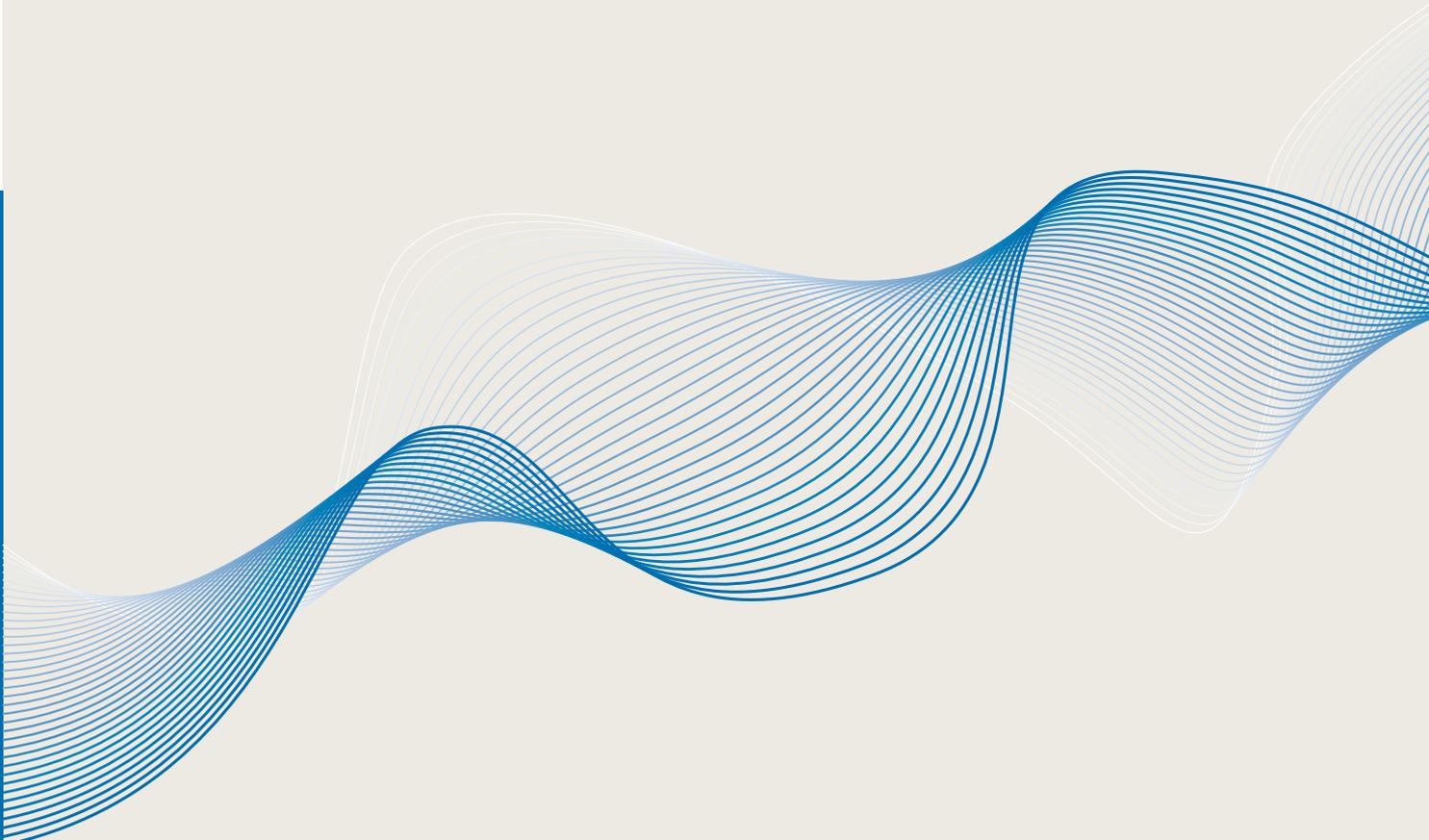


# Semi-annual Report

June 2021



**castle**  
ALTERNATIVE INVEST  
(in liquidation)

**Publication date**

This report was released for publication on 24 August 2021.

The subsequent event note in the financial statements has been updated to 23 August 2021.

Amounts in this report are stated in USD thousands (TUSD) unless otherwise stated.

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## Castle Alternative Invest AG (in liquidation) in the first half of 2021

|  |  | 30 June 2021                       | 31 December 2020                   |
|--|--|------------------------------------|------------------------------------|
| <b>Net asset value increased 0.1% year to date</b>           | Castle Alternative Invest AG's ("Castle" or the "Company" or "CAI") net asset value increased by 0.1 per cent during the first half of 2021.   | USD 16.02 per share<br>TUSD 80,814 | USD 16.01 per share<br>TUSD 80,741 |
| <b>Share price up 7.7% on SIX, year to date to CHF 14.00</b> | During the first half of 2021, the price in CHF increased by 7.7 per cent.   | CHF 14.00 per share                | CHF 13.00 per share                |
| <b>Discount decreased further during the half-year</b>       | At the end of June 2021 the shares (CHF) were trading on SIX at a discount of 5.6 per cent to NAV.   | (5.6%)                             | (8.3%)                             |
| <b>The Company in liquidation</b>                            | At the Annual General Meeting held on 12 May 2021, the shareholders approved the dissolution and liquidation of the Company. The delisting of the Company's shares from the SIX Swiss Exchange will be initiated at a later date and will be announced at least three months in advance. |                                    |                                    |

## Performance during the first half of 2021

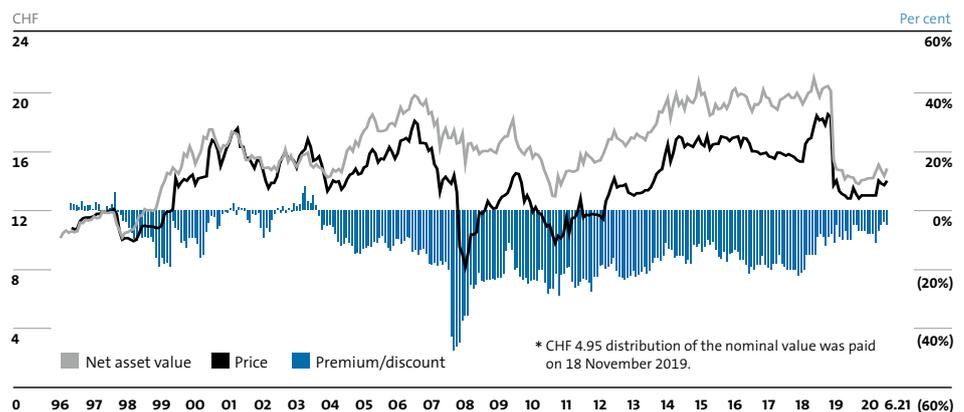
### Overview

After a contraction caused by the COVID-19 pandemic in 2020, global economic activity started to recover in the first half of the year, gaining momentum across regions though with some regional imbalances. The recovery has been supported by government-backed stimulus programmes and further fuelled by vaccine rollouts. Inflationary pressures have become more tangible and are gaining increasing relevance in investors' scenarios on future economic paths.

### Macro backdrop

Major central banks' QE and US Treasury's actions injected more than 1.5 trillion US Dollar of incremental liquidity into the financial system during Q2. This backdrop supported asset prices and bond market dynamics, helping push down bond yields, which have been increasing in the first months of the year. Sentiment is improving but new COVID-19 variants, in particular the more infectious one known as Delta, is creating some concerns and reducing visibility as per when restrictive measures could be significantly relaxed or even abandoned. The COVID-19 pandemic will remain a key factor in determining the trajectory of the different economies around the globe.

