WINMILL & CO.
INCORPORATED
INVESTMENTS SINCE 1974

2022 ANNUAL REPORT

To the Shareholders of Winmill & Co. Incorporated:

The objective of the Company is to increase book value per share over time for the benefit of its stockholders. Through subsidiaries the Company provides Performance Driven® investment management and distribution for the two mutual funds in the Midas Funds family, Midas Fund (symbol: MIDSX) and Midas Magic (symbol: MISEX), and investment management for the closed end fund Foxby Corp (stock symbol: FXBY) (NAV symbol: XFXBX).

The Bull & Bear® spirit: known as Bull & Bear Group, Inc. until 1999, the Company is still Bull & Bear Performance Driven® -- seeking long term value through both up and down market cycles.

To learn more about the Company, please visit www.Winmillco.com.

Past performance is no guarantee of future results. You should consider the investment objective, risks, and charges and expenses of the Funds carefully before investing. The investment return and principal value of an investment in a Fund will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost. This report is provided for informational purposes only. This is not a prospectus, circular, or representation intended for use in the purchase of shares of a Fund or any securities mentioned in this communication.

This report shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any state in which such offer, solicitation, or sale would be unlawful prior to registration or qualification under the securities laws of any such state, or an exemption therefrom. Investment products, including shares of closed end funds and mutual funds, are not federally or FDIC insured, are not deposits or obligations of, or guaranteed by, any financial institution and involve investment risk, including possible loss of principal and fluctuation in value. Consult with your tax advisor or attorney regarding specific tax issues.

You should consider the investment objectives, risks, and charges and expenses of the Funds carefully before investing. The prospectus and each summary prospectus contain this and other information about the Midas Funds. To obtain a copy of the prospectus and each summary prospectus, please contact us at 1-800-400-MIDAS (6432) or download them at https://midasfunds.com/literature/. Please read the prospectus and each summary prospectus carefully before investing. Foxby Corp's investment policies, management fees and other matters of interest to prospective investors may be found in its filings with the U.S. Securities and Exchange Commission ("SEC"), including its annual and semi-annual reports. To obtain a copy of the reports, please call us toll free at 855-411-6432 or download them at https://foxbycorp.com/literature/. Please read the reports carefully before investing.

"Midas," "Midas Funds (design)," "The Midas Touch," "Bull & Bear," "Bull & Bear Performance Driven," and "Performance Driven" are registered trademarks and the property of Winco's wholly-owned subsidiary Performance Driven Properties, Inc. Midas Securities Group, Inc., Distributor.

One of our guiding principles is that we will normally communicate with our stockholders as candidly as possible because we believe stockholders benefit from understanding our corporate philosophy and approach. Our views and opinions regarding the prospects of the Company are "forward looking statements" which may or may not be accurate and may be materially different over future periods. Forward looking statements may be identified, without limitation, by the use of such words as "anticipates," "estimates," "expects," "intends," "plans," "predicts," "projects," "believes," or the negative of such terms, or words or phrases of similar meaning. Forward looking statements include risks and uncertainties which could cause actual results or outcomes to differ materially from those expressed in the forward looking statements. We disclaim any obligation to update or alter any forward looking statements, whether as a result of new information, future events, or otherwise. You should not place undue reliance on forward looking statements, which speak only as of the date stated. Shareholders and investors should read the additional cautionary language at http://www.winmillco.com/cautionary-language.html.

WINMILL & CO. INCORPORATED

Contents

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Shareholders of
Winmill & Co. Incorporated
Rochester, New York

Opinion

We have audited the accompanying consolidated financial statements of Winmill & Co. Incorporated (a Delaware corporation) and subsidiaries, which comprise the consolidated balance sheet as of December 31, 2022 and 2021, and the related consolidated statements of income, changes in equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Winmill & Co. Incorporated and subsidiaries as of December 31, 2022 and 2021 and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Winmill & Co. Incorporated and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Winmill & Co. Incorporated's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Winmill & Co. Incorporated's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Winmill & Co. Incorporated's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Tait, Weller & Baker LLP

