total assets	-	751,646	12,506,700	876,850	89,082	577,412	827,110	118,648	15,747,448
Liabilities									
Financial liabilities at FVTPL - Notes	-	-	(6,664,679)	-	-	-	0	-	(6,664,679)
Bank overdraft	-	-	-	-	-	-	(38,329)	-	(38,329)
Other liabilities	-	-	(112,827)	-	-	-	0	-	(112,827)
Total liabilities	-	-	(6,777,506)	-	-	-	(38,329)	-	(6,815,835)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

21. Financial risk management (continued)

Price risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or market factors affecting the pricing of similar financial instruments.

The Company holds a range of assets which include listed equity, unlisted equity, equity-based assets, loans, bonds and derivatives. As such the Company is exposed to price risk, whereby the value of the investments could fall due to a negative shift in market prices. However, the exposure to this risk sits principally with the Noteholders and the Company itself is not materially exposed to this risk.

At 31 December 2024, should the price of the financial instruments held by the Company have increased or decreased by 5% with all other variables remaining constant, the increase or decrease in the assets and the liabilities would amount to approximately US\$10,793,682 (2023: US\$10,343,670).

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Company is not exposed to any significant net liquidity risk. The noteholders assume the liquidity risk arising from the Company's financial instruments.

The Notes issued are limited in recourse to the assets underlying each particular Series. The repayment of the limited recourse notes will only be made from the disposal of the relevant assets. Early termination and redemption provisions require that each of the noteholders is returned an amount which is the sum of the Collateral Assets. There will be no other assets of the Company available to meet the outstanding claims of the noteholders, who will bear any shortfall pro-rata to their holdings of Notes. The Company therefore has no net liquidity risk.

The Company is required to disclose the contractual gross undiscounted cash flows payable on the Company's financial liabilities. However, since the amount payable on maturity is dependent upon the performance of the relevant Collateral Assets, it is not possible to accurately estimate such cash flows. Therefore, the liquidity risk of the Company is best represented by disclosing the fair values of the Company's financial assets and financial liabilities. There is no active liquidity management required for this Company. The Company has attempted to match the properties of its financial liabilities to its assets to avoid significant elements of risk.

Listed bonds and equities that are traded on recognised stock exchanges are considered liquid and accordingly classified as due in less than one year.

HFMX DESIGNATED ACTIVITY COMPANY

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

21. Financial risk management (continued)

Liquidity risk	Less than	Between 1	Over	Total
2024	1 year	and	5 years	5 years
	US\$	5 years	US\$	US\$
		US\$		US\$
Assets				
Financial assets at FVTPL	102,138,196	43,559,105	70,302,968	216,000,270
Derivative financial assets at FVTPL	209,627	-	-	209,627
Financial assets at amortised cost	9,612,407	2,000,000	-	11,612,407
Cash and cash equivalents	5,364,501	-	-	5,364,501
Accrued interest from bonds and loans	5,100,258	-	-	5,100,258
Interest receivable	1,727,660	-	-	1,727,660
Other assets	270,881	-	-	270,881
Total assets	124,423,530	45,559,105	70,302,968	240,285,604
Liabilities				
Financial liabilities at FVTPL - Notes	(5,211,249)	(40,024,113)	(176,113,065)	(221,348,427)
Derivative financial liabilities at FVTPL	(336,264)	-	-	(336,264)
Financial liabilities at amortised cost	(9,612,407)	(2,000,000)	-	(11,612,407)
Bank overdrafts	(93,107)	-	-	(93,107)
Interest payable	(5,255,194)	-	-	(5,255,194)
Tax payable	(312)	-	-	(312)
Other liabilities	(1,635,133)	-	-	(1,635,133)
Total liabilities	(22,143,666)	(42,024,113)	(176,113,065)	(240,280,844)
Liquidity risk (continued)				
2023	Less than	Between 1	Over	Total
	1 year	and	5 years	5 years
	US\$	5 years	US\$	US\$
		US\$		US\$
Assets				
Financial assets at FVTPL	59,365,395	46,670,083	102,888,277	208,923,755
Derivative financial assets at FVTPL	21,637	-	-	21,637
Financial assets at amortised cost	9,762,407	-	-	9,762,407
Cash and cash equivalents	24,695,959	-	-	24,695,959
Accrued interest from bonds and loans	5,058,850	-	-	5,058,850
Interest receivable	1,274,574	-	-	1,274,574
Other assets	1,217,467	-	-	1,217,467
Total assets	101,396,289	46,670,083	102,888,277	250,954,649
Liabilities				
Financial liabilities at FVTPL - Notes	(20,934,920)	(41,682,198)	(169,531,523)	(232,148,641)
Derivative financial liabilities at FVTPL	(475,656)	-	-	(475,656)
Financial liabilities at amortised cost	(9,762,407)	-	-	(9,762,407)
Bank overdrafts	(144,219)	-	-	(144,219)
Interest payable	(5,974,341)	-	-	(5,974,341)
Tax payable	(328)	-	-	(328)
Other liabilities	(2,444,815)	-	-	(2,444,815)
Total liabilities	(39,736,686)	(41,682,198)	(169,531,523)	(250,950,407)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