Development NAV Castle Alternative Invest AG in CHF



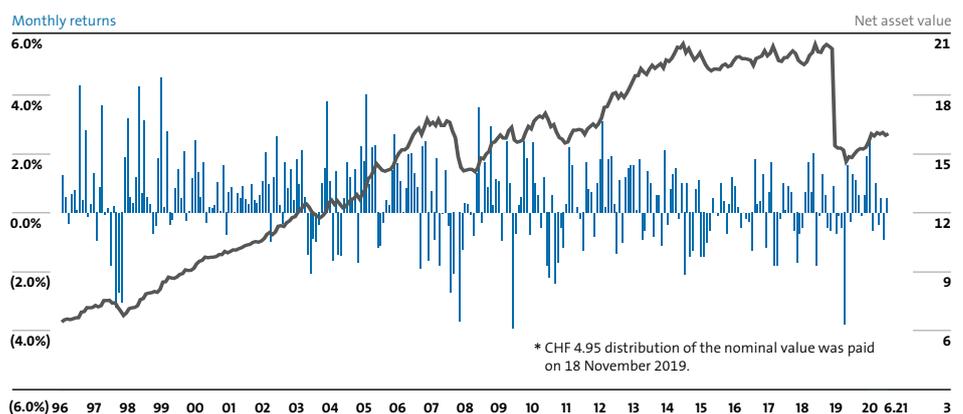
## Ten largest holdings

| Fund name   | Style          | Allocation as of 30 June 2021 |
|---|----------------|-------------------------------|
| Crown/Zebedee Segregated Portfolio                          | Long/Short     | 8.2%                          |
| Crown A Generix plc – LGT Crown Systematic Trading Sub Fund | CTA            | 7.9%                          |
| Crown/PW Segregated Portfolio                               | Event Driven   | 7.8%                          |
| Crown/Greenvale Segregated Portfolio                        | Long/Short     | 7.7%                          |
| Crown/Astignes Segregated Portfolio                         | Relative Value | 7.4%                          |
| Crown/Linden Segregated Portfolio                           | Relative Value | 7.3%                          |
| Crown/Optimas Segregated Portfolio                          | Long/Short     | 7.3%                          |
| Aventail Energy Offshore Fund Ltd.                          | Long/Short     | 6.7%                          |
| Crown/Capeview Segregated Portfolio                         | Long/Short     | 6.6%                          |
| L&R Asia Credit Alpha Fund SP                               | Event Driven   | 6.6%                          |
| <b>Total net assets</b>                                     |                | <b>100.0%</b>                 |

## Performance comparison

| Fund                      | 30 June 2021 | YTD  |
|---------------------------|--------------|------|
| CAI net asset value (USD) | 16.02        | 0.1% |
| CAI net asset value (CHF) | 14.83        | 4.7% |
| CAI closing price (CHF)   | 14.00        | 7.7% |

### Development NAV Castle Alternative Invest AG in USD<sup>1)</sup>



<sup>1)</sup> Before September 1999, CAI (Overseas) Ltd. pro-forma performance numbers (real numbers adjusted for currency hedging, net of management fee and performance fee but gross of cost on CAI AG level).

## Equities

Most equity markets delivered solid returns in the first half of the year, with European and US indices achieving double digits results. Tech giants like Apple, Alphabet and Microsoft impressed with strong gains in both quarters. The picture in Asia and within Emerging Markets has been more mixed, characterised by lower results albeit in positive territory. Country or region specific pandemic situations have continued to impact markets as we have been witnessing in June in the UK as markets struggled due to a rise in COVID-19 infections.

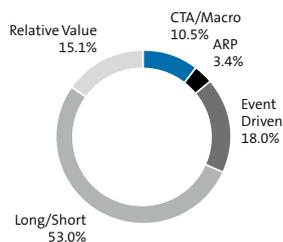
## Fixed income

US Treasury yields declined over the second quarter, with the 10-year falling from 1.74 per cent to 1.47 per cent, after moving higher during Q1. On the corporate side, we observed a similar dynamics as US investment grade rebounded well following the decline in Q1. Within Europe, due to rising inflation concerns, European government bonds delivered a negative performance – a comparable modest performance was achieved by high grade corporate bonds, while high yields bonds performed relatively well over the second quarter.

## Commodities

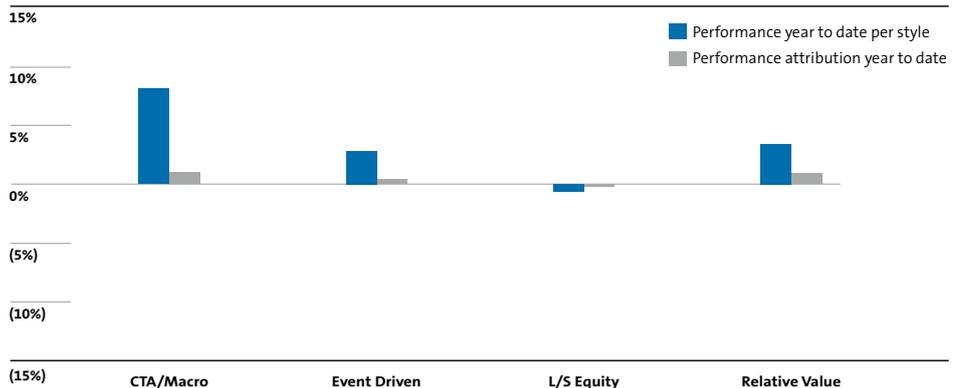
Commodities continued to perform well in 2021 following a “rebound shock” started during 2020. The S&P GSCI Index achieved a robust performance driven by strong growth in energy prices. The industrial metals component also advanced during the second quarter, driven by sharply higher prices for aluminium, lead and nickel. The agriculture segment also was positive with the price of sugar and coffee both sharply higher. Precious metals showed a more modest performance with flattish or slightly negative results until the end of the second quarter.

### Style allocation as of 30 June 2021



The allocations above take into account that a single underlying investment can have exposure to multiple styles and have been rebased to reflect underlying fund investments only.

### Estimated performance of styles before costs in USD from 31 December 2020 to 30 June 2021



## Hedge fund strategies

**Event driven** added 0.4 per cent to Castle's returns. All the managers within the allocation ended the period in positive territory, albeit with a high dispersion in terms of results. Best performance – in excess of 20 per cent – was achieved by a European manager, followed by US and Asia focused strategies.

**CTA and quantitative** strategies added 1 per cent to Castle's returns thanks to a solid aggregate performance of +8 per cent in the first half of the year. Positive contributions came from all the main segments: trend-following, systematic macro and equity quant strategies. Trend-following managers in particular capitalised on rising markets in both equities and commodities. Within the latter, energy, agricultural and industrial metals contracts drove the performance.

**Long/short equity** deducted 0.2 per cent from Castle's returns. One manager in particular negatively impacted the overall allocation results as his alpha generation was first negative on the short and subsequently on the long side. Most of the other managers were able to close the first half of the year in positive territory with good results from both bottom-up and top-down centred strategies.

The **relative value** managers added 0.9 per cent to Castle's returns as two out of three managers ended the period in positive territory posting solid returns while one Asian strategy deducted due to a challenging FX trading.

## Castle Alternative Invest

The net asset value per share of Castle Alternative Invest AG in US Dollars increased by 0.1 per cent in the first half of 2021. Converted into Swiss Francs, it gained 4.7 per cent over the same period. At the end of June 2021, Castle's shares in Swiss Francs were trading at a discount of 5.6 per cent to net asset value. The portfolio was invested in 23 different managers and the level of investment was 85 per cent.

