

**ANDURAND UCITS ICAV**  
**(an umbrella fund with segregated liability**  
**between sub-funds)**

**ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2021**

**Central Bank of Ireland Registration Number : C156056**

**ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS**  
**for the year ended December 31, 2021**

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**ICAV INFORMATION**

**Registered Office**

5 George's Dock  
International Financial Services Centre  
Dublin 1  
Ireland

**Directors**

David McGeough (independent)  
Philip McEnroe (independent)  
Hakon Haugnes

**Manager**

*(effective from November 8, 2021)*  
KBA Consulting Management Limited  
5 George's Dock  
International Financial Services Centre  
Dublin 1  
Ireland

**Administrator**

Citco Fund Services (Ireland) Limited  
Customs House Plaza Block 6  
International Financial Services Centre  
Dublin 1  
Ireland

**Investment Manager**

Andurand Capital Management Ltd  
The Hedge Business Centre, Level 5  
Ir-Rampa ta' San Giljan, Balluta Bay  
St. Julian's STJ 1062  
Malta

**Sub-Investment Manager**

Andurand Capital Management LLP  
100 Brompton Road  
London SW3 1ER  
United Kingdom

**Secretary**

Clifton Fund Consulting Limited  
5 George's Dock  
International Financial Services Centre  
Dublin 1  
Ireland

**Depository**

Société Générale S.A.  
Dublin Branch, IFSC House  
Dublin 1  
Ireland

**Auditor**

KPMG Chartered Accountants and  
Statutory Audit Firm  
85 South Mall  
Cork  
Ireland

**Legal Advisers**

*As to Irish law:*  
Dillon Eustace  
33 Sir John Rogerson's Quay  
Dublin 2  
Ireland

**Swiss Paying Agent**

Helvetische Bank AG  
Seefeldstrasse 215  
CH 8008  
Zurich  
Switzerland

**Swiss Representative**

Waystone Fund Services (Switzerland)  
Av. Villamont 17-1005 Lausanne  
Switzerland

**DIRECTORS' REPORT**  
**for the year ended December 31, 2021**

The Directors present their report and audited financial statements of Andurand UCITS ICAV (the "ICAV") for the year ended December 31, 2021. As of December 31, 2021, the ICAV had established one sub-fund, the Andurand Fund (the "Fund"), which commenced operations on July 18, 2017.

**Principal activities and business review**

The principal activity of the ICAV is to carry on the business of an investment vehicle in accordance with the investment objective set out in the relevant Supplement at the time of creation of the relevant sub-funds. The year presented good opportunities in commodities and the Fund was active in crude, power, metals and emissions markets. The demand for crude oil increased worldwide and the Fund was positioned for this increase. See further details on the Investment Manager's report on page 8.

**Future developments**

The Directors are satisfied with the results for 2021 and will continue to work with the Investment Manager in pursuing its investment objective.

**Financial position and results**

The financial position as at the year end and results for the year are set out in the financial statements on pages 12 and 13.

**Distributions**

It is not the intention to declare or distribute dividends in respect of redeemable participating share classes. All income, earnings and gains of each class of the Fund will be reinvested and reflected in the value of the redeemable participating shares.

There were no distributions during the financial year ended December 31, 2021 (2020: Nil).

**Risk management**

The principal risks and uncertainties faced by the ICAV include market price risk and global exposure, currency risk, credit risk, and liquidity risk.

The ICAV's policies for risk management and the nature of financial instruments used during the year to mitigate exposure to these risks are shown in the Risk Management and Financial Derivatives note to these financial statements. Refer to Note 6 to the financial statements for further details.

**Directors and their interests**

The Directors at the date of this report and throughout the year are listed on page 2. The Directors do not have any shareholdings in the ICAV as of December 31, 2021 and December 31, 2020. The transactions involving Directors during the year are detailed in Note 10 to the financial statements.

**DIRECTORS' REPORT (Continued)  
for the year ended December 31, 2021**

**Accounting records**

The Directors are responsible for keeping proper accounting records. The Directors have appointed an experienced administrator in order to ensure that these requirements are complied with. The accounting records are located at the offices of Citco Fund Services (Ireland) Limited (the "Administrator").

**Transactions with connected persons**

The Central Bank of Ireland (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019 (the "Central Bank UCITS Regulations"), Part 2 Chapter 10 – "Transactions involving Connected Persons" states that any transaction carried out with a UCITS by a management company or depositary to a UCITS; and the delegates or sub-delegates of such a management company or depositary (excluding any non-group company sub-custodians appointed by a depositary); and any associated or group company of such a management company, depositary, delegate or sub delegate ("connected persons") must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the shareholders.

The Directors are satisfied that there are arrangements in place (evidenced by written procedures) to ensure that the obligations set out above are applied to all transactions with connected persons and transactions with connected persons entered into during the reporting year complied with the obligations set out above.

**Material changes**

There were no material changes to report for year ended December 31, 2021.

**Soft commissions arrangements**

There are no soft commission arrangements affecting the ICAV for the year ended December 31, 2021 (2020: none).

**Significant events during the year and subsequent events**

For details of significant events during the year and subsequent events, please refer to note 11 and note 13 to the financial statements respectively.

**Going concern**

The Directors believe that the ICAV has adequate resources to continue in operational existence for the foreseeable future, and have prepared the financial statements on the going concern basis.

## ANDURAND UCITS ICAV

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### DIRECTORS' REPORT (Continued) for the year ended December 31, 2021

#### Corporate governance statement

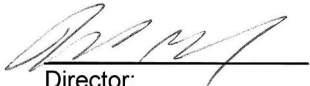
The ICAV is subject to compliance with the requirements of the Irish Collective Asset-management Vehicles Act 2015 (as amended) (the "ICAV Act") and the UCITS Regulations and Central Bank UCITS Regulations. During the year under review, the ICAV was subject to corporate governance practices imposed by:

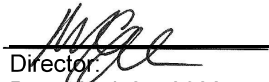
- (i) The ICAV Act,
- (ii) The Instrument of Incorporation of the ICAV, which is available for inspection at the registered office of the ICAV,
- (iii) The UCITS Regulations and Central Bank UCITS Regulations, and
- (iv) The Directors have adopted the voluntary Irish Funds ("IF") Corporate Governance Code for Irish domiciled Collective Investment Schemes and Management Companies (the "Code"). The Directors have reviewed and assessed the measures included in the Code and consider their corporate governance practices and procedures since the adoption of the Code as consistent therewith.

#### Auditors

KPMG, Chartered Accountants and Statutory Audit Firm, have been appointed as auditor to the ICAV and have expressed their willingness to continue in office in accordance with Section 125 of the ICAV Act.

