



HEIRLOOM
— INVESTING —

HEIRLOOM INVESTMENT FUND SPC
HEIRLOOM FIXED RETURN FUND SP

Quarterly Fund Report Fixed Return Sub-Classes

Quarter 1, 2023

IMPORTANT INFORMATION: This communication is for information purposes only and is not, and under no circumstances is to be construed as, an invitation to make an investment in Heirloom Investment Fund SPC – Heirloom Fixed Return Fund SP (the “Fund”) nor does it constitute a public offering to sell the Fund or any other products described herein. This communication should not be relied upon when evaluating the merits of a potential investment. An investment in the Fund is not intended as a complete investment program and should only be made after consultation with independent investment and tax advisors. References to specific securities are for information purposes only and should not be considered a recommendation to buy or sell. The information contained in this material is subject to change without notice. Certain information in this communication was obtained from publicly available third party sources; Heirloom Investment Management does not warrant the accuracy, adequacy, timeliness or completeness of such information. .

PAST PERFORMANCE MAY NOT BE REPEATED. Investment funds can involve significant risks and the value of an investment may go down as well as up. There is no guarantee of trading performance. Certain performance information is based on estimates of Heirloom or the underlying manager. The Fund is intended for qualified investors who can accept the risks associated with such an investment. Performance data from certain market indices is provided for information purposes only; a comparison of the Fund's performance to such market indices is of limited use because the Fund's portfolio may contain among other things, options and other securities, and may employ leverage, not found in a market index.

TIME-WEIGHTED RETURN USD (net of fees and expenses)

	Q1 2023	2023 YTD	Trailing Twelve Months (TTM)	Annualized Since Fund Inception**
USD Sub-Class Fixed Return Aggregate*	0.73%	0.73%	8.28%	8.27%
Total Fund All Currencies (USD)	4.67%	4.67%	15.33%	13.51%
Composite Benchmark USD	5.45%	5.45%	-7.36%	4.85%
Absolute Return Benchmark USD	1.85%	1.85%	-3.35%	5.34%
US CPI +5% USD	2.19%	2.19%	10.34%	11.40%

*Time-weighted net return of aggregate of, USD Sub-Class Shares in existence

** Starting point for the period is the initial issuance of USD Shares, which were first issued June 1, 2020.

Benchmarks are shown in the same currency as the returns. Where the benchmark is not available natively in the reference currency, it has been converted to the reference currency on a monthly-weighted basis.

Composite Benchmark - Weighted average of MSCI All Country World Investable Market Total Return Index (60% of composite) and Barclays Global Aggregate Credit Total Return Index (40% of composite). We aim to exceed this benchmark over a cycle.

Absolute Return Benchmark - Credit Suisse All Hedge Index. We aim to exceed this benchmark over each 1-year period.

US CPI + 5%: United States Consumer Price Index – Urban Consumers, Seasonally Adjusted.

All three benchmarks offer relevant comparisons for this strategy, with Composite representing an alternative diversified portfolio, Absolute Return representing an absolute return strategy and CPI+5% approximating real, inflation-adjusted value.

Benchmarks have not been adjusted for fees & expenses which likely overstates their true comparative return.

TIME-WEIGHTED RETURN EUR (net of fees and expenses)

	Q1 2023	2023 YTD	Trailing Twelve Months (TTM)	Annualized Since EUR Inception**
EUR Class Fixed Return Aggregate*	0.62%	0.62%	6.92%	7.01%
Total Fund All Currencies (EUR)	2.79%	2.79%	18.26%	17.61%
Composite Benchmark EUR	3.63%	3.63%	-4.46%	4.30%
Absolute Return Benchmark EUR	-0.09%	-0.09%	-1.42%	6.08%
Euro Risk Free +5%	1.72%	1.72%	5.04%	4.74%

*Time-weighted net return of aggregate of, EUR Sub-Class Shares in existence

** Starting point for the period is the initial issuance of EUR Shares, which were first issued Oct 1, 2020.

Benchmarks are shown in the same currency as the returns. Where the benchmark is not available natively in the reference currency, it has been converted to the reference currency on a monthly-weighted basis.