## Unaudited consolidated statement of comprehensive income

For the period ended 30 June 2021 (All amounts in USD thousands unless otherwise stated)

|  | Note  | 1 January –<br>30 June 2021 | 1 January –<br>30 June 2020 |
|--|-------|-----------------------------|-----------------------------|
| <b>Income</b>  |       |                             |                             |
| <b>Net gain/(loss) on investments at fair value through profit or loss</b> | 6     | <b>2,183</b>                | <b>(808)</b>                |
| <b>Income from current assets:</b>   |       |                             |                             |
| (Loss)/gain on foreign exchange, net                                       |       | (173)                       | 73                          |
| Interest income  |       | —                           | 12                          |
| Other income   |       | 56                          | 74                          |
| <b>Total (loss)/gain from current assets</b>                               |       | <b>(117)</b>                | <b>159</b>                  |
| <b>Total income/(loss)</b>   |       | <b>2,066</b>                | <b>(649)</b>                |
| <b>Expenses</b>  |       |                             |                             |
| Management and performance fees  | 8     | (639)                       | (506)                       |
| Other operating expenses   |       | (1,026)                     | (481)                       |
| <b>Total operating expenses</b>  |       | <b>(1,665)</b>              | <b>(987)</b>                |
| <b>Operating profit/(loss)</b>   |       | <b>401</b>                  | <b>(1,636)</b>              |
| Finance costs  |       | (3)                         | (1)                         |
| <b>Profit/(loss) for the period</b>  |       | <b>398</b>                  | <b>(1,637)</b>              |
| <b>Total comprehensive income/(loss) for the period</b>                    |       | <b>398</b>                  | <b>(1,637)</b>              |
| <b>Profit/(loss) attributable to:</b>                                      |       |                             |                             |
| Shareholders   |       | 73                          | (1,511)                     |
| Non-controlling interest   | 2 (d) | 325                         | (126)                       |
|  |       | <b>398</b>                  | <b>(1,637)</b>              |
| <b>Total comprehensive income/(loss) attributable to:</b>                  |       |                             |                             |
| Shareholders   |       | 73                          | (1,511)                     |
| Non-controlling interest   | 2 (d) | 325                         | (126)                       |
|  |       | <b>398</b>                  | <b>(1,637)</b>              |
| <b>Earnings per share (USD) attributable to equity holders</b>             |       |                             |                             |
| Weighted average number of shares outstanding during the period            |       | 5,043,659                   | 5,049,216                   |
| Basic and diluted profit/(loss) per share                                  |       | USD 0.01                    | USD (0.30)                  |

The accompanying notes on pages 12 to 26 form an integral part of these consolidated financial statements.

## Unaudited consolidated balance sheet

As of 30 June 2021 (All amounts in USD thousands unless otherwise stated)

|   | Note | 30 June 2021     | 31 December 2020 |
|---|------|------------------|------------------|
| <b>Assets</b>   |      |                  |                  |
| <b>Current assets:</b>  |      |                  |                  |
| Cash and cash equivalents   |      | 12,605           | 11,485           |
| Accrued income and other receivables  |      | 50               | 2,018            |
| Investments at fair value through profit or loss                                | 6    | 70,364           | —                |
| <b>Total current assets</b>   |      | <b>83,019</b>    | <b>13,503</b>    |
| <b>Non-current assets:</b>  |      |                  |                  |
| Investments at fair value through profit or loss                                | 6    | —                | 69,420           |
| <b>Total non-current assets</b>   |      | <b>—</b>         | <b>69,420</b>    |
| <b>Total assets</b>   |      | <b>83,019</b>    | <b>82,923</b>    |
| <b>Liabilities</b>  |      |                  |                  |
| <b>Current liabilities:</b>   |      |                  |                  |
| Accrued expenses and other payables   |      | 1,008            | 850              |
| <b>Total current liabilities</b>  |      | <b>1,008</b>     | <b>850</b>       |
| <b>Equity</b>   |      |                  |                  |
| <b>Shareholders' equity:</b>  |      |                  |                  |
| Share capital   |      | 260              | 260              |
| Additional paid-in capital  |      | 23,947           | 23,947           |
| Retained earnings   |      | 56,607           | 56,534           |
| <b>Total shareholders' equity before non-controlling interest</b>               |      | <b>80,814</b>    | <b>80,741</b>    |
| Non-controlling interest  |      | 1,197            | 1,332            |
| <b>Total equity</b>   |      | <b>82,011</b>    | <b>82,073</b>    |
| <b>Total liabilities and equity</b>   |      | <b>83,019</b>    | <b>82,923</b>    |
| <b>Net asset value per share (USD)</b>  |      |                  |                  |
| Number of shares issued as at the period end                                    |      | 5,043,659        | 5,043,659        |
| <b>Number of shares outstanding net of treasury shares as at the period end</b> |      | <b>5,043,659</b> | <b>5,043,659</b> |
| <b>Net asset value per share</b>  |      | <b>16.02</b>     | <b>16.01</b>     |

The accompanying notes on pages 12 to 26 form an integral part of these consolidated financial statements.

## Unaudited consolidated statement of cash flows

For the period ended 30 June 2021 (All amounts in USD thousands unless otherwise stated)

|  | 1 January –<br>30 June 2021 | 1 January –<br>30 June 2020 |
|--|-----------------------------|-----------------------------|
| <b>Cash flows from/(used in) operating activities:</b>                   |                             |                             |
| Purchase of investments  | (18,000)                    | (11,500)                    |
| Proceeds from sales of investments                                       | 19,240                      | 15,864                      |
| Interest received  | —                           | 12                          |
| Operating income received/(expenses paid)                                | 525                         | (1,339)                     |
| <b>Net cash from operating activities</b>                                | <b>1,765</b>                | <b>3,037</b>                |
| <b>Cash flows from/(used in) financing activities:</b>                   |                             |                             |
| Finance costs  | (3)                         | (4)                         |
| Return of capital to non-controlling interest                            | (460)                       | (450)                       |
| Purchase of treasury shares (bought for cancellation)                    | —                           | (747)                       |
| <b>Net cash used in financing activities</b>                             | <b>(463)</b>                | <b>(1,201)</b>              |
| <b>Net increase in cash and cash equivalents</b>                         | <b>1,302</b>                | <b>1,836</b>                |
| <b>Cash and cash equivalents, beginning of the period</b>                | <b>11,485</b>               | <b>11,415</b>               |
| Net increase in cash and cash equivalents                                | 1,302                       | 1,836                       |
| Net (loss)/gain on foreign exchange on cash and cash equivalents         | (182)                       | 72                          |
| <b>Cash and cash equivalents, end of the period</b>                      | <b>12,605</b>               | <b>13,323</b>               |
| <b>Cash and cash equivalents consist of the following as at 30 June:</b> |                             |                             |
| Cash at banks  | 12,605                      | 13,323                      |
| <b>Total</b>   | <b>12,605</b>               | <b>13,323</b>               |

The accompanying notes on pages 12 to 26 form an integral part of these consolidated financial statements.

**Unaudited consolidated statement of changes in equity**

For the period ended 30 June 2021 (All amounts in USD thousands unless otherwise stated)

|   | Share capital | Additional paid-in capital | Less treasury shares | Retained earnings | Non-controlling interest | Total equity  |
|---|---------------|----------------------------|----------------------|-------------------|--------------------------|---------------|
| <b>1 January 2020</b>                                 | <b>323</b>    | <b>27,855</b>              | <b>(23,731)</b>      | <b>73,467</b>     | <b>1,832</b>             | <b>79,746</b> |
| Total comprehensive loss for the period               | —             | —                          | —                    | (1,511)           | (126)                    | (1,637)       |
| Purchase of treasury shares (bought for cancellation) | —             | —                          | (747)                | —                 | —                        | (747)         |
| Return of capital to non-controlling interest         | —             | —                          | —                    | —                 | (450)                    | (450)         |
| <b>30 June 2020</b>                                   | <b>323</b>    | <b>27,855</b>              | <b>(24,478)</b>      | <b>71,956</b>     | <b>1,256</b>             | <b>76,912</b> |
| <b>1 January 2021</b>                                 | <b>260</b>    | <b>23,947</b>              | <b>—</b>             | <b>56,534</b>     | <b>1,332</b>             | <b>82,073</b> |
| Total comprehensive income for the period             | —             | —                          | —                    | 73                | 325                      | 398           |
| Return of capital to non-controlling interest         | —             | —                          | —                    | —                 | (460)                    | (460)         |
| <b>30 June 2021</b>                                   | <b>260</b>    | <b>23,947</b>              | <b>—</b>             | <b>56,607</b>     | <b>1,197</b>             | <b>82,011</b> |

The accompanying notes on pages 12 to 26 form an integral part of these consolidated financial statements.