On behalf of the Board

  
Director:  
Date: April 27, 2022

  
Director:  
Date: April 27, 2022

## ANDURAND UCITS ICAV

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### **DIRECTORS' RESPONSIBILITIES STATEMENT for the year ended December 31, 2021**

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

The ICAV Act requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

The financial statements are required to give a true and fair view of the assets, liabilities and financial position of the ICAV at the end of the financial year and of the profit or loss of the ICAV for the financial year.

In preparing those financial statements, the Directors are required to:

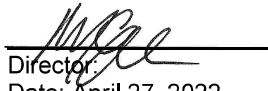
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- assess the ICAV's ability to continue as a going concern, disclosing as applicable matters related to going concern, and
- use the going concern basis of accounting unless they either intend to liquidate the ICAV or cease operations, or have no realistic alternative to do so.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the ICAV and enable the Directors to ensure that the financial statements comply with the ICAV Act, UCITS Regulations and Central Bank UCITS Regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the ICAV. In this regard, they have entrusted the assets of the ICAV to a trustee for safekeeping. They are responsible for such internal controls as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the ICAV Act.

On behalf of the Board



Director:  
Date: April 27, 2022



Director:  
Date: April 27, 2022

## Depositary's Report to the Shareholders of Andurand UCITS ICAV

We have enquired into the conduct of the ICAV for the financial period ended 31 December 2021 in our capacity as Depositary to the ICAV.

This report including the opinion has been prepared for and solely for the shareholders in the ICAV as a body, in accordance with the Central Bank of Ireland (Supervision and Enforcement) Act 2013 and the European Communities (Undertakings for Collective Investment in Transferable Securities) (the 'UCITS Regulations'), as amended and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

### Responsibilities of the Depositary

Our duties and responsibilities are outlined in Part 5 (34), of SI. No. 352 of 2011 and Part 12 (114) SI. 420 of 2015. One of those duties is to enquire into the conduct of the ICAV in each annual accounting period and report thereon to the Shareholders.

Our report shall state whether, in our opinion, the ICAV has been managed in that period, in accordance with the provisions of the ICAV's Instrument of Incorporation (IOI) and the UCITS Regulations. It is the overall responsibility of the ICAV to comply with these provisions. If the ICAV has not so complied, we as Depositary must state why this is the case and outline the steps which we have taken to rectify the situation.

### Basis of Depositary Opinion

The ICAV has been managed, in all material respects, during the financial year in accordance with the provisions of its Instrument of Incorporation (IOI) and the UCITS Regulations, including specifically the provisions relating to the limitations imposed on the investment and borrowing powers of the ICAV.

### Opinion

In our opinion, the ICAV has been managed during the period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the ICAV by its Instrument of Incorporation (IOI) and the UCITS Regulations; and
- (ii) otherwise in accordance with the provisions of the Instrument of Incorporation (IOI).

On behalf of the Depositary,



Société Générale S.A. (Dublin Branch)

28 April 2022



**INVESTMENT MANAGER'S REPORT  
for the year ended December 31, 2021**

**Activities of the Financial Year**

The Andurand Fund (the "Fund"), a sub-fund of Andurand UCITS ICAV, gained approximately 12% (USD A Class) in 2021.

The year presented good opportunities in commodities and the Fund was active in crude, power, metals and emissions markets. As the world was getting to grips with the COVID pandemic, the demand for crude oil increased worldwide and the Fund was positioned for this increase. Even more importantly, during 2021 the price of carbon emissions began to rise to reflect the true cost of emissions and the requirement to get to net zero. The Fund has been trading in long emissions since early 2021. Finally, the European power markets were mispriced due to the shortage of electrical power generation due to increased demand and the shutdown of German nuclear power, and the Fund was positioned for these price signals and made gains in power and natural gas.

For the full detail of views and positions during the year, we refer to the Investment Manager's detailed monthly newsletters.



**KPMG**  
**Audit**  
85 South Mall  
Cork  
T12 A3XN  
Ireland

## Independent auditor's report to the Shareholders of Andurand UCITS ICAV

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Andurand UCITS ICAV ('the ICAV') for the year ended 31 December 2021 set out on pages 12 to 45, which comprise the statement of Financial Position, Statement of Comprehensive Income, Statement of Change in Net assets Attributable to Holders of Redeemable Participating Shares, Statement of Cash flow and related notes, including the summary of significant accounting policies set out in Note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the ICAV as at 31 December 2021 and of its increase in net assets attributable to holders of redeemable participating shares for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Irish Collective Asset-management Vehicles Act 2015 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the ICAV in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

#### Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.



## Independent auditor's report to the Shareholders of Andurand UCITS ICAV (continued)

### **Report on the audit of the financial statements** (continued)

#### **Other information** (continued)

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

#### **Opinion on other matter prescribed by the Irish Collective Asset-management Vehicles Act 2015**

In our opinion, the information given in the Directors' Report is consistent with the financial statements.

#### **Matters on which we are required to report by exception**

The Irish Collective Asset-management Vehicles Act 2015 requires us to report to you, if in our opinion, the disclosures of directors' remuneration specified by law are not made. We have nothing to report in this regard.

#### **Respective responsibilities and restrictions on use**

##### **Responsibilities of directors for the financial statements**

As explained more fully in the directors' responsibilities statement set out on page 6, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the ICAV's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the ICAV or to cease operations, or have no realistic alternative but to do so.

##### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at [https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).



Independent auditor's report to the Shareholders of Andurand UCITS ICAV  
(continued)

**Respective responsibilities and restrictions on use** (continued)

**The purpose of our audit work and to whom we owe our responsibilities**

Our report is made solely to the shareholders of the ICAV, as a body, in accordance with the Section 120 of the Irish Collective Asset-management Vehicles Act 2015. Our audit work has been undertaken so that we might state to the ICAV's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the ICAV and the ICAV's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in blue ink that reads 'Karen Conboy'.