Composite Benchmark - Weighted average of MSCI All Country World Investable Market Total Return Index (60% of composite) and Barclays Global Aggregate Credit Total Return Index (40% of composite). We aim to exceed this benchmark over a cycle.

Absolute Return Benchmark - Credit Suisse AllHedge Index. We aim to exceed this benchmark over each 1-year period

Euro Risk Free + 5% Benchmark: Barclays Euro Treasury 0-12 Months (EUR) (Total Return) +5%. We aim to exceed this benchmark over each 1-year period.

All benchmarks offer relevant comparisons for this strategy, with Composite representing an alternative diversified portfolio, AllHedge representing an absolute return strategy and Euro Risk Free + 5% representing a strong real return.

Benchmarks have not been adjusted for fees & expenses which likely overstates their true comparative return.

TIME-WEIGHTED RETURNS BY QUARTERS (net of fees and expenses)

		Q1	Q2	Q3	Q4	Total
USD Sub-Class Fixed Return Aggregate**	2020		0.63%*	1.32%	2.61%	4.62%
	2021	2.12%	2.19%	0.00%	3.70%	8.22%
	2022	2.16%	2.93%	2.20%	2.19%	9.81%
	2023	0.73%				0.73%
EUR Sub-Class Fixed Return Aggregate***	2020				1.84%*	1.84%
	2021	1.80%	1.82%	0.00%	3.08%	6.84%
	2022	1.80%	2.45%	1.84%	1.85%	8.18%
	2023	0.62%				0.62%
Total Fund (USD) All Classes ****	2020		1.08%*	2.20%	3.33%	6.74%
	2021	6.32%	5.59%	-3.80%	5.72%	14.16%
	2022	1.90%	8.83%	-0.17%	1.41%	12.27%
	2023	4.67%				4.67%

* Returns are for a partial quarter as the fund was launched in June 2020 and the returns are through March 2023 only.

**Time-weighted return of all USD Fixed Return Series since Fund inception (net of fees and expenses).

***Time-weighted return of all EUR Fixed Return Series since Fund inception (net of fees and expenses).

**** Time-weighted return of Total Fund since Inception (net of fees and expenses)

PLEASE NOTE: Aggregate refers to the aggregate of all series of the Class.

KEY FUND STATISTICS

Coverage	Percent
Estimated Annual Underlying Income as % of Fixed Return Shares	10.20%
Estimated Income Coverage of Fixed Return	122.93%
Estimated Hard Asset Coverage Of Fixed Return Investors' NAV	90.78%
Loss Absorption Shares as a % of Fixed Return Shares	18.66%

OVERVIEW AND OUTLOOK

The Fund had a solid start to 2023, delivering a 4.67% net return in USD and 2.79% net return in EUR. This was a substantial outperformance over the Absolute Return and Real Return benchmarks, although the Composite Benchmark did even better than the Fund. The Fund maintained a material outperformance against all benchmarks in both currencies both trailing twelve months and since inception.

The Fixed Return Sub-Class of shares earned 0.73% net in USD and 0.62% net in EUR. This was below the Fund's total performance as no return was earned for the months of February and March, with the Loss Absorption Shares absorbing the losses in those months on behalf of the Fixed Return shares. It is anticipated that this return will be caught up in Q2. Despite this, the USD series maintained a substantial outperformance of the investable benchmarks, while the EUR series maintained its outperformance against both the investable benchmarks and the real return benchmark.

Litigation Finance led the Fund's positive performance in the quarter, delivering a 13.67% contribution. This was primarily due to the sale of a part of one of the Fund's financings for materially above its previous carrying value.

On the flipside, Hedging detracted from the Fund's return by 9.39%. This is due largely to the Fund carrying a substantial market hedge position, which performed poorly as the markets drove higher in Q1. Hedging is designed to provide substantial protections in the event of a market downturn.

The majority of the Fund's other positions continued delivering consistent performance, with Equipment Leasing (+0.82%), Agriculture (+0.46%), Infrastructure (+0.19%), Real Estate (+0.18%), Asset-Backed Lending (+0.18%), and Liquid Yielding (+0.02%) all contributing solidly.