## Notes to the unaudited consolidated financial statements

For the period ended 30 June 2021

(All amounts in USD thousand unless otherwise stated)

### 1. Organisation and business activity

Castle Alternative Invest AG, Pfäffikon (“the Company”), is a joint stock corporation established for an indefinite period in the Canton of Schwyz, Switzerland, by deed dated 24 July 1996. The Company was registered in the Commercial Register of the Canton of Schwyz on 30 July 1996. The Company’s business is principally conducted through two subsidiaries; Castle Alternative Invest (Overseas) Ltd., Grand Cayman (“the Cayman Subsidiary”) and Castle Alternative Invest (International) plc, Dublin (“the Ireland Subsidiary”). Since 10 April 1997, the shares of the Company have been listed in Swiss Francs on the SIX Swiss Exchange.

At the annual meeting on 12 May 2021 the board of directors proposed to the shareholders the dissolution and liquidation of the Company. This was accepted by the shareholders. The delisting of the Company’s shares from the SIX Swiss Exchange will be initiated at a later date and will be announced at least three months in advance.

### 2. Basis of preparation

The accompanying consolidated interim financial statements of Castle Alternative Invest AG, Pfäffikon and its subsidiaries as listed in note 3 (together “the Group”) have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting” and comply with Swiss Law and the accounting guidelines laid down in the SIX Swiss Exchange’s Directive on Financial Reporting (DFR) for investment companies.

At the annual meeting on 12 May 2021 the board of directors proposed to the shareholders the dissolution and liquidation of the Company. This was accepted by the shareholders. The delisting of the Company’s shares from the SIX Swiss Exchange will be initiated at a later date and will be announced at least three months in advance. At some time subsequent to the de-listing, the company will be liquidated. The condensed consolidated interim financial statements of the Group have therefore been prepared on a basis other than going concern and in accordance with International Financial Reporting Standards (IFRS) as formulated by the International Accounting Standards Board (IASB). The principles of accounting applied in the interim consolidated financial statements as per 30 June 2021 correspond to those in the annual report 2020, unless otherwise stated. The following changes were applied:

- All assets are displayed under the current assets in the balance sheet
- The accrual of the best estimate of all future wind up costs are displayed under the accrued expenses and other payables in the balance sheet

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2020.

**a) Standards and amendments to published standards that are mandatory for the financial year beginning on or after 1 January 2021**

- Amendments to IFRS 9 “Financial instruments” (effective 1 January 2021),
- Amendments to IAS 39 “Financial instruments: Recognition and measurements” (effective 1 January 2021),
- Amendments to IFRS 7 “Financial instruments: Disclosures” (effective 1 January 2021).

The implementation of these new standards did not have an impact on the consolidated interim financial statements of the Group and did not lead to any changes to the total shareholders' equity of the Group.

**b) Standards and amendments to published standards effective after 1 January 2021 that have not been early adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2021 and have not been applied in preparing these consolidated interim financial statements. None of these could have a significant effect on the consolidated interim financial statements.

**c) Segment reporting**

IFRS 8 requires entities to define operating segments and segment performance in the financial statements based on information used by the chief operating decision-maker. The alternative investment fund manager (“AIFM”) is considered to be the chief operating decision-maker. An operating segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other operating segments.

The sole operating segment of the Group is investing in hedge funds. The AIFM works as a team for the entire portfolio, asset allocation is based on a single, integrated investment strategy and the Group's performance is evaluated on an overall basis. Thus the results published in this report correspond to the sole operating segment of investing in hedge funds.

**d) Non-controlling interest**

Non-controlling interest holders in the consolidated financial statements are presented as a component of equity. The profit or loss for the period and the total comprehensive income are allocated in the statement of comprehensive income to the amounts attributable to non-controlling interest holders and to the shareholders.

### 3. Basis of consolidation

The consolidated interim financial statements per 30 June 2021 are based on the financial statements of the individual Group companies prepared using the same accounting principles applied in the consolidated financial statements for the year ended 31 December 2020.

The consolidated interim financial statements include all assets and liabilities of the Company and its direct and indirect subsidiaries:

- Castle Alternative Invest (Overseas) Ltd., Grand Cayman
- Castle Alternative Invest (International) plc, Dublin

### 4. Tax expense

General: Taxes are provided based on reported income. Capital taxes paid are recorded in other operating expenses.

#### Castle Alternative Invest AG, Pfäffikon

For Swiss federal, cantonal and communal tax purposes, an income tax is levied. However, there is a participation exemption on dividend income and capital gains on qualifying participations. The result of the participation exemption relief is that dividend income and capital gains are almost fully excluded from taxation.

For Swiss federal tax purposes, an income tax is levied. However, there is a participation exemption on dividend income and capital gains on qualifying participations. The result of the participation exemption relief is that dividend income and capital gains are almost fully excluded from taxation.

#### Castle Alternative Invest (Overseas) Ltd., Grand Cayman

The activity of the Cayman Subsidiary is not subject to any income, withholding or capital taxes in the Cayman Islands. However it does invest in securities and subsidiaries whose dividends may be subject to nonrefundable foreign withholding taxes.

#### Castle Alternative Invest (International) plc., Dublin

The activity of the Ireland Subsidiary is not subject to any income, withholding or capital taxes in Ireland. However, it does invest in securities and subsidiaries whose dividends may be subject to nonrefundable foreign withholding taxes.

Reconciliation of income tax calculated with the applicable tax rate:

| Tax expense                                    | 30.6.2021<br>TUSD | 30.6.2020<br>TUSD |
|--|-------------------|-------------------|
| Profit/(loss) for the period before income tax | 398               | (1,637)           |
| Applicable tax rate                            | 7.8%              | 7.8%              |
| Income tax                                     | 31                | (128)             |
| Effect from non-taxable income                 | (31)              | 128               |
| <b>Total</b>                                   | <b>—</b>          | <b>—</b>          |

**5. Borrowings**

As of 30 June 2021, the Ireland Subsidiary has a credit line of TUSD 10,000 (31 December 2020: TUSD 15,000). The credit line is granted by LGT Bank Ltd., Dublin Branch and is secured by the participating shares of the Ireland Subsidiary. The pledged assets are deposited with LGT Bank Ltd., Vaduz and pledged in favour of the lender.

As of 30 June 2021, the Ireland Subsidiary had no borrowings from LGT Bank Ltd., Dublin Branch (31 December 2020: none).

**6. Investments at fair value through profit or loss**

The details of the investments are shown in the following investment table.

## Investments at fair value through profit or loss<sup>1)</sup>

As of 30 June 2021 (All amounts in USD thousands unless otherwise stated)