Karen Conboy  
**for and on behalf of**  
**KPMG**  
**Chartered Accountants, Statutory Audit Firm**  
85 South Mall  
Cork  
Ireland


28 April 2022


ANDURAND UCITS ICAV

STATEMENT OF FINANCIAL POSITION  
as of December 31, 2021

|  | Note  | Andurand<br>Fund<br>2021<br>US\$ | Andurand<br>Fund<br>2020<br>US\$ |
|--|-------|----------------------------------|----------------------------------|
| <b>Assets</b>  |       |                                  |                                  |
| Deposits with credit institutions  | 7     | 10,830,349                       | 11,762,112                       |
| Financial assets at fair value through profit or loss:   | 3,5,6 |                                  |                                  |
| Transferable securities  |       |                                  |                                  |
| – Sovereign bonds  |       | 22,996,265                       | 22,496,718                       |
| – Investments in listed bonds/notes  |       | 6,708,482                        | 7,230,039                        |
| Derivative financial instruments   |       | 383,479                          | 207                              |
| Amounts due from brokers   | 7     | 2,612,003                        | 1,146,229                        |
| Other receivables  |       | 11,636                           | 365,640                          |
| <b>Total assets</b>  |       | <b>43,542,214</b>                | <b>43,000,945</b>                |
| <b>Liabilities</b>   |       |                                  |                                  |
| Financial liabilities at fair value through profit or loss   |       |                                  |                                  |
| Derivative financial instruments   | 3,5,6 | –                                | 108,757                          |
| Amounts due to brokers   | 7     | –                                | 1,728                            |
| Subscriptions received in advance  |       | 825,514                          | –                                |
| Performance fees payable   | 8,10  | 613,853                          | 624,576                          |
| Equalisation payable   | 9     | 477,155                          | 20,351                           |
| Performance fees redemption payable  | 8,10  | 403,123                          | 326,367                          |
| Investment management fees payable   | 8,10  | 38,878                           | 42,908                           |
| Redemptions payable  |       | –                                | 421,616                          |
| Other payables and accrued expenses  |       | 128,173                          | 587,126                          |
| <b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b> |       | <b>2,486,696</b>                 | <b>2,133,429</b>                 |
| <b>Net assets attributable to holders of redeemable participating shares</b>                               |       | <b>41,055,518</b>                | <b>40,867,516</b>                |

On behalf of the Board

  
\_\_\_\_\_  
Director  
Date: April 27, 2022

  
\_\_\_\_\_  
Director  
Date: April 27, 2022

*The accompanying notes form an integral part of these financial statements*

**STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended December 31, 2021**

|   | <b>Note</b> | <b>Andurand<br/>Fund<br/>2021<br/>US\$</b> | <b>Andurand<br/>Fund<br/>2020<br/>US\$</b> |
|---|-------------|--|--|
| <b>Investment income</b>  |             |  |  |
| Interest income   |             | –  | 3,686                                      |
| Net realised gain on financial assets and financial liabilities at fair value through profit or loss and foreign exchange                     | 4           | 566,470                                    | 11,211,343                                 |
| Net change in unrealised appreciation on financial assets and financial liabilities at fair value through profit or loss and foreign exchange | 4           | 2,818,101                                  | 3,979,872                                  |
| Other income  |             | 7,130                                      | 28   |
| <b>Total investment income</b>  |             | <u>3,391,701</u>                           | <u>15,194,929</u>                          |
| <b>Operating expenses</b>   |             |  |  |
| Performance fees  | 8,10        | 1,016,976                                  | 824,484                                    |
| Investment management fees  | 8,10        | 448,090                                    | 511,075                                    |
| Administration fees   | 8           | 182,400                                    | 182,400                                    |
| Professional fees   |             | 63,861                                     | 100,969                                    |
| Depositary fees   | 8           | 40,855                                     | 45,391                                     |
| Directors' fees   | 8,10        | 38,000                                     | 33,178                                     |
| Research fees   |             | 34,862                                     | 105,433                                    |
| Audit fees  | 8           | 27,000                                     | 26,967                                     |
| Legal fees  | 8           | 23,854                                     | 20,000                                     |
| Manager's fees  | 8           | 4,953                                      | –  |
| Secretary fees  | 8           | 3,300                                      | 15,363                                     |
| Transaction costs   |             | 273  | 34,315                                     |
| Other expenses  |             | 49,898                                     | 54,817                                     |
| <b>Total operating expenses</b>   |             | <u>1,934,322</u>                           | <u>1,954,392</u>                           |
| <b>Operating profit before finance costs</b>  |             | <u>1,457,379</u>                           | <u>13,240,537</u>                          |
| <b>Finance costs</b>  |             |  |  |
| Interest expense  |             | 8,012                                      | 6,135                                      |
| <b>Increase in net assets attributable to holders of redeemable participating shares</b>  |             | <u>1,449,367</u>                           | <u>13,234,402</u>                          |

*The accompanying notes form an integral part of these financial statements*

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES**  
**for the year ended December 31, 2021**

|   | <b>Andurand<br/>Fund<br/>2021<br/>US\$</b> | <b>Andurand<br/>Fund<br/>2020<br/>US\$</b> |
|---|--|--|
| <b>Net assets attributable to holders of redeemable participating shares at beginning of year</b> | 40,867,516                                 | 44,764,762                                 |
| Increase in net assets attributable to holders of redeemable participating shares                 | 1,449,367                                  | 13,234,402                                 |
| Issuance of redeemable participating shares   | 20,879,024                                 | 2,858,655                                  |
| Repurchase of redeemable participating shares   | <u>(22,140,389)</u>                        | <u>(19,990,303)</u>                        |
| <b>Net assets attributable to holders of redeemable participating shares at end of year</b>       | <u><u>41,055,518</u></u>                   | <u><u>40,867,516</u></u>                   |

*The accompanying notes form an integral part of these financial statements*

**ANDURAND UCITS ICAV**

**STATEMENT OF CASH FLOWS**  
for the year ended December 31, 2021

|   | <b>Andurand<br/>Fund<br/>2021<br/>US\$</b> | <b>Andurand<br/>Fund<br/>2020<br/>US\$</b> |
|---|--|--|
| <b>Cash flows from operating activities</b>   |  |  |
| Increase in net assets attributable to holders of redeemable participating shares   | 1,449,367                                  | 13,234,402                                 |
| <b>Adjustments to reconcile increase in net assets attributable to holders of redeemable participating shares to net cash (used in)/provided by operating activities:</b> |  |  |
| Payments for purchase of financial assets and financial liabilities at fair value through profit and loss   | (64,713,377)                               | (84,909,662)                               |
| Proceeds from sale of financial assets and financial liabilities at fair value through profit and loss  | 71,178,149                                 | 98,675,570                                 |
| Net (payments)/proceeds on settlement of derivatives  | (3,510,736)                                | 2,460,171                                  |
| Net realised gain on financial assets and financial liabilities at fair value through profit or loss  | (609,570)                                  | (11,165,947)                               |
| Net change in unrealised appreciation on financial assets and financial liabilities at fair value through profit or loss  | (2,814,485)                                | (3,976,354)                                |
| Change in assets and liabilities:   |  |  |
| Amounts due from brokers  | (1,465,774)                                | 203,612                                    |
| Interest receivable   | –  | 1,013                                      |
| Other receivables   | 354,004                                    | (296,128)                                  |
| Amounts due to brokers  | (1,728)                                    | 1,728                                      |
| Performance fees payable  | (10,723)                                   | 624,576                                    |
| Performance fees redemption payable   | 76,756                                     | 326,367                                    |
| Investment management fees payable  | (4,030)                                    | (6,126)                                    |
| Other payables and accrued expenses   | (458,953)                                  | 401,066                                    |
| <b>Net cash (used in)/provided by operating activities</b>  | <u>(531,100)</u>                           | <u>15,574,288</u>                          |
| <b>Cash flows from financing activities</b>   |  |  |
| Proceeds from issue of redeemable participating shares  | 21,704,538                                 | 3,528,450                                  |
| Payments to repurchase redeemable participating shares  | (22,562,005)                               | (20,882,873)                               |
| Change in equalisation payable  | 456,804                                    | 20,351                                     |
| <b>Net cash used in financing activities</b>  | <u>(400,663)</u>                           | <u>(17,334,072)</u>                        |
| <b>Net decrease in cash and cash equivalents</b>  | (931,763)                                  | (1,759,784)                                |
| Cash and cash equivalents at beginning of year  | <u>11,762,112</u>                          | <u>13,521,896</u>                          |
| <b>Cash and cash equivalents at end of year *</b>   | <u>10,830,349</u>                          | <u>11,762,112</u>                          |
| <b>Supplemental cash flow information</b>   |  |  |
| Cash received for interest  | –  | 4,699                                      |
| Cash paid for interest  | (8,012)                                    | (6,135)                                    |