Losing baskets included the Fund's currency overlay (-1.17%), which fell along with the USD; Energy (-0.10%) and Special Situations (-0.24%) which is comprised primarily of a listed investment fund that Heirloom (including participation by the Fund) took control of in February as a deep value investment, but that also included a tax charge related to an investment that was sold at a profit in 2022 and had a higher tax assessment than was expected.

Overall we are very happy with the positioning of the Fund. Though our hedges affected us heavily in Q1, we continue to believe that hedging our market and economic exposure is the prudent course for the Fund. Though the Fund does not have much direct equity market exposure, ultimately we believe that a recession is coming that will harm the value of many assets.

The liquidity position of the Fund is strong. We expect to continue to stay quite liquid to allow us to take advantage of dislocations that may occur if a recession hits and/or the market falls.

The Fund maintains strong asset-backing, with Fixed Return Shares effectively being greater than 90% asset-backed – this will increase even further in Q2 as we increase the insurance coverage against the marked-up litigation finance values. The Fixed Return is fully supported by the 10.2% estimated income attributable to it from investments, while the 18.7% Loss Absorption layer adds extra comfort in the security of these shares.

We hope that you are pleased with your Fund's performance during Q1, and we are working hard to continue to be able to deliver strong quarters for the foreseeable future.

ASSET-BACKING OF FUND

Type	Percentage of Fund NAV	Hard Asset Coverage Fund	Hard Asset Coverage Fixed Return Class
Direct Ownership of Hard Assets	60.54%	60.54%	71.84%
Lien on Hard Assets	12.12%	12.12%	14.38%
Indirect Hard Asset Ownership	0.60%	0.60%	0.71%
Partial Asset Backing (50% for Estimated Hard Asset Coverage)	6.48%	3.24%	3.85%
Immaterial or No Asset Backing (0% for Hard Asset Coverage)	20.26%	0.00%	0.00%
Total	100.00%	76.50%	90.78%

LIQUIDITY

Notice Periods	<3 months	<6 Months	<18 Months	<36 Months	<60 Months	>60 Months
% of Portfolio NAV Expected to be Liquid Within Time Period Without Material Cost	33.90%	40.88%	57.69%	77.22%	94.33%	5.67%
External Investors (as % of Fund) With Redemption Notice Periods Within Time Period	9.03%	53.39%	64.87%	75.27%	85.69%	0.00%
% of External Investors that Could Be Redeemed Without Material Liquidity Cost	100.00%	76.57%	88.93%	100.00%	100.00%	100.00%

RISK CHARACTERISTICS

Risk Statistics	USD Fixed Return Class	EUR Fixed Return Class	Total Fund USD
Delta Adjusted Net Notional Exposure (% NAV)*	N/A	N/A	45.95%
Delta Adjusted Gross Notional Exposure (% NAV)*	N/A	N/A	85.47%
% with Strong Asset Backing	90.78%	90.78%	76.50%
Sharpe Ratio**	2.77	3.20	1.35
Sortino Ratio**	14.08	24.56	2.73

FX Exposures (Delta Adjusted)	Fixed Return Classes	Total Fund
US Dollar	60.62%	24.50%
Canadian Dollar		0.04%
Great British Pound		-23.32%
Euro	39.38%	38.35%
Japanese Yen		10.08%
Emerging Markets		-3.76%
Other		16.61%
Total	100.00%	62.50%

* Excluding Cash-Equivalents. For Gross Notional excluding direct risk-offset positions (e.g. a Put Option on a long equity position, or the further out of the money portion of a spread option position). For Gross Notional, long options that are not risk-offset positions are included at premium value.

** The Sharpe Ratio and Sortino Ratio are hypothetical risk-adjusted measures that calculate the excess return over the "risk-free" rate (1 year US Treasury yield for USD Class and 1 year ECB Zero-Coupon Bond Rate for EUR Class). This has been calculated since inception of the relevant class/fund.