|  | Geography | Shares as at<br>1.1.2021 | Shares as at<br>30.6.2021 | Total net<br>paid in as at<br>1.1.2021 | Invest-<br>ments<br>2021 | Redemp-<br>tions<br>2021 | Realised<br>gain/(loss)<br>2021 | Total net<br>paid in as at<br>30.6.2021 | Unrealised<br>gain/(loss)<br>accumulat-<br>ed 2021 | Fair value<br>as at<br>30.6.2021 | % of<br>invest-<br>ments |
|--|-----------|--------------------------|---------------------------|--|--------------------------|--------------------------|---------------------------------|---|--|----------------------------------|--------------------------|
| <b>CTA</b>   |           |                          |                           |  |                          |                          |                                 |   |  |                                  |                          |
| Crown A Generix plc –<br>LGT Crown Diversified Trend Sub Fund  | Global    | 1,432                    | 1,432                     | 1,422                                  | —                        | —                        | —                               | 1,422                                   | 329  | 1,751                            | 2.5%                     |
| Crown A Generix plc –<br>LGT Crown Systematic Trading Sub Fund | Global    | 4,865                    | 4,865                     | 5,000                                  | —                        | —                        | —                               | 5,000                                   | 531  | 5,531                            | 7.9%                     |
| <b>Total CTA</b>   |           |                          |                           | <b>6,422</b>                           | <b>—</b>                 | <b>—</b>                 | <b>—</b>                        | <b>6,422</b>                            | <b>860</b>   | <b>7,282</b>                     | <b>10.4%</b>             |
| <b>Alternative Risk Premia</b>                                 |           |                          |                           |  |                          |                          |                                 |   |  |                                  |                          |
| CC&L Q Global Equity Market<br>Neutral Fund Ltd.               | Global    | 2,143                    | 2,143                     | 2,143                                  | —                        | —                        | —                               | 2,143                                   | 217  | 2,360                            | 3.4%                     |
| <b>Total Alternative Risk Premia</b>                           |           |                          |                           | <b>2,143</b>                           | <b>—</b>                 | <b>—</b>                 | <b>—</b>                        | <b>2,143</b>                            | <b>217</b>   | <b>2,360</b>                     | <b>3.4%</b>              |
| <b>Macro</b>   |           |                          |                           |  |                          |                          |                                 |   |  |                                  |                          |
| The Rohatyn Group Global<br>Opportunity Fund Ltd.              | Global    | 1                        | 1                         | 272                                    | —                        | —                        | —                               | 272                                     | (194)  | 78                               | 0.1%                     |
| <b>Total Macro</b>   |           |                          |                           | <b>272</b>                             | <b>—</b>                 | <b>—</b>                 | <b>—</b>                        | <b>272</b>                              | <b>(194)</b>                                       | <b>78</b>                        | <b>0.1%</b>              |
| <b>Event Driven</b>  |           |                          |                           |  |                          |                          |                                 |   |  |                                  |                          |
| Bennelong Asia Pacific Multi Strategy<br>Equity Fund Ltd.      | Asia      | 4,632                    | 4,632                     | 529                                    | —                        | —                        | —                               | 529                                     | (426)  | 103                              | 0.2%                     |
| Crown Distressed Credit<br>Opportunities plc <sup>2)</sup>     | Global    | 1,732                    | 1,732                     | 151                                    | —                        | —                        | —                               | 151                                     | 220  | 371                              | 0.5%                     |
| Crown/GLG Segregated Portfolio                                 | Europe    | 145                      | 145                       | 186                                    | —                        | —                        | —                               | 186                                     | (10)   | 176                              | 0.3%                     |
| Crown/Oceanwood Segregated Portfolio                           | Europe    | 659                      | 659                       | 670                                    | —                        | —                        | —                               | 670                                     | 225  | 895                              | 1.3%                     |
| Crown/PW Segregated Portfolio                                  | America   | 4,235                    | 4,235                     | 4,214                                  | —                        | —                        | —                               | 4,214                                   | 1,300  | 5,514                            | 7.8%                     |
| Highland Crusader Fund II Ltd.                                 | America   | 1                        | 1                         | —                                      | —                        | —                        | 49                              | —                                       | 1,006  | 1,006                            | 1.4%                     |
| L&R Asia Credit Alpha Fund SP                                  | Asia      | 2,500                    | 3,938                     | 2,500                                  | 4,500                    | (2,500)                  | —                               | 4,500                                   | 125  | 4,625                            | 6.6%                     |
| OZ Asia Overseas Fund Ltd.                                     | Asia      | 1                        | 1                         | 395                                    | —                        | —                        | —                               | 395                                     | (395)  | —                                | 0.0%                     |
| OZ Overseas Fund Ltd. Tranche C shares                         | Global    | 2                        | 1                         | 37                                     | —                        | —                        | —                               | 37                                      | (37)   | —                                | 0.0%                     |
| <b>Total Event Driven</b>                                      |           |                          |                           | <b>8,682</b>                           | <b>4,500</b>             | <b>(2,500)</b>           | <b>49</b>                       | <b>10,682</b>                           | <b>2,008</b>                                       | <b>12,690</b>                    | <b>18.0%</b>             |

|   | Geography | Shares as at<br>1.1.2021 | Shares as at<br>30.6.2021 | Total net<br>paid in as at<br>1.1.2021 | Invest-<br>ments<br>2021 | Redemp-<br>tions<br>2021 | Realised<br>gain/(loss)<br>2021 | Total net<br>paid in as at<br>30.6.2021 | Unrealised<br>gain/(loss)<br>accumulat-<br>ed 2021 | Fair value<br>as at<br>30.6.2021 | % of<br>invest-<br>ments |
|---|-----------|--------------------------|---------------------------|--|--------------------------|--------------------------|---------------------------------|---|--|----------------------------------|--------------------------|
| <b>Long/Short</b>                                       |           |                          |                           |  |                          |                          |                                 |   |  |                                  |                          |
| Aventail Energy Offshore Fund Ltd.                      | America   | 3,500                    | 4,511                     | 3,500                                  | 2,500                    | (1,500)                  | —                               | 4,500                                   | 223  | 4,723                            | 6.7%                     |
| Crown/Capeview Segregated Portfolio                     | Europe    | 2,222                    | 2,222                     | 2,553                                  | —                        | —                        | —                               | 2,553                                   | 2,094  | 4,647                            | 6.6%                     |
| Crown/Greenvale Segregated Portfolio                    | Global    | 5,260                    | 4,455                     | 5,198                                  | —                        | (805)                    | 196                             | 4,393                                   | 1,036  | 5,429                            | 7.7%                     |
| Crown/Kuvari Focus Segregated Portfolio                 | Europe    | —                        | 3,000                     | —                                      | 3,000                    | —                        | —                               | 3,000                                   | 34   | 3,034                            | 4.3%                     |
| Crown/Lomas Segregated Portfolio                        | America   | 1,400                    | —                         | 1,516                                  | —                        | (1,516)                  | (85)                            | —                                       | —  | —                                | 0.0%                     |
| Crown/Optimas Segregated Portfolio                      | Asia      | 4,516                    | 4,516                     | 4,528                                  | —                        | —                        | —                               | 4,528                                   | 591  | 5,119                            | 7.3%                     |
| Crown/Seligman Segregated Portfolio                     | Global    | 2,309                    | 3,046                     | 2,449                                  | 1,000                    | —                        | —                               | 3,449                                   | 787  | 4,236                            | 6.0%                     |
| Crown/Zebedee Segregated Portfolio                      | Europe    | 4,268                    | 3,594                     | 4,599                                  | —                        | (674)                    | 326                             | 3,925                                   | 1,812  | 5,737                            | 8.2%                     |
| Galleon Technology Offshore Ltd.                        | America   | 57                       | 57                        | 1,278                                  | —                        | —                        | —                               | 1,278                                   | (1,251)  | 27                               | 0.0%                     |
| Raptor Private Holdings Ltd.                            | America   | 365                      | —                         | 250                                    | —                        | (250)                    | (207)                           | —                                       | —  | —                                | 0.0%                     |
| Sylebra Capital Parc Offshore Fund                      | Global    | 3,000                    | 4,771                     | 3,000                                  | 7,000                    | (5,000)                  | —                               | 5,000                                   | (642)  | 4,358                            | 6.2%                     |
| <b>Total Long/Short</b>                                 |           |                          |                           | <b>28,871</b>                          | <b>13,500</b>            | <b>(9,745)</b>           | <b>230</b>                      | <b>32,626</b>                           | <b>4,684</b>                                       | <b>37,310</b>                    | <b>53.0%</b>             |
| <b>Relative Value</b>                                   |           |                          |                           |  |                          |                          |                                 |   |  |                                  |                          |
| Crown/Astignes Segregated Portfolio                     | Asia      | 4,100                    | 4,100                     | 4,393                                  | —                        | —                        | —                               | 4,393                                   | 812  | 5,205                            | 7.4%                     |
| Crown/Linden Segregated Portfolio                       | Global    | 1,858                    | 1,553                     | 3,785                                  | —                        | (576)                    | 425                             | 3,209                                   | 1,916  | 5,125                            | 7.3%                     |
| D.E. Shaw Composite International Ltd.                  | Global    | 1                        | 1                         | —                                      | —                        | —                        | —                               | —                                       | 40   | 40                               | 0.1%                     |
| D.E. Shaw Composite International Ltd.                  |           |                          |                           |  |                          |                          |                                 |   |  |                                  |                          |
| Side Pocket Series                                      | Global    | 1                        | 1                         | —                                      | —                        | —                        | 11                              | —                                       | 274  | 274                              | 0.4%                     |
| The Segantii Asia Pacific Equity Multi<br>Strategy Fund | Asia      | 10,106                   | —                         | 4,654                                  | —                        | (4,654)                  | 1,050                           | —                                       | —  | —                                | 0.0%                     |
| <b>Total Relative Value</b>                             |           |                          |                           | <b>12,832</b>                          | <b>—</b>                 | <b>(5,230)</b>           | <b>1,486</b>                    | <b>7,602</b>                            | <b>3,042</b>                                       | <b>10,644</b>                    | <b>15.1%</b>             |
| <b>Total</b>  |           |                          |                           | <b>59,222</b>                          | <b>18,000</b>            | <b>(17,475)</b>          | <b>1,765</b>                    | <b>59,747</b>                           | <b>10,617</b>                                      | <b>70,364</b>                    | <b>100.0%</b>            |

<sup>1)</sup> Numbers may not fully add up due to rounding.