21. Financial risk management (continued)

Credit risk

Credit risk is the risk that an issuer or a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company relies upon the performance of the investments to enable the Company to meet its obligations under the Notes. Upon a default of one of the investments, the recourse of the related Series of Notes is limited to amounts receivable from the Collateral Assets.

Each Series of Notes constitutes secured, limited recourse obligations of the Issuer, recourse in respect of which is limited to the proceeds of the Collateral Assets relating to such Series. No other assets of the Issuer will be available to satisfy claims of the holders of such Series. Therefore, to the extent that the value of the Collateral Assets fall; payment under the charged assets is not made; the charged assets cannot be sold; or, the relevant security arrangements are not enforceable, the holders of such series will suffer losses.

The Company holds listed equities and bonds, private equity-based investments, loans and hybrid instruments. The loans and private equity assets primarily are exposed to the real estate sector with the direct counterparties located in the following countries: Cayman Islands and USA. The listed financial instruments are traded on the global exchanges. The Company receive updates on the status of its private equity-based investments, loans and hybrids on a periodic basis to assist it in reviewing their performance.

The table below summarises the details of the loans (excluding promissory notes valued at FVTPL where part of a Hybrid) at the financial year end:

Credit Risk- Loans

31 December 2024

Series	Counterparty	CCY	Amount	Maturity	Secured/ unsecured
			US\$		
S231	Boulevard Costa Sur, S.A.	USD	9,612,407	21/08/2024	Secured
S533	Textiles Swantex S.A.	USD	2,000,000	30/07/2029	Unsecured

31 December 2023

Series	Counterparty	CCY	Amount	Maturity	Secured/ unsecured
			US\$		
S231	Boulevard Costa Sur, S.A.	USD	9,612,407	21/08/2024	Secured
S382	CreateTrade SCF, LLC	USD	150,000	23/12/2026	Secured

The loan counterparties are unrated. In terms of credit risk, the Company relies on the counterparty observing the terms of the loan (in particular any events of default linked to credit sensitivity of the Borrower). If the Borrower breaches those terms, the loan will be in default and security becoming enforceable. The portfolio manager/arranger performs an expected credit loss (ECL) assessment on the loans advanced by the Company. See Note 11 for further details on the loans.

Promissory notes related to S254, S270, S271 and S396 (being Hybrids) are valued at FVTPL together with the equity component of the Hybrid. See Note 10 for further details.

HFMX DESIGNATED ACTIVITY COMPANY

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

21. Financial risk management (continued)

Credit Risk - Bonds

As at the financial year end, bonds held by the Company had the following credit profile, mapped to the Standard & Poor's categories:

Rating	31 Dec 2024	31 Dec 2023
	US\$	US\$
A	1,007,212	859,166
A-	1,071,360	1,107,263
A+	700,804	-
AA+	8,248,547	-
AA-	-	217,818
AAA	4,022,649	17,830,484
B	966,892	766,570
B-	9,850,514	1,368,122
B+	5,961,995	3,162,230
BB	18,800,625	24,807,452
BB-	15,019,846	11,178,608
BB+	14,629,401	9,357,302
BBB	5,337,046	4,394,847
BBB-	18,566,866	14,170,908
BBB+	4,254,476	4,054,034
CCC	1,663,370	-
CCC-	1,320,597	8,257,316
CCC+	5,116,513	-
CC	-	675,516
D	-	5,020
R	5,771,481	650,933
	122,310,194	102,863,589

The Portfolio Managers monitor the credit risk relating to any positions held in the Interactive Broker margin accounts. The Federal Reserve Board and self-regulatory organisations such as the NY Stock exchange and Financial Industry Regulatory Authority sets margin requirements and brokers must operate within these parameters. If the balance in the margin account falls below the maintenance requirement, the broker can issue a margin call requiring the investor to deposit more cash or the broker will liquidate positions to meet the margin call.

The Portfolio Managers monitor the credit risk relating to the debt positions held in each custody account. The Portfolio Manager performs its obligations in accordance with the portfolio management agreement and at the Portfolio Manager's discretion and professional judgement.

The Notes are direct limited recourse obligations of the Company which are payable solely out of amounts received by or on behalf of the Company in respect of proceeds of realisation of the Collateral Assets. The payment of principal, interest and other amounts in respect of the Notes will be made solely from amounts received in respect of the underlying assets of the relevant series of Notes issued by the Company.