TAIT, WELLER & BAKER LLP

Philadelphia, Pennsylvania
March 30, 2023

WINMILL & CO. INCORPORATED
CONSOLIDATED BALANCE SHEETS

		December 31, 2022		December 31, 2021
Assets				
Current assets				
Cash	$	931,471	$	1,478,793
Investment in securities		9,662,677		8,738,194
Receivables:				
Management and other fees		48,477		50,429
Distribution fees		5,914		7,277
Co-transfer agent and recordkeeping		3,565		3,933
Affiliates		57,518		51,117
Dividends		—		1,281
Prepaid expenses		52,221		40,675
Total current assets		10,761,843		10,371,699
Property and equipment, net		5,834		3,782
Other assets		14,523		14,490
Deferred tax assets		—		—
Total non-current assets		20,357		18,272
Total assets	$	10,782,200	$	10,389,971
Liabilities and shareholders' equity				
Current liabilities				
Accounts payable and accrued expenses	$	221,868	$	252,744
Paycheck protection program loan		—		486,602
Total liabilities		221,868		739,346
Shareholders' equity				
Common stock, $0.01 par value:				
Class A, 1,500,000 shares authorized; 1,398,758 shares issued and outstanding at December 31, 2022 and 10,000,000 shares authorized; 1,398,808 shares issued and outstanding at December 31, 2021		13,988		13,988
Class B, 20,000 shares authorized, issued, and outstanding		200		200
Additional paid in capital		5,070,452		5,070,490
Retained earnings		5,475,692		4,565,947
Total shareholders' equity		10,560,332		9,650,625
Total liabilities and shareholders' equity	$	10,782,200	$	10,389,971

See notes to consolidated financial statements.

WINMILL & CO. INCORPORATED
CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31, 2022	Year Ended December 31, 2021
Revenues		
Management, distribution, and other fees	$ 606,058	$ 657,957
Distribution and service fees	75,298	88,239
Co-transfer agenet and recordkeeping	19,212	24,382
Total revenues	700,568	770,578
Expenses		
Compensation and benefits	641,556	578,031
Professional services	114,005	104,581
General and administrative	91,857	128,846
Marketing	21,282	38,027
Depreciation	3,431	4,463
Total expenses	872,131	853,948
Operating loss	(171,563)	(83,370)
Other income		
Dividends and interest	65,504	294,873
Unrealized gain on investment in securities	924,483	2,630,842
Gain on Paycheck Protection Program (PPP) loan forgiveness	74,352	—
Total other income	1,064,339	2,925,715
Income before income taxes	892,776	2,842,345
Income tax benefit	16,969	—
Net income	$ 909,745	$ 2,842,345
Basic and diluted net income per share	$ 0.64	$ 1.93
Basic and diluted weighted average shares outstanding	1,418,762	1,473,346

See notes to consolidated financial statements.

WINMILL & CO. INCORPORATED
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Shares Common Stock		Par Value Common Stock		Additional Paid in	Retained	Total Shareholders'
	Class A	Class B	Class A	Class B	Capital	Earnings	Equity
Balance at December 31, 2020 (unaudited)	1,481,008	20,000	$ 14,810	$ 200	$ 5,203,656	$ 1,723,602	$ 6,942,268
Net income	—	—	—	—	—	2,842,345	2,842,345
Common stock repurchases	(82,200)	—	(822)	—	(133,166)	—	(133,988)
Balance at December 31, 2021	1,398,808	20,000	13,988	200	5,070,490	4,565,947	9,650,625
Net income	—	—	—	—	—	909,745	909,745
Common stock repurchases	(50)	—	—	—	(38)	—	(38)
Balance at December 31, 2022	1,398,758	20,000	$ 13,988	$ 200	$ 5,070,452	$ 5,475,692	$ 10,560,332

See notes to consolidated financial statements.