<sup>2)</sup> The Company has made the following commitment to an investment fund:  
– Crown Distressed Credit Opportunities plc – USD 16.5 million of which USD 4.1 million is unfunded.

## 7. Shareholders' equity

### Shareholders' equity

As of 30 June 2021 the authorised, issued and fully paid up share capital of the Company amounts to TUSD 260 (2020: TUSD 260) consisting of 5,043,659 (2020: 5,043,659) registered shares with a par value of CHF 0.05.

Each share entitles the holder to participate in any distribution of income and capital. The Group regards shareholders' equity as the capital that it manages. Shareholders' equity, including non-controlling interest holders, amounts to TUSD 82,011 as of 30 June 2021 (2020: TUSD 82,073).

During the period from 21 June 2010 to 6 February 2020 the Company purchased treasury shares on its first and second trading line. According to the program periods the 2<sup>nd</sup> line treasury shares were cancelled in subsequent yearly tranches.

### Non-controlling interest

Swiss Life AG holds a side pocket share class for illiquid assets (Class RI) in the Ireland Subsidiary. The side pocket share classes will pay out proceeds as their assets are realised. As of 30 June 2021 Swiss Life AG's holding in the remaining Class RI shares comprised 1.64 per cent (2020: 1.84 per cent) of the net asset value of the Ireland Subsidiary.

The Cayman Subsidiary's holding in Class O and Class RO comprised 98.36 per cent of the net asset value of the Ireland Subsidiary (2020: 98.16 per cent). The Company controls the Ireland Subsidiary and consolidates it in compliance with IFRS 10. Swiss Life AG's holding is shown as a non-controlling interest in the Group's consolidated financial statements.

### Share buyback 1<sup>st</sup> and 2<sup>nd</sup> line (bought for cancellation)

Since 2010, the Company has announced openings of second trading lines on a yearly basis for the Company's shares on the SIX Swiss Exchange. The Company is always the exclusive buyer on these trading lines and repurchases shares for the purpose of subsequently reducing its share capital. These treasury shares are treated as a deduction from shareholders' equity at the average purchase price.

**Treasury shares**

| <b>Buyback programs</b>  | <b>From</b> | <b>To</b>  | <b>Cancelled</b> | <b>Number of shares</b> | <b>Average price USD</b> | <b>Cost TUSD</b> |
|--|-------------|------------|------------------|-------------------------|--------------------------|------------------|
| Program initiated on 19 July 2018, announced on 17 July 2018   |             |            |                  |                         |                          |                  |
| Additions 2018   | 19.07.2018  | 31.12.2018 | 02.09.2019       | 454,865                 | 15.93                    | 7,248            |
| Additions 2018 via tradable put options <sup>1)</sup>  | 15.11.2018  | 29.11.2018 | 02.09.2019       | 348,109                 | 18.07                    | 6,289            |
| Additions 2019   | 01.01.2019  | 10.05.2019 | 02.09.2019       | 324,939                 | 16.92                    | 5,498            |
| Additions 2019   | 10.05.2019  | 04.06.2019 | 12.08.2020       | 58,416                  | 18.23                    | 1,065            |
| Additions 2019 via tradable put options <sup>1)</sup>  | 05.06.2019  | 28.06.2019 | 12.08.2020       | 308,544                 | 24.57                    | 7,581            |
| <b>Total</b>   |             |            |                  | <b>1,494,873</b>        | <b>18.52</b>             | <b>27,681</b>    |
| Program initiated on 1 July 2019, announced on 27 June 2019  |             |            |                  |                         |                          |                  |
| Additions 2019   | 01.07.2019  | 31.12.2019 | 12.08.2020       | 268,755                 | 17.81                    | 4,787            |
| Additions 2019 via tradable put options <sup>1)</sup>  | 22.11.2019  | 04.12.2019 | 12.08.2020       | 565,315                 | 18.22                    | 10,298           |
| Additions 2020   | 01.01.2020  | 30.06.2020 | 12.08.2020       | 52,410                  | 14.25                    | 747              |
| <b>Total</b>   |             |            |                  | <b>886,480</b>          | <b>17.86</b>             | <b>15,832</b>    |
| <b>Movement of treasury shares ordinary line, 2<sup>nd</sup> line and tradable put options (bought for cancellation)</b> |             |            |                  | <b>Number of shares</b> | <b>Cost TUSD</b>         |                  |
| <b>Shares held as of 1 January 2020</b>  |             |            |                  | <b>1,201,030</b>        | <b>23,731</b>            |                  |
| Additions 2020 via ordinary and 2 <sup>nd</sup> line   |             |            |                  | 52,410                  | 747                      |                  |
| Cancellation on 12 August 2020   |             |            |                  | (1,253,440)             | (24,478)                 |                  |
| <b>Shares held as of 31 December 2020</b>  |             |            |                  | <b>—</b>                | <b>—</b>                 |                  |
| <b>Shares held as of 30 June 2021</b>  |             |            |                  | <b>—</b>                | <b>—</b>                 |                  |

<sup>1)</sup> Cost includes the transaction expenses of Zürcher Kantonalbank, Zurich, for the tradeable put option which causes a dilution of the average price.

## 8. Significant transactions with related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operating decisions. In the opinion of the board of directors, the parties referred to in the schedule accompanying this note are related parties under IAS 24 "Related Party Disclosures". All related party transactions have been carried out within the normal course of business.