\* Cash and cash equivalents represents Deposits with credit institutions presented in the Statement of Financial Positions.

*The accompanying notes form an integral part of these financial statements*



**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended December 31, 2021**

**1. ORGANISATION**

Andurand UCITS ICAV (the “ICAV”) was established on August 17, 2016 as an open ended investment vehicle with variable capital. It is an umbrella Irish Collective Asset-management Vehicle with limited liability and segregated liability between sub-funds, registered and authorised by the Central Bank of Ireland (the “Central Bank”) to carry on business as an ICAV pursuant to Part 2 of the Irish Collective Asset-management Vehicles Act 2015 (as amended) (the “ICAV Act”). The ICAV has been authorised by the Central Bank as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) and is in accordance with the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019. The ICAV was authorised by the Central Bank on January 19, 2017.

The ICAV is structured as an umbrella type Irish Collective Asset-management Vehicle which may consist of different funds, each comprising one or more classes. As of December 31, 2021, the ICAV had established one sub-fund (2020: one), the Andurand Fund (the “Fund”), which commenced operations on July 18, 2017. Additional sub-funds may be established by the board of directors with the prior approval of the Central Bank.

Andurand Capital Management Ltd (the “Investment Manager”), a Maltese limited liability company has responsibility for the investment and reinvestment of the assets of the Fund subject to the overall supervision, control and policies of the board of directors. The Investment Manager has delegated part of its day-to-day investment discretion and certain other responsibilities with respect to the Fund to Andurand Capital Management LLP (the “Sub-Investment Manager”), a limited liability partnership incorporated under the laws of England and Wales, but the Investment Manager retains overall investment discretion.

The ICAV’s depository is Société Générale S.A., however it may utilise a sub-depository in accordance with its depository agreement. Sub-depositaries for the ICAV are Euroclear Bank SA/NV (Euroclear) and, Brown Brothers Harriman & Co (BBH).

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

The financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”). The financial statements have been prepared on a historical cost basis except for the financial instruments classified and measured at fair value through profit or loss.

The financial statements have been prepared on a going concern basis.

**(b) Use of estimates and judgements**

In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***(b) Use of estimates and judgements (continued)***

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the following notes:

- Determination of functional currency in Note 2 (c)
- Fair value of financial instruments

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in accordance to IFRS 13, Fair Value Measurement (“IFRS 13”).

The fair value of the ICAV’s assets and liabilities which qualify as financial instruments, approximate the carrying amount presented in the financial statements. When the fair value of financial assets and liabilities recorded in the statement of financial position cannot be derived from active markets, the financial instruments are valued using estimated fair value as determined in good faith by the Administrator, in consultation with the Investment Manager. Refer to Note 3 for more details.

***(c) Functional and presentation currency and foreign currency translation***

These financial statements are presented in US dollar (“US\$”), which is the ICAV’s and the Fund’s functional currency.

Functional currency is the currency of the primary economic environment in which the ICAV and the Fund operates. If indicators of the primary economic environment are mixed, then management uses its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. The Fund’s investments and transactions are denominated in US\$ and Euro (“EUR”). Investor subscriptions and redemptions are determined based on Net Asset Value (“NAV”), and received and paid in the currency of the share class. The expenses (including investment management fees and administration fees) are denominated and paid mostly in US\$. Accordingly, management has determined that the functional currency of the ICAV and the Fund is US\$.

Transactions in foreign currencies are translated into US\$ at the spot exchange rate at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into US\$ at the spot exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in foreign currencies are also translated into US\$ at the spot exchange rate at the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(c) Functional and presentation currency and foreign currency translation (continued)**

Foreign currency difference arising on translation are recognised in profit or loss as net change in unrealised appreciation on financial assets and financial liabilities at fair value through profit or loss and foreign exchange.

**(d) Financial assets and financial liabilities**

(i) Classification

The ICAV classifies its financial assets and financial liabilities into the categories below in accordance with IFRS 9 *Financial Instruments*.

The ICAV initially recognises financial assets and financial liabilities at fair value through profit or loss (“FVTPL”) on the trade date, which is the date on which the ICAV becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. On initial recognition, the ICAV classifies financial assets as measured at amortised cost or FVTPL. A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows, and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (“SPPI”).

Deposits with credit institutions, amounts due from broker and other receivables are measured at amortised cost.

All other financial assets of the ICAV are measured at FVTPL.

*Business model assessment*

In making an assessment of the objective of the business model in which a financial asset is held, the ICAV considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets,

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(d) Financial assets and financial liabilities (continued)**

(i) Classification (continued)

*Business model assessment (continued)*

- how the performance of the portfolio is evaluated and reported to the ICAV's management,
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed,
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected, and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the ICAV's continuing recognition of the assets.

The ICAV has determined that it has two business models.