The Company is exposed to credit risk on its cash at bank. The credit risk on cash transactions is mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, or with high credit ratings as assigned by international credit-rating agencies as at 31 December 2024. Interactive Brokers and Bank of New York have A- and AA- Standard & Poor's long term credit ratings as at 31 December 2024, respectively.

HFMX DESIGNATED ACTIVITY COMPANY

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

22. Fair value hierarchy of assets and liabilities

IFRS 13 'Fair Value Measurement' specifies that financial instruments which are fair valued through profit or loss, must be classified in accordance with a hierarchy of valuation techniques based on whether the inputs into those valuation techniques are observable (reflecting market value obtained from independent sources) or unobservable (requiring the use of models and assumptions). The two types of inputs have created the following hierarchy:

- Level 1: quoted prices (i.e. unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3: inputs for the asset or liability that are not based on observable market data (i.e. unobservable inputs)

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement of the instrument in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement of the instrument in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the financial asset or liability. The determination of what constitutes "observable" requires significant judgment by the Company. The Directors consider observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, provided by multiple, independent sources that are actively involved in the relevant market. The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the financial instrument and does not necessarily correspond to the Company's perceived risk inherent in such financial instrument. The Company's financial instruments have been classified within levels 1 and 3. Level 3 financial assets are assets for which prices are available but for which the majority of inputs are unobservable. The remainder of the Company's investments are classified within level 3 of the fair value hierarchy because there is limited valuation data or quotations received require management judgment. These investments are typically equity positions that trade privately, sufficient data to satisfy the definition of 'observable market quote' is unavailable. Level 3 valuation methodologies include net asset value calculations and utilisation of recent market prices as best estimation of fair valuation.

The Company's financial liabilities at fair value through profit or loss are derived from the fair value of the financial assets and are therefore classified on a consistent basis with those instruments. The following tables provide an analysis within the fair value hierarchy of financial assets and liabilities, measured at fair value as at 31 December 2024:

As at 31 December 2024	Level 1	Level 2	Level 3	Total
Fair value hierarchy - assets	US\$	US\$	US\$	US\$
Financial assets at FVTPL	183,535,512	-	32,464,757	216,000,270
Derivative financial assets at FVTPL	209,627	-	-	209,627
	183,745,139	-	32,464,757	216,209,897

As at 31 December 2024	Level 1	Level 2	Level 3	Total
Fair value hierarchy - liabilities	US\$	US\$	US\$	US\$
Financial liabilities at FVTPL - Notes	0	-	(221,348,427)	(221,348,427)
Derivative financial liabilities at FVTPL	(336,264)	-	-	(336,264)
	(336,264)	-	(221,348,427)	(221,684,691)

As at 31 December 2023	Level 1	Level 2	Level 3	Total
Fair value hierarchy - assets	US\$	US\$	US\$	US\$
Financial assets at FVTPL	151,365,858	-	57,557,897	208,923,755
Derivative financial assets at FVTPL	21,637	-	-	21,637
	151,387,495	-	57,557,897	208,945,392

As at 31 December 2023	Level 1	Level 2	Level 3	Total
Fair value hierarchy - liabilities	US\$	US\$	US\$	US\$
Financial liabilities at FVTPL - Notes	0	-	(232,148,641)	(232,148,641)
Derivative financial liabilities at FVTPL	(475,656)	-	-	(475,656)
	(475,656)	-	(232,148,641)	(232,624,297)

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

22. Fair value hierarchy of assets and liabilities (continued)

During the year ended 31 December 2024, there were no transfers between levels of the fair value hierarchy. The following table represents the roll forward of the amounts of Level 3 instruments for the financial year ended 31 December 2024:

31 December 2024	Financial assets	Financial liabilities
	US\$	US\$
Opening balance	57,557,897	(232,148,641)
Purchases/issuances	-	(26,579,573)
Sales/redemptions	(22,111,877)	46,214,140
Gains/(Losses) on assets/Notes	(2,981,263)	(9,233,026)
Foreign exchange movement	-	398,673
Closing balance	32,464,757	(221,348,427)

31 December 2023	Financial assets	Financial liabilities
	US\$	US\$
Opening balance	92,358,870	(221,685,973)
Purchases/issuances	6,015,000	(42,057,552)
Sales/redemptions	(23,505,944)	28,825,811
Foreign exchange adjustment	(17,310,029)	2,988,570
Gains/(Losses) on assets/Notes	-	(219,497)
Transfers into/out of level 3 due to reclassification at opening value	-	-
Closing balance	57,557,897	(232,148,641)

The impact on the fair value of Level 3 financial instruments of using reasonably possible alternative assumptions for the inputs is difficult to assess and cannot be reliably estimated given the private illiquid nature of the underlying investments.