### Related party transactions

| Entity  | Related party<br>Relationship/Agreement(s)<br>Direct/indirect                                   | Transaction type   | 30.6.2021<br>TUSD                 | 31.12.2020<br>TUSD | 30.6.2020<br>TUSD |   |
|---|---|--|-----------------------------------|--------------------|-------------------|---|
| Castle Alternative Invest AG                  | LGT Bank Ltd./LGT Group/indirect  | Cash at banks  | 301                               | 252                | 52                |   |
|   | LGT Group Holding Ltd./<br>Administrative Services Agreement/direct                             | Administration fee   | 22                                | 43                 | 22                |   |
|   | LGT Capital Partners Ltd./<br>Domicile Agreement/direct   | Domicile fee   | 11                                | 10                 | 5                 |   |
|   | LGT Capital Partners Ltd./<br>Management expenses Agreement/direct                              | General manager's expenses   | 42                                | 77                 | 39                |   |
|   | Directors/direct  | Directors' fee   | 89                                | 195                | 100               |   |
|   | Castle Alternative Invest (Overseas) Ltd.   | LGT Capital Partners (Ireland) Ltd./<br>Investment Management Agreement/direct | Investment management fee         | 2                  | 4                 | 4 |
|   |   | LGT Group Holding Ltd./<br>Administrative Services Agreement/direct            | Investment management fee payable | 1                  | —                 | 2 |
| LGT Bank Ltd./Loan Agreement/direct           |   | Administration fee   | 5                                 | 10                 | 5                 |   |
| Directors/indirect                            |   | Administration fee payable   | 2                                 | —                  | —                 |   |
| Directors/indirect                            |   | Cash at banks  | 69                                | 95                 | 472               |   |
| Directors/indirect                            |   | Interest income  | —                                 | 1                  | 1                 |   |
| Directors/indirect                            |   | Directors' fee   | 5                                 | 5                  | 5                 |   |
| Castle Alternative Invest (International) plc | LGT Bank Ltd., Dublin Branch/<br>Loan Agreement/direct  | Interest expense   | 3                                 | 1                  | 1                 |   |
|   | Directors/indirect  | Credit facility standby fee  | 23                                | 46                 | 23                |   |
|   | Directors/indirect  | Credit facility standby fees payable   | 11                                | 11                 | 11                |   |
|   | LGT Capital Partners (Ireland) Ltd./<br>Alternative Investment Fund Management Agreement/direct | Investment management fee  | 541                               | 1,024              | 502               |   |
|   | Directors/indirect  | Investment management fee payable  | 91                                | 91                 | 84                |   |
|   | Directors/indirect  | Performance fee  | 96                                | 440                | —                 |   |
|   | Directors/indirect  | Performance fee payable  | 96                                | 440                | —                 |   |
|   | Directors/indirect  | Directors' fee   | 1                                 | 3                  | 1                 |   |
|   | LGT Capital Partners Ltd./<br>Advisory Agreement/indirect                                       | Advisory fee (no direct fees)  | —                                 | —                  | —                 |   |
|   | LGT Fund Managers (Ireland) Ltd./<br>Management Agreement/indirect                              | Advisory fee (no direct fees)  | —                                 | —                  | —                 |   |
|   | Directors/indirect  | Secretarial services (no direct fees)  | —                                 | —                  | —                 |   |

LGT Group Foundation, Vaduz, is the controlling shareholder of LGT Capital Partners (Ireland) Ltd., Dublin, which is entitled to a fee from the Subsidiaries (1.5 per cent of net assets in US Dollar before deduction of the accrual of the performance fee) and a performance fee.

LGT Bank Ltd., Vaduz, acts as custodian for the Company. Cash was deposited with LGT Bank Ltd., Vaduz, at market conditions.

The Ireland Subsidiary is invested in the funds below, which are all advised by LGT Capital Partners Ltd., an affiliate of Castle's AIFM.

- Crown A Generix Plc – LGT Crown Diversified Trend Sub Fund
- Crown A Generix Plc – LGT Crown Systematic Trading Sub Fund
- Crown Distressed Credit Opportunities plc
- Crown/Astignes Segregated Portfolio
- Crown/Capeview Segregated Portfolio
- Crown/GLG Segregated Portfolio
- Crown/Greenvale Segregated Portfolio
- Crown/Kuvari Focus Segregated Portfolio
- Crown/Linden Segregated Portfolio
- Crown/Oceanwood Segregated Portfolio
- Crown/Optimas Segregated Portfolio
- Crown/PW Segregated Portfolio
- Crown/Seligman Segregated Portfolio
- Crown/Zebedee Segregated Portfolio

## 9. Segment reporting

The sole operating segment of the Group reflects the internal management structure and is evaluated on an overall basis. Revenue is derived by investing in a portfolio of hedge fund investments with a view to achieving significant value growth and to help shareholders maximise long-term returns. The following results correspond to the sole operating segment of investing in hedge funds.

The income/(loss) is geographically allocated as follows:

|                                   | America<br>TUSD | Asia<br>TUSD | Europe<br>TUSD | Global<br>TUSD | Total<br>TUSD |
|-----------------------------------|-----------------|--------------|----------------|----------------|---------------|
| <b>As of 30 June 2021</b>         |                 |              |                |                |               |
| <b>Income</b>                     |                 |              |                |                |               |
| Net gain on investments at        |                 |              |                |                |               |
| fair value through profit or loss | 826             | 342          | 739            | 276            | 2,183         |
| Other gain/(loss)                 | —               | —            | (173)          | 56             | (117)         |
| <b>Total income</b>               | <b>826</b>      | <b>342</b>   | <b>566</b>     | <b>332</b>     | <b>2,066</b>  |
| <b>As of 30 June 2020</b>         |                 |              |                |                |               |
| <b>Income</b>                     |                 |              |                |                |               |
| Net gain/(loss) on investments at |                 |              |                |                |               |
| fair value through profit or loss | (991)           | 557          | 182            | (556)          | (808)         |
| Other gain                        | 12              | —            | 73             | 74             | 159           |
| <b>Total income</b>               | <b>(979)</b>    | <b>557</b>   | <b>255</b>     | <b>(482)</b>   | <b>(649)</b>  |

The investment assets are geographically allocated as follows:

|                                | 30.6.2021     |             | 31.12.2020    |             |
|--------------------------------|---------------|-------------|---------------|-------------|
|                                | TUSD          | in %        | TUSD          | in %        |
| <b>Investment assets</b>       |               |             |               |             |
| America                        | 11,270        | 16%         | 10,968        | 16%         |
| Asia                           | 15,052        | 21%         | 18,414        | 27%         |
| Europe                         | 14,489        | 21%         | 11,747        | 17%         |
| Global                         | 29,553        | 42%         | 28,291        | 40%         |
| <b>Total investment assets</b> | <b>70,364</b> | <b>100%</b> | <b>69,420</b> | <b>100%</b> |

## 10. Fair value estimation

Fund investments for which market quotations are not readily available are valued at their fair values as described below. Fund investments are normally valued at their net asset value as advised by the underlying managers/administrators of such funds. Such valuations are necessarily dependent upon the reasonableness of the valuations provided by the underlying managers/administrators of such funds and whether the valuation bases used are IFRS and fair value compliant. The responsibility for determining the fair value lies exclusively with the board of directors. The board of directors under advice from the AIFM may perform additional procedures on fund investments, including but not limited to underlying manager/administrator due diligence and other analytical procedures. If the directors are aware of a good reason why a particular fund valuation would not be the most appropriate indicator of fair value the directors will work with the underlying manager of that investment in an attempt to obtain more meaningful fair value information.

The board of directors, together with the AIFM, will determine, in good faith, fair value by considering all appropriate and applicable factors relevant to the valuation of fund investments including, but not limited to, the following:

- Reference to fund investment reporting information;
- Reference to appropriate investment monitoring tools used by the AIFM; and
- Reference to ongoing investment and business due diligence.

Notwithstanding the above, the variety of valuation bases that may be adopted, the quality of management information provided by fund investments and the lack of liquid markets for such fund investments means that there are inherent difficulties in determining the fair values of these investments that cannot be fully eliminated. Therefore, the amounts realised on the sale or redemption of fund investments may differ from the fair values reflected in these financial statements and the differences may be significant.

Because fund investments are typically not publicly traded, redemptions can only be made by the Subsidiaries on the redemption dates and subject to the required notice periods specified in the offering documents of each fund investment. The rights of the Subsidiaries to request redemption from fund investments may vary in frequency from monthly to annual redemptions. As a result, the carrying values of such fund investments may not be indicative of the values ultimately realised on redemption. In addition, the Subsidiaries' ability to redeem its investments may ultimately be materially affected by the actions of other investors who have also invested in these fund investments.