- *Held-to-collect business model*: this includes deposits with credit institutions, balances due from brokers and other receivables. These financial assets are held to collect contractual cash flows.
- *Other business model*: this includes sovereign bonds, investments in listed bonds/notes and derivatives. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

*Assessment whether contractual cash flows are SPPI*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***(d) Financial assets and financial liabilities (continued)***

(i) Classification (continued)

*Assessment whether contractual cash flows are SPPI (continued)*

In assessing whether the contractual cash flows are SPPI, the ICAV considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the ICAV considers:

- contingent events that would change the amount or timing of cash flows,
- leverage features,
- prepayment and extension features,
- terms that limit the ICAV's claim to cash flows from specified assets (e.g. non-recourse features), and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

*Reclassifications*

Financial assets are not reclassified subsequent to their initial recognition unless the ICAV were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

*Financial instruments measured at fair value through profit or loss upon initial recognition*

These represent financial instruments measured at fair value through profit or loss upon initial recognition and include money market instruments and investments in listed bonds/notes within the portfolio. These financial instruments are so measured on the basis that their fair value can be reliably measured and that they are managed and their performance evaluated on a fair value basis in accordance with the documented investment strategy of the ICAV.

(ii) Recognition/derecognition

The ICAV recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. Purchases and sales of investments are accounted for at trade date. Realised gains and losses on investment disposals are calculated using the first-in, first-out ("FIFO") method.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

***(d) Financial assets and financial liabilities (continued)***

(ii) Recognition/derecognition (continued)

The ICAV derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the ICAV neither transfer nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the ICAV is recognised as a separate asset or liability.

The ICAV derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

(iii) Initial measurement

Financial instruments categorised at fair value through profit or loss are measured initially at fair value, with transaction costs for such instruments being recognised in the statement of comprehensive income. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties at an arm's length transaction.

(iv) Subsequent measurement

After initial measurement, the ICAV measures financial instruments which are classified as at fair value through profit or loss at their fair value. Subsequent changes in the fair value of these financial instruments are recorded in net change in unrealised appreciation on financial assets and financial liabilities at fair value through profit or loss and foreign exchange on the statement of comprehensive income.

The fair value of financial instruments traded in active markets is based on their quoted market prices or broker price quotations at the statement of financial position date without any deduction for estimated future selling costs. If there is no quoted price in an active market, then the ICAV uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(d) Financial assets and financial liabilities (continued)**

**(v) Impairment**

The expected credit loss (“ECL”) impairment model applies to financial assets measured at amortised cost and debt investments at fair value through other comprehensive income, but not to investments at FVTPL.

The ICAV has determined that the application of IFRS 9’s impairment requirements results in no impairment allowance as management considers the probability of default as close to zero as the financial assets held at amortised cost have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month ECL as any such impairment would be wholly insignificant to the ICAV.

**(e) Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Refer to Note 5 for further details.

Income and expenses are presented on a net basis for gains and losses from financial instruments at fair value through profit or loss and foreign exchange.

**(f) Derivative contracts**

Derivative contracts (“derivatives”) are comprised of forward foreign currency exchange contracts. Fair values for forward foreign currency exchange contracts are determined using market rates.

**(g) Deposits with credit institutions**

Deposits with credit institutions comprise of cash and cash equivalents and highly liquid financial assets with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value and are used by the ICAV in the management of short-term commitments, other than cash collateral provided in respect of derivatives and securities borrowing transactions.

**(h) Amounts due from brokers**

Amounts due from brokers include interest receivable on broker cash, amounts receivable for trades pending settlement and cash collateral which may be restricted for margin and collateral positions.

**(i) Subscriptions received in advance**

Subscriptions received in advance relate to subscriptions proceeds received in advance of trade date. The subscriptions are carried as a liability until the connected shares are issued.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(j) Income and expenses**

All bank interest income and expense is recognised in the statement of comprehensive income as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date. Coupon interest for bonds is included in net realised gain/net change in unrealised appreciation on financial assets and financial liabilities at fair value through profit or loss and foreign exchange.

Dividend income is recognised in the statement of comprehensive income on the ex-dividend date. Dividend income is shown gross of any withholding taxes, which is disclosed separately in the statement of comprehensive income, and net of any tax credits.

Expenses are accounted for on an accruals basis.

**(k) Taxation**

Under current law and practice, the ICAV qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, Irish tax is not chargeable to the ICAV on its income or capital gains. However, some dividend and interest income received by the ICAV may be subject to withholding tax imposed in certain countries of origin.

A “chargeable event” may happen which may give rise to Irish tax if the following event occurs: any distribution to shareholders, any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight year beginning with the acquisition of such shares.

However, no Irish tax will arise on the ICAV with respect to chargeable events relating to:

- i a shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the ICAV, or the ICAV has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations;
- ii certain exempted Irish tax resident shareholders who have provided the ICAV with the necessary signed statutory declarations. Dividends, interest and capital gains (if any) received on investments made by the ICAV may be subject to withholdings taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the ICAV or its shareholders; and
- iii any transaction (which might otherwise be a chargeable event) in relation to shares held in a recognised clearing system as designed by the order of the Irish Revenue commissioners (such as CREST).



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**(l) Redeemable participating shares**

Redeemable participating shares are redeemable at the shareholder's option, are classified as financial liabilities, and are measured at the present value of the redemption amounts. The participating shares can be put back to the Fund on any dealing day for cash equal to a proportionate share of the Fund's NAV. The liabilities arising from the redeemable shares are carried at the redemption amount, being the NAV calculated in accordance with IFRS.

**(m) Standards, interpretations and amendments to published standards effective for annual periods beginning on or after January 1, 2021**

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2021, that have a material effect on the financial statements of the Fund.

**(n) Standards, interpretations and amendments to published standards that are not yet effective and which have not been early adopted**

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2021, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the ICAV.

**(o) Comparative figures**

Certain prior year figures have been updated to conform to current year presentation.

**3. FAIR VALUE MEASUREMENT**

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 - Quoted prices (unadjusted) that are available in active markets for identical investments as of the reporting date.

Level 2 - Pricing inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).

Level 3 - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for such investments. The inputs into the determination of fair value require significant judgement and/or estimation.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement, and considers factors specific to the investment. Changes in the observability of valuation inputs may result in a reclassification for certain financial instruments.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**3. FAIR VALUE MEASUREMENT (Continued)**