WINMILL & CO. INCORPORATED
CONSOLIDATED STATEMENTS OF CASH FLOWS

		Year Ended December 31, 2022		Year Ended December 31, 2021
Cash flows from operating activities				
Net income	$	909,745	$	2,842,345
Adjustments to reconcile net income to net cash provided by (used in) operating activities				
Unrealized gain on investments in securities		(924,483)		(2,630,842)
Gain on PPP loan forgiveness		(74,352)		—
Depreciation		3,431		4,463
Changes in operating assets and liabilities:				
Receivables for management and other fees		1,905		3,105
Receivable for distribution fees		1,363		3
Receivable for co-transfer agent and recordkeeping		414		406
Receivables from affiliates		(6,401)		(8,649)
Dividend receivable		1,277		(1,277)
Prepaid expenses		(11,546)		2,560
Other assets		(29)		17,857
Accounts payable and accrued expenses		(30,875)		45,818
Net cash (used in) provided by operating activities		(129,551)		275,789
Cash flows from investing activities				
Equipment additions		(5,483)		—
Net cash used in financing activities		(5,483)		—
Cash flows from financing activities				
PPP loan forgiveness proceeds paid to Affiliates		(412,250)		—
Common stock repurchases		(38)		(133,988)
Net cash used in financing activities		(412,288)		(133,988)
Net (decrease) increase in cash		(547,322)		141,801
Cash, beginning of period		1,478,793		1,336,992
Cash, end of period	$	931,471	$	1,478,793

See notes to consolidated financial statements.

WINMILL & CO. INCORPORATED
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. THE COMPANY

The objective of Winmill & Co. Incorporated ("Winco" or the "Company") is to increase book value per share over time for the benefit of its stockholders. Through subsidiaries the Company provides investment management and distribution for the two mutual funds in the Midas Funds family and investment management for the closed end fund Foxby Corp. The Company is a Delaware corporation, and its Class A common shares are quoted over the counter under the stock symbol WNMLA.

The following are the Company's operating subsidiaries, all of which are wholly owned:

> Midas Management Corporation ("MMC") is a registered investment adviser. MMC advises (i) the Midas Series Trust (the "Midas Trust"), a family of open-end mutual funds consisting of Midas Fund ("Midas") and Midas Magic ("Magic"), and (ii) Foxby Corp., a closed end investment company ("Foxby" and collectively with Midas and Magic the "Funds").
>
> Midas Securities Group, Inc. ("MSG") is a registered broker-dealer. MSG provides distribution and shareholder services and other activities to the Midas Trust on behalf of Midas and Magic. Approximately 24% of the outstanding securities of Foxby are held by MSG.
>
> Performance Driven Properties, Inc. ("PDP") holds and licenses the trade names and internet domain names used by the Company and its affiliates.
>
> Closed End Funds Marketing LLC seeks to provide shareholder relations services.

The Company's affiliates, which have certain officers and directors that are also officers and directors of the Company, are:

> Bexil Corporation ("Bexil") is primarily engaged through a wholly owned subsidiary in investment management. Shares of Bexil are quoted over the counter under the stock symbol BXLC. Approximately 30% of the outstanding securities of Bexil are held by MSG.
>
> Global Self Storage, Inc. ("Global") is a self-administered and self-managed real estate investment trust that owns, operates, manages, acquires, and redevelops self storage properties. Global's common stock is listed on the Nasdaq Capital Market under the ticker symbol SELF. Approximately 1% of the outstanding securities of Global are held by the Company.
>
> Tuxis Corporation ("Tuxis") is a holding company that engages through subsidiaries primarily in real estate development and management. Shares of Tuxis are quoted over the counter under the stock symbol TUXS. Approximately 19% of the outstanding securities of Tuxis are held by MSG.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The consolidated financial statements include the financial position, results of operations, and cash flows of the Company and its wholly owned subsidiaries. The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All material intercompany balances and transactions have been eliminated in consolidation.

Cash and Cash Equivalents

Cash and cash equivalents consist of highly liquid investments purchased with an original maturity of three months or less and may include, among other things, money market fund shares. The carrying amount reported on the balance sheets for cash and cash equivalents approximates fair value.

Income Taxes

The Company records the current and deferred tax consequences of all transactions that have been recognized in the financial statements in accordance with the provisions of the enacted tax laws. Deferred tax assets are recognized for temporary differences that will result in deductible amounts in future years. Deferred tax liabilities are recognized for temporary differences that will result in taxable income in future years. The Company records a valuation allowance, when necessary, to reduce deferred tax assets to an amount that more likely than not will be realized.