The valuation techniques and unobservable inputs used for Level 3 assets are as follows with the valuation of the corresponding Series being based on the asset valuation less fees accrued.

- a) **Wrappers/Hybrid - Property**
 Technique: Fair value assessment including appraisal of industrial, commercial, and residential zoned real estate, plus entity's cash flows and costs.
 Unobservable inputs: Recent market prices as best estimation of fair value.

- b) **Wrappers/Hybrid – private assets**
 Technique: Fair value of portfolio of assets plus entity's cash flows and costs.
 Unobservable inputs: Recent market prices as best estimation of fair value – Private Placements and other securities

- c) **Wrappers – Traded instruments**
 Technique: Fund administrator reports detailing fair valuation of cash and liquid securities of the Fund, including Common Stocks, Exchange Traded Funds, Derivative contracts, and Corporate and Sovereign Bonds.
 Unobservable inputs: NAV from fund administrator.

HFMX DESIGNATED ACTIVITY COMPANY**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024****22. Fair value hierarchy of assets and liabilities (continued)**

The following table analyses within the fair value hierarchy the Company's assets not measured at fair value at 31 December 2024 but for which fair value is disclosed:

As at 31 December 2024	Level 1	Level 2	Level 3	Total
Assets	US\$	US\$	US\$	US\$
Cash and cash equivalents	5,364,501	0	-	5,364,501
Accrued interest on loans	-	5,100,258	-	5,100,258
Interest receivable	-	1,727,660	-	1,727,660
Other assets	-	270,881	-	270,881
	5,364,501	7,098,799	-	12,463,300

As at 31 December 2023	Level 1	Level 2	Level 3	Total
Assets	US\$	US\$	US\$	US\$
Cash and cash equivalents	24,695,959	-	-	24,695,959
Accrued interest from bonds and loans	-	5,058,850	-	5,058,850
Interest receivable	-	1,274,574	-	1,274,574
Other assets	-	1,217,467	-	1,217,467
	24,695,959	7,550,891	-	32,246,850

The carrying value of cash and cash equivalents, cash collateral, accrued interest from bonds, interest receivable, other assets, amounts payable on purchase of financial assets, interest payable and other liabilities is deemed to be the best approximation of their fair value due to their short-term nature.

23. Related party transactions

Verita Corporate Services Limited ("Verita"), of which Neil Fleming is a director, earned fees in 2024 of US\$34,101 (2023: US\$31,851) from the Company of which US\$7,852 of fees was outstanding at the year end (2023: US\$8,011) and US\$2,101 in respect of costs paid by Verita on behalf of the Company (2023: Nil). Neil Fleming is also a director of Boru Capital Limited ("Boru") and Boru Corporate Trustees Limited, the share trustee. Boru earned fees from the Company in 2024 of US\$3,924 (US\$ Nil) in respect of professional services, of which US\$3,924 was outstanding at the year end (2023: US\$ Nil).

24. Subsequent events

Subsequent to the year end the Company continued to issue new Series. The following events arose in respect of Series in issue at the financial year end:

- S220 was redeemed at Nil value.
- S299 was redeemed in full arising from the voluntary wind-down of the underlying charged assets.
- the maturity of S270 was extended to 5 March 2026. The valuation ascribed to the assets underlying this Series at the date of approval of these financial statements remains nil.
- the S231 Noteholders approved a restructuring of the transaction wherein: (i) the notes are to be extinguished and cancelled for nil consideration; (ii) the underlying loan receivable and related charged/pledged assets are to be assigned to third parties at face value; and, (iii) the issuer's rights and obligations under the loan and security agreements are to be terminated and released. The economic exposure of the S231 noteholders will be replaced via the issuance of new notes by the third parties. The Company will not retain any interest in the assigned loan assets or related collateral following completion of the restructuring. The transaction is being implemented in accordance with contractual terms approved by the noteholders with no further payments being made by the Company under the cancelled S231 notes and the underlying assets being formally derecognized, resulting in recognition of a write-off of the balance of the loan and accrued interest and a corresponding FVTPL gain on extinguishment of the S231 Notes liability. The transaction is awaiting final completion.

The Directors consider that the above events are non-adjusting events after the reporting date and have been disclosed accordingly. Except for the above reported events, no other material subsequent events occurred between the reporting date and the financial statements approval date.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024**

25. Capital management

The share capital of the Company is EUR 1. This was issued in line with Irish company law and is not used for financing the investing activities of the Company. The Company is not subject to any externally imposed capital requirements.

26. Contingent Liabilities

The Company does not have any contingent liabilities or commitments as at 31 December 2024.

27. Approval of the financial statements

The financial statements were approved by the Board and authorised for issue on 5 March 2026.