The following tables summarise the valuation of the Fund's investments by the fair value hierarchy levels as of December 31, 2021 and 2020:

| <b>2021</b>   | <b>Level 1<br/>US\$</b> | <b>Level 2<br/>US\$</b> | <b>Level 3<br/>US\$</b> | <b>Total<br/>US\$</b> |
|---|-------------------------|-------------------------|-------------------------|-----------------------|
| <b><i>Financial assets at fair value through profit or loss</i></b> |                         |                         |                         |                       |
| Sovereign bonds   | 22,996,265              | –                       | –                       | 22,996,265            |
| Investments in listed bonds/notes                                   | –                       | 6,708,482               | –                       | 6,708,482             |
| Forward foreign currency exchange contracts                         | –                       | 383,479                 | –                       | 383,479               |
| <b>Total financial assets</b>                                       | <b>22,996,265</b>       | <b>7,091,961</b>        | <b>–</b>                | <b>30,088,226</b>     |
| <b>2020</b>   |                         |                         |                         |                       |
|   | <b>Level 1<br/>US\$</b> | <b>Level 2<br/>US\$</b> | <b>Level 3<br/>US\$</b> | <b>Total<br/>US\$</b> |
| <b><i>Financial assets</i></b>                                      |                         |                         |                         |                       |
| Sovereign bonds   | 22,496,718              | –                       | –                       | 22,496,718            |
| Investments in listed bonds/notes                                   | –                       | 7,230,039               | –                       | 7,230,039             |
| Forward foreign currency exchange contracts                         | –                       | 207                     | –                       | 207                   |
| <b>Total financial assets</b>                                       | <b>22,496,718</b>       | <b>7,230,246</b>        | <b>–</b>                | <b>29,726,964</b>     |
| <b><i>Financial liabilities</i></b>                                 |                         |                         |                         |                       |
| Forward foreign currency exchange contracts                         | –                       | (108,757)               | –                       | (108,757)             |
| <b>Total financial liabilities</b>                                  | <b>–</b>                | <b>(108,757)</b>        | <b>–</b>                | <b>(108,757)</b>      |

There were no transfers between levels during the year. The fair value levels are assessed on a monthly basis and transfers between levels are recognised at the end of the financial year.

In relation to other assets and liabilities not carried at fair value but for which fair value is disclosed, these assets and liabilities have been classified at Level 2 of the fair value hierarchy, except for deposits with credit institutions which represents cash and cash equivalents, which are classified at Level 1. The table above sets out the classifications of the carrying amounts of the Fund's financial assets and financial liabilities into categories of financial instruments.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**4. NET REALISED GAIN/(LOSS) AND CHANGE IN UNREALISED APPRECIATION/ (DEPRECIATION) ON INVESTMENTS**

The following table identifies the net gain and loss amounts included in the statement of comprehensive income within realised gain and unrealised appreciation on investments for the year ended December 31, 2021 and 2020:

| <b>2021</b>  | <b>Net realised<br/>gain/(loss)<br/>US\$</b> | <b>Net change<br/>in unrealised<br/>appreciation/<br/>(depreciation)<br/>US\$</b> | <b>Total<br/>US\$</b> |
|--|--|---|-----------------------|
| Financial assets and financial liabilities held at fair value through profit or loss   | 609,570                                      | 2,814,485   | 3,424,055             |
| Foreign exchange   | (43,100)                                     | 3,616   | (39,484)              |
|  | <u>566,470</u>                               | <u>2,818,101</u>  | <u>3,384,571</u>      |
| <b>Net realised gain and change in unrealised appreciation on financial assets and financial liabilities at fair value through profit or loss and foreign exchange</b> |  |   |                       |
|  | <u>566,470</u>                               | <u>2,818,101</u>  | <u>3,384,571</u>      |
| <br>   |  |   |                       |
| <b>2020</b>  | <b>Net realised<br/>gain/(loss)<br/>US\$</b> | <b>Net change<br/>in unrealised<br/>appreciation/<br/>(depreciation)<br/>US\$</b> | <b>Total<br/>US\$</b> |
| Financial assets and financial liabilities held at fair value through profit or loss   | 11,165,947                                   | 3,976,354   | 15,142,301            |
| Foreign exchange   | 45,396                                       | 3,518   | 48,914                |
|  | <u>11,211,343</u>                            | <u>3,979,872</u>  | <u>15,191,215</u>     |
| <b>Net realised gain and change in unrealised appreciation on financial assets and financial liabilities at fair value through profit or loss and foreign exchange</b> |  |   |                       |
|  | <u>11,211,343</u>                            | <u>3,979,872</u>  | <u>15,191,215</u>     |

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**5. DERIVATIVE CONTRACTS**

Typically, derivative contracts serve as components of the Fund's investment strategy and are utilised primarily to structure and hedge investments, to enhance performance and reduce risk to the ICAV. The derivative contracts that the Fund holds or issues are forward foreign currency exchange contracts.

The ICAV records its derivative activities on a fair value basis. For over-the-counter ("OTC") contracts, the ICAV enters into master netting agreements with its counterparties. At year end, assets and liabilities are presented gross and there is no netting on the face of the statement of financial position.

Derivative contracts may result in off-balance sheet, market and credit risk (see Note 6).

An explanation of the derivatives used by the Fund is noted in the following paragraphs.

*Forward foreign currency exchange contracts*

Forward foreign currency exchange contracts are OTC contracts entered into by the ICAV and represent a firm commitment to buy or sell an underlying currency, at a specified value and point in time based upon an agreed or contracted quantity. The realised/unrealised gain or loss is equal to the difference between the value of the contract at the onset and the value of the contract at settlement date/period end date and is included in the statement of comprehensive income. The net loss on forward foreign currency exchange contracts recognised in the statement of comprehensive income was US\$3,018,709 (2020: net gain of US\$2,270,031).

The ICAV will use forward foreign currency exchange contracts to hedge currency exposure of non-base currency classes in the ICAV. Forward foreign currency exchange contracts will not be used for investment purposes.

**Volume of derivative activity**

As an indication of the volume of derivative activity during the year, an average gross notional exposure outstanding at each of the relevant quarter ends was calculated as shown below. The board of directors is of the opinion that this provides the users of the financial statements with an accurate reflection of the volume of derivative activity during the year.

| <b>2021</b>                                 | <b>Long<br/>exposure<br/>US\$</b> | <b>Short<br/>exposure<br/>US\$</b> |
|---|-----------------------------------|------------------------------------|
| <b>Foreign currency exchange risk</b>       |                                   |                                    |
| Forward foreign currency exchange contracts | 35,063,065                        | 69,616                             |
|   | 35,063,065                        | 69,616                             |

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**5. DERIVATIVE CONTRACTS (Continued)**

*Forward foreign currency exchange contracts (continued)*

**Volume of derivative activity (continued)**

| <b>2020</b>                                 | <b>Long<br/>exposure<br/>US\$</b> | <b>Short<br/>exposure<br/>US\$</b> |
|---|-----------------------------------|------------------------------------|
| <b>Foreign currency exchange risk</b>       |                                   |                                    |
| Forward foreign currency exchange contracts | 31,351,904                        | –                                  |
|   | <u>31,351,904</u>                 | <u>–</u>                           |

As of December 31, 2021 and 2020, the following forward foreign currency exchange contracts were included in the ICAV's statement of financial position as financial assets and financial liabilities at fair value through profit or loss:

| <b>2021</b>                                 | <b>Derivative<br/>assets<br/>US\$</b>     | <b>Derivative<br/>liabilities<br/>US\$</b>     |
|---|---|--|
| <b>Foreign currency exchange risk</b>       |   |  |
| Forward foreign currency exchange contracts | 383,479                                   | –  |
|   | <u>383,479</u>                            | <u>–</u>                                       |
| <br><b>2020</b>                             | <br><b>Derivative<br/>assets<br/>US\$</b> | <br><b>Derivative<br/>liabilities<br/>US\$</b> |
| <b>Foreign currency exchange risk</b>       |   |  |
| Forward foreign currency exchange contracts | 207                                       | (108,757)                                      |
|   | <u>207</u>                                | <u>(108,757)</u>                               |

The counterparty to the ICAV's OTC derivative contracts is Citco Bank Nederland N.V.