The Company has reviewed its tax positions and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on federal, state, and local income tax returns for open tax years (2019 – 2021) or expected to be taken in the Company's 2022 tax returns.

Investments in Securities

Investments in equity securities that have readily determinable fair values are measured at fair value. Gains or losses from changes in the fair value of equity securities are recorded in net income, until the investment is sold or otherwise disposed. The specific identification method is used to determine the realized gain or loss on investments sold or otherwise disposed. Fair value is determined using a valuation hierarchy generally by reference to an active trading market, using closing, bid, or other relevant prices. Judgment is used to ascertain if a formerly active market has become inactive and in determining fair values when markets have become inactive.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. The costs of additions and betterments are capitalized and expenditures for repairs and maintenance are charged to operations as incurred. Depreciation and amortization are calculated using the straight-line method over the estimated useful life of the asset. The estimated useful lives of the major classifications of property and equipment are as follows: office equipment, 3-7 years.

Regulation

MSG is registered under the Securities Exchange Act of 1934 ("Exchange Act") as a broker/dealer and is a member of the Financial Industry Regulatory Authority, Inc.

Revenue Recognition

The Company recognizes revenue from management and other fees consisting of payments for investment management and administrative services performed by MMC pursuant to Investment Management Agreements ("IMA") with each of the Funds. Under the terms of each IMA, the Funds pay a fee monthly for investment management services based on a percentage of assets under management and reimburses the Company monthly for providing at cost certain administrative services (including, but not limited to, compliance and accounting services).

The Company recognizes revenue from distribution and shareholder services to the Midas Trust provided by MSG. The Midas Trust adopted a plan in accordance with Rule 12b-1 under the Investment Company Act of 1940, as amended, on behalf of Midas and Magic, and each of Midas and Magic pays the Company a 12b-1 fee monthly as compensation for the distribution and shareholder services at an annual rate based on that Fund's average daily net assets. As such, distribution and shareholder service fees recognized in the current period are related to performance obligations that have been satisfied during such period.

Revenue is measured at the fair value of consideration received or receivable and represents amounts receivable for services provided in the normal course of business. Revenue is generally accrued over the period for which the service is provided.

Use of Estimates

The preparation of the financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could materially differ from management's estimates.

Subsequent Events

Management has evaluated the effect of subsequent events through March 30, 2023, which is the date the consolidated financial statements were available to be issued. There were no events that require adjustment of the consolidated financial statements for the year ended December 31, 2022.

3. PROPERTY AND EQUIPMENT

The following is a summary of property and equipment as of December 31, 2022 and 2021:

	December 31, 2022	December 31, 2021
Computers and equipment	$ 9,225	$ 11,847
Less: Accumulated depreciation	(3,392)	(8,065)
Property and equipment, net	$ 5,833	$ 3,782

Depreciation expense for the year ended December 31, 2022 and 2021, was $3,431 and $4,463, respectively.

4. INVESTMENTS IN SECURITIES

Investments in securities as of December 31, 2022 and 2021, consisted of the following:

December 31, 2022	Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Value
Common stock of publicly traded affiliates				
Bexil Corporation	$ 1,988,723	$ 4,634,936	$ —	$ 6,623,659
Tuxis Corporation	2,431,212	—	(1,750,682)	680,530
Foxby Corp.	1,469,791	204,579	—	1,674,370
Global Self Storage, Inc.	657,773	26,345	—	684,118
	6,547,499	4,865,860	(1,750,682)	9,662,677
Other equity securities	1,170	—	(1,170)	—
Total investment in securities	$ 6,548,669	$ 4,865,860	$ (1,751,852)	$ 9,662,677