IFRS 13 requires the Group to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurements. The hierarchy has the following levels:

- Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – inputs other than quoted prices included with 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 (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 in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

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

The following table analyses within the fair value hierarchy the Group’s financial assets (by class) measured at fair value at 30 June 2021 and 31 December 2020.

| As of 30 June 2021                                  | Level 1<br>TUSD         | Level 2<br>TUSD         | Level 3<br>TUSD         | Total<br>TUSD         |
|---|-------------------------|-------------------------|-------------------------|-----------------------|
| <b>Assets</b>                                       |                         |                         |                         |                       |
| <b>Assets at fair value through profit or loss:</b> |                         |                         |                         |                       |
| Investments   | —                       | 68,463                  | 1,901                   | 70,364                |
| <b>Total</b>  | <b>—</b>                | <b>68,463</b>           | <b>1,901</b>            | <b>70,364</b>         |
| <b>As of 31 December 2020</b>                       | <b>Level 1<br/>TUSD</b> | <b>Level 2<br/>TUSD</b> | <b>Level 3<br/>TUSD</b> | <b>Total<br/>TUSD</b> |
| <b>Assets</b>                                       |                         |                         |                         |                       |
| <b>Assets at fair value through profit or loss:</b> |                         |                         |                         |                       |
| Investments   | —                       | 68,067                  | 1,353                   | 69,420                |
| <b>Total</b>  | <b>—</b>                | <b>68,067</b>           | <b>1,353</b>            | <b>69,420</b>         |

Investments whose values are based on quoted market prices in active markets, and therefore classified within level 1, include active listed equities. The Group did not hold level 1 investments as at 30 June 2021 and 31 December 2020.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations, or alternative pricing sources such as the binding and executable underlying net asset values provided by the managers/administrators of these instruments, supported by observable inputs are classified within level 2. These include listed equities, over-the-counter derivatives and fund investments for which market quotations are not readily available.

As level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

Investments classified within level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include hedge fund investments that, due to various events and/or the illiquid nature of the underlying assets, are not readily realisable.

There were no transfers in 2021 and 2020 between the different levels.

The following table shows the allocation of the level 3 investments according to geography, in percentage of the total fair value of these investments.

| Diversification by geography | 30.6.2021<br>% of financial assets at fair<br>value through profit or loss | 31.12.2020<br>% of financial assets at fair<br>value through profit or loss |
|------------------------------|--|---|
| America                      | 55%  | 39%   |
| Asia                         | 5%   | 7%  |
| Global                       | 40%  | 54%   |
| <b>Total</b>                 | <b>100%</b>  | <b>100%</b>   |

As of 30 June 2021, the Group had an investment in Highland Crusader Fund II Limited for which the valuation is complex as the fund holds a large number of illiquid investments. The Group redeemed its entire position as of 30 June 2008, however, due to the illiquidity of the portfolio and increasing redemption requests, the investment manager of Highland Crusader Fund II Limited decided to suspend redemption payments. After further losses, the investment manager proposed that the fund be wound up in its entirety making the value of all outstanding balances including prior redemption requests dependent on the realised value of assets as the fund is liquidated. Investors accepted this distribution scheme in the summer of 2011 and the investment was therefore classified as a level 3 investment in the 2011 annual report. Since the acceptance of the distribution plan, up to 30 June 2021, the Group had received redemption proceeds amounting to TUSD 12,558.

In the case of D.E. Shaw Composite International Limited redemptions from this fund during 2011 resulted in a proportion of the redemption proceeds being distributed in the form of side pockets which are illiquid. These side pocket positions were classified as level 3 in the annual report of 2011.

The Group's investment in Crown Distressed Credit Opportunities plc is classified as level 3 due to the fact that its liquidity terms imply that it can only be liquidated over a prolonged timeframe due to its private equity like nature. This investment was made at a time when all the assets of the Group belonged to the closed ended listed Company and thus such liquidity terms were deemed compatible with the Group's liquidity requirements.

The following table presents a reconciliation disclosing the changes during the year for financial assets and liabilities classified as being level 3.

| <b>As of 30 June 2021</b>   | <b>Investments at<br/>fair value through<br/>profit or loss<br/>TUSD</b> |
|---|--|
| <b>Assets</b>   |  |
| At 1 January 2021   | 1,353  |
| Net change in unrealised gain/loss  | 798  |
| Sales   | (250)  |
| <b>At 30 June 2021</b>  | <b>1,901</b>   |
| <b>Total realised loss for the period included in the statement of<br/>comprehensive income for investments held at the end of the period</b> | <b>(147)</b>   |
| <b>As of 31 December 2020</b>   |  |
| <b>Assets</b>   |  |
| At 1 January 2020   | 1,870  |
| Net change in unrealised loss   | (341)  |
| Sales   | (176)  |
| <b>At 31 December 2020</b>  | <b>1,353</b>   |
| <b>Total realised gain for the year included in the statement of<br/>comprehensive income for investments held at the end of the year</b>     | <b>296</b>   |

**11. Subsequent events**

Since the balance sheet date of 30 June 2021, there have been no material events that could impair the integrity of the information presented in the consolidated interim financial statements.

## Share information

Exchange rate CHF/USD: 0.9255

|                                     | 2013                | 2014                | 2015                 | 2016               | 2017            | 2018            | 2019 <sup>3)</sup> | 2020            | June 2021       | Since inception      |
|-------------------------------------|---------------------|---------------------|----------------------|--------------------|-----------------|-----------------|--------------------|-----------------|-----------------|----------------------|
| Share information                   |                     |                     |                      |                    |                 |                 |                    |                 |                 |                      |
| Number of bearer shares at year-end | 13,371,710          | 12,378,210          | 10,756,059           | 9,653,732          | 8,721,297       | 7,862,421       | 6,297,099          | 5,043,659       | 5,043,659       |                      |
| CAI Net asset value (USD)           | 18.97               | 19.70               | 19.83                | 19.91              | 20.12           | 19.54           | 15.29              | 16.01           | 16.02           |                      |
| CAI Net asset value (CHF)           | 16.86               | 19.58               | 19.82                | 20.25              | 19.59           | 19.20           | 14.78              | 14.17           | 14.83           |                      |
| CAI Closing price (USD)             | 14.40 <sup>3)</sup> | 16.45 <sup>3)</sup> | 16.25 <sup>3)</sup>  | 16.4 <sup>3)</sup> | — <sup>4)</sup> | — <sup>4)</sup> | — <sup>4)</sup>    | — <sup>4)</sup> | — <sup>4)</sup> |                      |
| CAI Closing price (CHF)             | 13.00               | 16.45               | 16.55                | 16.95              | 15.65           | 15.30           | 14.00              | 13.00           | 14.00           |                      |
| Share performance                   |                     |                     |                      |                    |                 |                 |                    |                 |                 |                      |
| CAI Net asset value (USD)           | 12.7%               | 3.8%                | 0.7%                 | 0.4%               | 1.1%            | (2.9%)          | 4.3%               | 4.7%            | 0.1%            | 231.5% <sup>1)</sup> |
| CAI Net asset value (CHF)           | 9.6%                | 16.1%               | 1.2%                 | 2.2%               | (3.3%)          | (2.0%)          | 2.2%               | (4.1%)          | 4.7%            | 96.8% <sup>2)</sup>  |
| CAI Closing price (USD)             | 13.4% <sup>3)</sup> | 14.2% <sup>3)</sup> | (1.2%) <sup>3)</sup> | 0.9% <sup>3)</sup> | — <sup>4)</sup> | — <sup>4)</sup> | — <sup>4)</sup>    | — <sup>4)</sup> | — <sup>4)</sup> | — <sup>3)</sup>      |
| CAI Closing price (CHF)             | 12.1%               | 26.5%               | 0.6%                 | 2.4%               | (7.7%)          | (2.2%)          | (8.5%)             | (7.1%)          | 7.7%            | 77.6%                |

<sup>1)</sup> Before September 1999, CAI (Overseas) Ltd. pro-forma performance numbers (real numbers adjusted for currency hedging, net of management fee and performance fee but gross of cost on CAI AG level).

<sup>2)</sup> CHF 2.61 write-off of incorporation costs due to accounting principle changes (IAS).

<sup>3)</sup> Inception of US Dollar trading 21 January 2002.

<sup>4)</sup> The USD listing was discontinued on 15 September 2017.

<sup>5)</sup> CHF 4.95 distribution of the nominal value was paid value 18 November 2019.

### Price information

Reuters RIC: CHF "CASNn.S"

Reuters Contributors Page: LGTY

Bloomberg: CHF "CASN SW <Equity>"

Investdata: CHF "509275,4"

### Listing

SIX Swiss Exchange: 509.275 (Swiss security number)

### Publication of net asset value

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