**Impact of derivative financial instruments on the statement of financial position**

The ICAV is required to disclose the impact of offsetting assets and liabilities represented in the statement of financial position to enable users of the financial statements to evaluate the effect or potential effect of netting arrangements on its financial position for recognised assets and liabilities. These recognised assets and liabilities are derivative instruments that are either subject to an enforceable master netting arrangement or similar agreement or meet the following right of set-off criteria: the amounts owed by the ICAV to another party are determinable, the ICAV has the right to set-off the amounts owed with the amounts owed by the other party, the ICAV intends to set-off on a net basis, and the ICAV's right of set-off is enforceable at law. As of December 31, 2021 and 2020, the ICAV has not presented these net on the statement of financial position.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**5. DERIVATIVE CONTRACTS (Continued)**

*Forward foreign currency exchange contracts (continued)*

**Impact of derivative financial instruments on the statement of financial position (continued)**

The below tables provide information on the potential financial impact of netting recognised assets and liabilities presented in the statement of financial position subject to an enforceable master netting arrangement or similar agreement as of December 31, 2021:

| 2021                        | Gross amounts of recognised assets<br>US\$ | Gross amounts offset in the statement of financial position<br>US\$ | Net amounts of recognised assets presented in the statement of financial position<br>US\$ | Gross amounts not offset in the statement of financial position |   | Net amount<br>US\$ |
|-----------------------------|--|---|---|---|---|--------------------|
|                             |  |   |   | Financial instruments<br>US\$ <sup>(i)</sup>                    | Margin accounts<br>US\$ <sup>(ii)</sup> |                    |
|                             |  |   |   |   |   |                    |
|                             |  |   |   |   |   |                    |
| <b>Derivative contracts</b> |  |   |   |   |   |                    |
| Citco Bank Nederland N.V.   | 383,479                                    | –   | 383,479   | –   | –                                       | 383,479            |
| <b>Total</b>                | <b>383,479</b>                             | <b>–</b>  | <b>383,479</b>  | <b>–</b>  | <b>–</b>                                | <b>383,479</b>     |

There was no derivative liabilities as of December 31, 2021.

Amounts included in (i) above represent derivative liabilities that are available for offset against the derivative asset positions in accordance with the terms of the ICAV's master netting agreements. Amounts included in (ii) above represent margin accounts that are available for offset against the respective open derivative positions held with the counterparty. Total margin accounts may exceed the amount presented in (ii) above. The amount included above represents only the amount of margin necessary to offset the open derivative position.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
for the year ended December 31, 2021

**5. DERIVATIVE CONTRACTS (Continued)**

*Forward foreign currency exchange contracts (continued)*

**Impact of derivative financial instruments on the statement of financial position (continued)**

The below tables provide information on the potential financial impact of netting recognised assets and liabilities presented in the statement of financial position subject to an enforceable master netting arrangement or similar agreement as of December 31, 2020:

|                              | 2020   |  | Net<br>amounts of<br>recognised<br>assets<br>presented<br>in the<br>statement<br>of financial<br>position<br>US\$      | Gross amounts not offset<br>in the statement of<br>financial position |  | Net<br>amount<br>US\$ |
|------------------------------|--|--|--|---|--|-----------------------|
|                              | Gross<br>amounts of<br>recognised<br>assets<br>US\$      | Gross<br>amounts<br>offset in the<br>statement<br>of financial<br>position<br>US\$ |  | Financial<br>instruments<br>US\$ <sup>(i)</sup>                       | Margin<br>accounts<br>US\$ <sup>(ii)</sup> |                       |
|                              |  |  |  |   |  |                       |
|                              |  |  |  |   |  |                       |
| <b>Derivative contracts</b>  |  |  |  |   |  |                       |
| Citco Bank Nederland<br>N.V. | 207  | –  | 207  | (207)   | –  | –                     |
| <b>Total</b>                 | <u>207</u>   | <u>–</u>   | <u>207</u>   | <u>(207)</u>  | <u>–</u>                                   | <u>–</u>              |
|                              | 2020   |  | Net<br>amounts of<br>recognised<br>liabilities<br>presented<br>in the<br>statement<br>of financial<br>position<br>US\$ | Gross amounts not offset<br>in the statement of<br>financial position |  | Net<br>amount<br>US\$ |
|                              | Gross<br>amounts of<br>recognised<br>liabilities<br>US\$ | Gross<br>amounts<br>offset in the<br>statement<br>of financial<br>position<br>US\$ |  | Financial<br>instruments<br>US\$ <sup>(i)</sup>                       | Margin<br>accounts<br>US\$ <sup>(ii)</sup> |                       |
|                              |  |  |  |   |  |                       |
|                              |  |  |  |   |  |                       |
| <b>Derivative contracts</b>  |  |  |  |   |  |                       |
| Citco Bank Nederland<br>N.V. | (108,757)  | –  | (108,757)  | 207   | 108,550                                    | –                     |
| <b>Total</b>                 | <u>(108,757)</u>   | <u>–</u>   | <u>(108,757)</u>   | <u>207</u>  | <u>108,550</u>                             | <u>–</u>              |

Amounts included in (i) above represent derivative liabilities that are available for offset against the derivative asset positions in accordance with the terms of the ICAV's master netting agreements. Amounts included in (ii) above represent margin accounts that are available for offset against the respective open derivative positions held with the counterparty. Total margin accounts may exceed the amount presented in (ii) above. The amount included above represents only the amount of margin necessary to offset the open derivative position.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**5. DERIVATIVE CONTRACTS (Continued)**