December 31, 2021	Cost Basis	Gross Unrealized Gains	Gross Unrealized Losses	Value
Common stock of publicly traded affiliates				
Bexil Corporation	$ 1,988,723	$ 3,356,959	$ —	$ 5,345,682
Tuxis Corporation	2,431,212	—	(1,689,669)	741,543
Foxby Corp.	1,469,791	382,106	—	1,851,897
Global Self Storage, Inc.	657,773	141,299	—	799,072
	6,547,499	3,880,364	(1,689,669)	8,738,194
Other equity securities	1,170		(1,170)	—
Total investment in securities	$ 6,548,669	$ 3,880,364	$ (1,690,839)	$ 8,738,194

5. FAIR VALUE MEASUREMENTS

The use of estimated fair value to measure the financial instruments held by the Company and its subsidiaries is fundamental to its consolidated financial statements and is a critical accounting estimate because a substantial portion of its assets and liabilities are recorded at estimated fair value. The application of fair value measurements may be on a recurring or nonrecurring basis depending on the accounting principles applicable to the specific asset or liability or whether management has elected to carry the item at its estimated fair value.

The hierarchy of valuation techniques is based on whether the inputs to those techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect the Company's market assumptions. These two types of inputs create the following fair value hierarchy:

Level 1 — Quoted prices in active markets for identical instruments or liabilities.

Level 2 — Prices determined using other significant observable inputs. Observable inputs are inputs that other market participants would use in pricing an asset or liability and are developed based on market data obtained from sources independent of the Company. These may include quoted prices for similar assets and liabilities, interest rates, prepayment speeds, credit risk, and market-corroborated inputs.

Level 3 — Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or unreliable (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may be used. Unobservable inputs reflect the Company's own assumptions about the factors that market participants use in pricing an asset or liability and are based on the information available in the circumstances.

This hierarchy requires the Company to use observable market data, when available, and to minimize the use of unobservable inputs when estimating fair value. The valuation method used to estimate fair value may produce a fair value measurement that may not be indicative of ultimate realizable value. Furthermore, while management believes its valuation methods are appropriate and consistent with those used by other market participants, the use of different methods or assumptions to estimate the fair value of certain financial instruments could result in a different estimate of fair value at the reporting date. Those estimated values may differ significantly from the values that would have been used had a readily available and reliable market for such loans or investments existed, or had such loans or investments been liquidated, and those differences could be material to the financial statements.

Investments in securities. Investments in securities consist of shares of publicly traded affiliates and other equity securities. The value of the securities of the Nasdaq Capital Market listed publicly traded affiliate, Global, and other equity securities are based on a traded market prices at December 31, 2022 and is considered to be a level 1 measurement. The value of the securities of the other publicly traded but unlisted affiliates is considered to be a level 2 measurement.

The assets held by the Company and its subsidiaries that were measured at fair value were as of December 31, 2022 and 2021, as follows:

December 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investment in securities				
Common stock of publicly traded affiliates	$ 684,118	$ 8,978,559	$ —	$ 9,662,677
Other equity securities	—	—	—	—
Total assets at fair value	$ 684,118	$ 8,978,559	$ —	$ 9,662,677

December 31, 2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Investment in securities				
Common stock of publicly traded affiliates	$ 799,072	$ 7,939,122	$ —	$ 8,738,194
Other equity securities	—	—	—	—
Total assets at fair value	$ 799,072	$ 7,939,122	$ —	$ 8,738,194

No liabilities of the Company were measured at fair value as of December 31, 2022 and 2021.

6. EARNINGS PER SHARE

Basic earnings per share is computed using the weighted average number of shares outstanding. Diluted earnings per share is computed using the weighted average number of shares outstanding adjusted for the incremental shares attributed to potentially dilutive securities. The following table sets forth the computation of basic and diluted earnings per share:

	For the Year Ended December 31,	
	2022	2021
Net income	$ 909,745	$ 2,842,345
Basic and diluted weighted average common shares outstanding	1,418,762	1,473,346
Basic and diluted net loss per share of common stock	$ 0.64	$ 1.93

7. CAPITAL STOCK

As of December 31, 2022, the Company was authorized to issue 1,500,000 shares of $0.01 par value Class A common stock and 20,000 shares of $0.01 par value of Class B common stock. As of December 31, 2022, 1,398,758 shares of Class A and 20,000 shares of Class B had been issued and was outstanding. Prior to June 10, 2022, the Company was authorized to issue 10,000,000 shares of $0.01 par value Class A common stock and 20,000 shares of $0.01 par value of Class B common stock. Class A and Class B common stock are identical in all respects except for voting rights, which are vested solely in the Class B common stock.