POSITION LEVEL BREAKDOWN & PERFORMANCE OF TOTAL FUND

Position	Net Asset Value		Delta-Adjusted Notional		Contribution to Fund Return (Money-Weighted)*		
	% NAV	US\$ ('000s)	% NAV**	US\$ ('000s)	QTD	YTD	ITD
	Agriculture - Farm Business	7.80%	1496.14	7.80%	1496.14	0.46%	0.46%
Banking Dislocation	0.66%	127.45	0.66%	127.45	0.03%	0.03%	0.01%
Canadian Natural Gas Producers	0.50%	95.32	0.50%	95.32	-0.12%	-0.12%	-0.06%
Cash & Equivalents	16.95%	3251.65	0.00%	0.00	0.28%	0.28%	0.13%
Currency Overvaluation - G10	-25.43%	-4878.13	-25.43%	-4878.13	-0.99%	-0.99%	-0.88%
Currency Undervaluation - G10	9.43%	1808.64	9.43%	1808.64	-0.16%	-0.16%	0.43%
Developing Market - Active Managers	0.55%	105.38	0.55%	105.38	-0.12%	-0.12%	0.10%
Dry Bulk Shipping	1.65%	316.80	1.65%	316.80	0.29%	0.29%	0.36%
Expenses & Tax	-0.40%	-76.23	0.00%	0.00	-1.11%	-1.11%	-2.07%
Fixed Income	0.42%	81.15	0.42%	81.15	0.01%	0.01%	0.00%
Hedge - FX	11.35%	2176.25	11.35%	2176.25	0.47%	0.47%	-1.50%
Hedge - Market	3.99%	765.90	-33.50%	-6426.14	-9.86%	-9.86%	-3.64%
Helicopter Leasing	18.62%	3571.09	18.62%	3571.09	0.26%	0.26%	2.36%
Helicopter Loans	2.57%	493.39	2.57%	493.39	0.12%	0.12%	0.45%
Infrastructure - Clean Energy	0.81%	154.71	0.81%	154.71	0.21%	0.21%	0.14%
Jade Road	0.39%	75.48	0.39%	75.48	-0.02%	-0.02%	-1.45%
Life Settlements	0.01%	2.27	0.01%	2.27	0.01%	0.01%	0.01%
Liquid Yielding	0.39%	75.08	0.39%	75.08	0.01%	0.01%	0.29%
Listed Infrastructure	0.13%	24.27	0.13%	24.27	-0.08%	-0.08%	0.80%
Listed Loan Providers	0.18%	34.62	0.18%	34.62	0.00%	0.00%	0.48%
Litigation Finance	18.65%	3576.43	18.65%	3576.43	14.91%	14.91%	8.43%
Mortgage Backed Loan Funds	5.87%	1125.95	5.87%	1125.95	0.05%	0.05%	0.55%
Music Royalties	1.59%	305.88	1.59%	305.88	-0.03%	-0.03%	0.05%
Oil Market Dislocation	0.68%	130.34	0.68%	130.34	0.03%	0.03%	0.25%
Oil Storage	0.76%	145.63	0.76%	145.63	0.06%	0.06%	-0.07%
Precious Metals	0.24%	46.55	0.24%	46.55	-0.02%	-0.02%	-0.80%
Real Estate - Europe Residential	3.44%	659.75	3.44%	659.75	-0.08%	-0.08%	-0.04%
Real Estate - Hospitality	9.04%	1734.68	9.04%	1734.68	0.07%	0.07%	0.02%
Real Estate - Residential	0.04%	7.45	0.04%	7.45	0.00%	0.00%	0.00%
Real Estate - US Single Family	7.18%	1377.37	7.18%	1377.37	-0.18%	-0.18%	-0.96%
Real Estate Hospitality	0.35%	67.20	0.35%	67.20	0.01%	0.01%	0.00%
Special Situation - Deep Value Publicly Listed	0.10%	20.00	0.10%	20.00	0.01%	0.01%	0.00%
Specialized Shipping	0.92%	176.85	0.92%	176.85	0.27%	0.27%	-0.15%
Uranium	0.55%	105.07	0.55%	105.07	0.00%	0.00%	0.16%
Total	100.00%	19180.38	45.95%	8812.91	4.59%	4.59%	13.58%

* The Total Money-Weighted IRRs won't necessarily match the returns on the first page due to the difference between money-weighted and time-weighted and because this table includes current positions only - those that have been sold impact Page 2 but not this table.

** Options Notional values are based on delta-adjusted exposures. Cash is excluded and positions that are direct risk offsets to another, larger position are considered negative.

*** Cash & Equivalents should be combined with Currency and Hedge-FX positions to see total cash in portfolio as % of NAV.

CONTRIBUTIONS TO TOTAL FUND RETURNS

Quarter To Date - Top 3 Portfolio Contributors	% Contribution to Total Return
Litigation Finance	14.91%
Hedge - FX	0.47%
Agriculture - Farm Business	0.46%
Quarter To Date - Bottom 3 Portfolio Contributors	% Contribution to Total Return
Hedge - Market	-9.86%
Expenses & Tax	-1.11%
Currency Overvaluation - G10	-0.99%
Year To Date - Top 3 Portfolio Contributors	% Contribution to Total Return
Litigation Finance	14.91%
Hedge - FX	0.47%
Agriculture - Farm Business	0.46%
Year To Date - Bottom 3 Portfolio Contributors	% Contribution to Total Return
Hedge - Market	-9.86%
Expenses & Tax	-1.11%
Currency Overvaluation - G10	-0.99%

FIRM & STRATEGY OVERVIEW

Based in the US, with offices in Cayman Islands, Canada and the UAE, Heirloom delivers institutional-quality investment products and services to families, HNWI's and small institutions. Heirloom was originally developed as the in-house investment function for a Canadian single-family-office, but spun-out in 2015 to make the investment strategy more widely available.

Heirloom's investment strategy identifies long-term, high-probability themes or market dislocations, and invests in securities expected to capitalize on them. It focuses heavily on risk-management, including understanding the drivers of returns of investments, which in turn allows for a greater understanding of portfolio risks and exposures.

Heirloom Fixed Return Fund SP's goal is to build a portfolio of primarily asset-based and/or income-producing investments that is uncorrelated to any asset class and that consistently generates attractive risk-adjusted returns while providing its investors with consistent yield.

Fund investors can choose two different investment structures in the Fund:

1. Alternative Yield Shares are akin to traditional fund shares, earning the Fund's return less fees, with a slight adjustment for the difference in liquidity parameters between this Class and the Fixed Return Fund Class.
2. Fixed Return Shares receive a fixed return that is dependent upon their chosen redemption notice period and currency. Rather than a Management or Performance Fee, the Manager owns Loss Absorption Shares that receives the excess return above the fixed return and absorbs any monthly losses. The Manager receives compensation (via dividends or redemption of Loss Absorption Shares) only if it will retain at least a 10% loss absorption layer. This results in a strong alignment between the manager and investors.

FUND DETAILS

Strategy: Primarily Asset-Backed and/or Income Producing, cross-asset

Launch Date: June 1st, 2020

Performance Target: 10-12% at Fund Level, with Share Classes ranging from 6-14% depending upon liquidity profile and currency

Domicile: Cayman Islands with Canadian, US and Exchange Traded Note Feeders available

Bloomberg: HEIRFRF KY (USD Fixed Return)
HEIRFRE KY (EUR Fixed Return)
HFRFAYU KY (USD Alternative Yield)

Fund AUM: \$ 19,180,377.19 as of March 31st, 2023

Manager: Heirloom Investment Management LLC

SEC Registration #: CRD 281357
SEC 801-107295

Administrator: Apex Fund Services

Custodian: Interactive Brokers
Northern Trust

Auditor: Rankin Berkower (Cayman)

Legal Counsel: King & Spalding (Global)
Walkers (Cayman)
BLG (Canada)

CONTACT DETAILS FOR ENQUIRIES

Geoff Dover, Chief Investment Officer

Heirloom Investment Management LLC

+1.302.261.5318 (Miami)

+971.50.100.1624 (Dubai)

geoff.dover@heirloominvesting.com

Beth Hirshfeld, Investor Relations

Heirloom Investment Management LLC

+1.302.918.2148 (Miami)

+971.55.211.9517 (Dubai)

beth.hirshfeld@heirloominvesting.com

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