8. INCOME TAXES

Provision for income tax expense for the year ended December 31, 2022 and 2021, were as follows:

	2022	2021
Current		
Federal	$ —	$ —
State and local	(16,969)	—
Total current provision	(16,969)	—
Deferred		
Federal	—	—
State and local	—	—
Total deferred provision	—	—
Total benefit for income taxes	$ (16,969)	$ —

The Company had a statutory tax rate of 21% and an effective tax rate of (1.9%) and 0% for the years ended December 31, 2022 and 2021, respectively, with the difference attributable to changes in the amount of deferred tax assets and liabilities and the corresponding valuation allowance.

Deferred tax assets are comprised of the following as of December 31, 2022:

	2022	2021
Deferred tax assets (liabilities):		
Unrealized gain on investments	$ (871,922)	$ (613,067)
Capital loss carryforward	14,906	29,532
Net operating loss	845,333	898,517
Total deferred tax assets (liabilities)	(11,683)	314,982
Valuation allowance	11,683	(314,982)
Net	$ —	$ —

The differences between the deferred income tax assets and liabilities are recorded for differences between the financial statement and tax basis of the assets and liabilities that will result in taxable or deductible amounts in the future based on enacted laws and rates applicable to the periods in which the differences are expected to affect taxable income. Valuation allowances are established when necessary to reduce deferred tax assets and liabilities to the amount expected to be realized. The Company has evaluated the available evidence supporting the realization of its gross deferred tax assets and liabilities, including the amount and timing of future taxable income, and has determined that, based on net losses to date, it may not utilize all of its deferred tax assets in the future. The Company established a full valuation allowance against its deferred tax assets as of December 31, 2022.

As of December 31, 2022, the Company has federal net operating loss carryovers of $3,306,172 which will not expire.

The utilization of net operating loss carryovers may be subject to limitations under provision of the Section 382 of the Internal Revenue Code of 1986, as amended (the "Code") and similar state provisions. As of December 31, 2022, the Company has $53,235 of capital loss carryovers that are due to expire through 2024.

ASC 740-10, Accounting for Uncertain Tax Positions, requires that the Company recognize the impact of tax positions in the financial statements if the position is more likely than not to be sustained upon examination and on the technical merits of the position. The Company's policy is to recognize interest accrued related to unrecognized tax benefits and penalties as income tax expense. The Company has no material uncertain tax positions at December 31, 2022 and 2021. Consequently, no interest or penalties have been accrued by the Company.

The Company is subject to taxation in the U.S. and various state jurisdictions. The Company is no longer subject to federal examination for years before 2019.

9. RELATED PARTIES

Pursuant to an arrangement among a professional employer organization ("PEO") and Winco, Bexil, Tuxis, and Global (collectively with Winco, the "Affiliates"), the PEO provides payroll, benefits, compliance, and related services for employees of the Affiliates in accordance with applicable rules and regulations of the Internal Revenue Service, and in connection therewith MMC acts as a conduit payer for such services, including those who are concurrently employed. Expenses for various concurrently used administrative and support functions incurred by the Affiliates are allocated at cost among them. As of December 31, 2022 and 2021, the Company had a receivable from the Affiliates for compensation, benefits, and administrative support function expenses of $57,518 and $51,397, respectively.

The Company leases office and storage space from Global under a rental agreement. The terms of occupancy are month to month and automatically renew unless terminated by either party on thirty days' written notice. The Company incurred rental expense to Global of $5,600 and $3,700 for the years ended December 31, 2022 and 2021, respectively.

The Company earned investment management and other fees of $606,058 and $657,957 for the years ended December 31, 2022 and 2021, respectively, and had a receivable for investment management fees and other fees of $48,477 and $50,429 as of December 31, 2022 and 2021, respectively.

The Company earned distribution and service fees of $75,298 and $88,239 for the years ended December 31, 2022 and 2021, respectively, and had a receivable for distribution and service fees of $5,914 and $7,277 as of December 31, 2022 and 2021, respectively.

MSG has entered into agreements with selected dealers for distribution, shareholder servicing, and recordkeeping for the Midas Trust. The charges of such dealers for distribution and shareholder servicing are borne by MSG and the charges for recordkeeping are reimbursed by Midas and Magic. The Company recorded income of $19,212 and $24,382 for reimbursed co-transfer agent and recordkeeping for the years ended December 31, 2022 and 2021, respectively, and had a receivable for co-transfer and recordkeeping of $3,565 and $3,933 as of December 31, 2022 and 2022, respectively.

The Company earned dividends of $38,552 and $24,586 from its investments in Global and Foxby, respectively, for the year ended December 31, 2022, and the Company earned dividends of $36,449 and $256,711 from its investments in Global and Foxby, respectively, for the year ended December 31, 2021.

Certain officers of the Company also serve as officers and/or directors of the Funds. The Company owns approximately 24% of the outstanding shares of Foxby.

Paycheck Protection Program Loan

On May 19, 2020, MMC (the "Borrower") entered into a Paycheck Protection Program Term Note ("PPP Note") with Customers Bank on behalf of itself and the Affiliates under the Paycheck Protection Program (the "Program") of the Coronavirus Aid, Relief, and Economic Security Act ("CARES Act") administered by the U.S. Small Business Administration (the "SBA"). The Borrower received total proceeds of $486,602 from the PPP Note of which $74,352 was attributable to the Company under the SBA's loan determination formula. In accordance with the requirements of the CARES Act, the Affiliates used the proceeds from the PPP Note primarily for payroll and other eligible costs. Interest accrued on the PPP Note at the rate per annum of 1.00%. In March 2021, the Borrower applied to Customers Bank for forgiveness of the amount due on the PPP Note in an amount equal to the sum of payroll and other eligible costs incurred during the Covered Period, as defined therein, following disbursement under the PPP Note. On April 5, 2022, the Borrower was granted forgiveness of the entire PPP Note and any accrued interest. Upon the notice of forgiveness the Company paid the Affiliates their respective allocated gain of $412,250.

10. REGULATORY REQUIREMENTS

MSG is subject to the Uniform Net Capital Rule under Rule 15c3-1 of the Exchange Act. MSG must maintain net capital, as defined, of not less than $5,000 or 6-2/3% of aggregate indebtedness, whichever is greater, and a ratio of aggregate indebtedness to net capital, as defined, of not more than 15 to 1. As of December 31, 2022, MSG had net capital of $698,529, which exceeded its $5,000 required minimum level net capital by $693,529. The ratio of aggregate indebtedness to net capital was approximately 0.03 to 1.

11. COMMITMENTS AND CONTINGENCIES

The Company enters into contracts that contain a variety of representations and warranties and which may provide general indemnifications. The Company's maximum exposure under these arrangements is unknown as it involves future claims that may be made against the Company under circumstances that have not occurred.

12. RISKS AND UNCERTAINTIES

General Market Risks

The Company's portfolio and the success of its activities are affected by global and national economic, political and market conditions generally and also by the local economic conditions where its assets are located. Certain external events such as public health crises, including the novel coronavirus ("COVID-19") and its variants, natural disasters and geopolitical events, including the ongoing conflict between Russia, Belarus and Ukraine, have led to increased financial and credit market volatility and disruptions, leading to record inflationary pressure, rising interest rates, supply chain issues, labor shortages and recessionary concerns. Additionally, in response to recent inflationary pressure, the U.S. Federal Reserve and other global central banks have raised interest rates in 2022 and 2023 and may further raise interest rates. The full impact of such external events on the financial and credit markets and consequently on the Company's financial conditions and results of operations is uncertain and cannot be fully predicted.

Credit Risk

The Company maintains cash and cash equivalents in accounts with various financial institutions, and at times, account balances may exceed federally insured limits. The Company has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk. Subsequent to year-end, in March 2023, as a result of the turmoil in the U.S. and global banking sector, the Company reduced its cash positions to balances that are within federally insured limits.