*Forward foreign currency exchange contracts (continued)*

**Impact of derivative contracts on the statement of comprehensive income**

The following tables identify the net gain and loss amounts included in the statement of comprehensive income within realised gain and unrealised appreciation on financial assets and financial liabilities at fair value through profit or loss and foreign exchange, categorised by primary underlying risk, for the year ended December 31, 2021 and 2020:

| <b>2021</b>                                 | <b>Net realised<br/>gain/(loss)<br/>US\$</b> | <b>Net change<br/>in unrealised<br/>appreciation/<br/>(depreciation)<br/>US\$</b> | <b>Total<br/>US\$</b> |
|---|--|---|-----------------------|
| <b>Foreign currency exchange risk</b>       |  |   |                       |
| Forward foreign currency exchange contracts | 492,028                                      | (3,510,737)   | (3,018,709)           |
| <b>Total</b>                                | <u>492,028</u>                               | <u>(3,510,737)</u>  | <u>(3,018,709)</u>    |
| <br>  |  |   |                       |
| <b>2020</b>                                 | <b>Net realised<br/>gain/(loss)<br/>US\$</b> | <b>Net change<br/>in unrealised<br/>appreciation/<br/>(depreciation)<br/>US\$</b> | <b>Total<br/>US\$</b> |
| <b>Foreign currency exchange risk</b>       |  |   |                       |
| Forward foreign currency exchange contracts | 2,460,171                                    | (190,140)   | 2,270,031             |
| <b>Total</b>                                | <u>2,460,171</u>                             | <u>(190,140)</u>  | <u>2,270,031</u>      |



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**6. RISK MANAGEMENT AND FINANCIAL DERIVATIVES**

The ICAV may engage in transactions in financial derivative instruments (“FDI”) on behalf of a sub-fund either for investment purposes or for the purposes of efficient portfolio management (including hedging). The ICAV will employ a risk management process which will enable it to accurately measure, monitor and manage the risks attached to FDI positions and details of this process have been provided to the Central Bank. The ICAV will not utilise FDI which have not been included in the risk management process until such time as a revised risk management process has been submitted to and cleared by the Central Bank. The ICAV will provide to shareholders on request supplementary information relating to the risk management methods employed by the sub-fund including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investments.

*Market price risk and global exposure*

The ICAV buys, sells or holds financial assets and financial liabilities in order to take advantage of changes in market prices. The ICAV’s money market instruments, investments in listed bonds/notes and FDI are susceptible to market price risk arising from uncertainties about future prices of the instruments.

UCITS funds are required to monitor exposures on a daily basis by utilising either the commitment approach or the Value at Risk (“VaR”) approach when FDI are held. The Investment Manager utilises the VaR approach in monitoring the exposure of the ICAV as the market risk can be adequately monitored through this method. Derivatives will primarily be used to gain exposure to certain asset classes in which it is not permitted to directly invest and/or for purposes of efficient portfolio management.

The ICAV is using a VaR model based on a 99% confidence interval and assumes a monthly holding period. The VaR model used is based on simulations using both actual historical data (“historical VaR”) and simulated market paths using historical volatility (“Monte Carlo VaR”). Taking account of market data from the previous year (if available) and observed relationships between different markets and prices, the model generates a wide range of plausible future scenarios for market price movements.

The selection of the VaR methodology is very important as there are a number of standardised methods for estimating VaR. The methods applied as part of the Investment Manager’s risk management process are:

- the Historical VaR, and
- the Monte Carlo simulation.

The VaR calculation is performed using RiskMetrics software, a service provided by MSCI. MSCI is a leading provider of investment decision support tools to clients worldwide, ranging from large pension plans to boutique hedge funds.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**6. RISK MANAGEMENT AND FINANCIAL DERIVATIVES (Continued)**

*Market price risk and global exposure (continued)*

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based give rise to some limitations, including the following:

- A 1 month holding period assumes that it is possible to hedge or dispose of positions within that period. This may not be the case for certain highly illiquid assets or in situations in which there is severe general market illiquidity.
- A 99% confidence level does not reflect losses that may occur beyond this level, meaning that within the model used there is a 1% probability that losses could exceed the VaR (Tail Risk).
- Official VaR readings are taken at the end of month, and hence the intra-month VaR might be different. Nonetheless, the Investment Manager has tools available at his disposal to calculate VaR intra-day or intra-month. The use of historical data as a basis for determining the possible range of future outcomes may not always cover all possible scenarios, especially those of an exceptional nature.
- The VaR measure is dependent on the ICAV's position and the volatility of market prices.
- The VaR of an unchanged position reduces if market price volatility declines, and vice versa.

The Investment Manager uses Incremental VaR to decompose the portfolio risk into position-level components that sum to the total portfolio risk. This procedure can then be used to identify the individual positions contributing the most to overall portfolio risk. In addition, positions which are negatively correlated with the portfolio and are risk reducing can also be identified. Further, positions can be aggregated by region, country, industry, and so forth, in order to identify the high-risk contributors along any of those dimensions.

The overall structure of VaR limits is subject to review and approval by the board of directors. VaR is measured daily calculated on daily closing prices as observed by RiskMetrics. Daily reports of use of VaR limits are submitted to the Chief Investment Officer and regular summaries are submitted to the board of directors.

While VaR is expected to capture risks during "normal" market conditions, stress tests are designed to capture portfolio payoffs in dislocated markets due to unexpected changes in risk factors, breakdowns in historical correlations or other unexpected outcomes. These stress tests complement VaR analysis in that statistical VaR models tend to underestimate the frequency of tail events, while financial markets have been observed to display leptokurtosis or "fat tails". Stress tests are better suited to capture the risk of catastrophic loss and measuring these losses allows for better strategic management meant to insulate the portfolio against extreme loss.

The Investment Manager performs daily stress testing by analysing the expected portfolio profit and loss under specific historical and hypothetical scenarios. These portfolio-level scenarios are further decomposed by asset class and strategy. Stress test results are used to ensure that the portfolio is sufficiently capitalised to weather extreme market dislocations.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**6. RISK MANAGEMENT AND FINANCIAL DERIVATIVES (Continued)**

*Market price risk and global exposure (continued)*

Throughout 2021, the board of directors of the ICAV oversaw risk management according to its framework.

A summary of the VaR position of the Fund's portfolio as of December 31, 2021 and 2020 and during the year is as follows:

|               | <b>December 31,<br/>2021</b> | <b>Average</b> | <b>Maximum</b> | <b>Minimum</b> | <b>Average<br/>Leverage<br/>Employed</b> |
|---------------|------------------------------|----------------|----------------|----------------|--|
| Total/Overall | 1.22 %                       | 1.15 %         | 1.75 %         | 0.26 %         | 101.88 %                                 |
|               | <b>December 31,<br/>2020</b> | <b>Average</b> | <b>Maximum</b> | <b>Minimum</b> | <b>Average<br/>Leverage<br/>Employed</b> |
| Total/Overall | 0.79 %                       | 0.42 %         | 1.87 %         | 0.26 %         | 84.27 %                                  |

The Fund has invested in two fund-linked notes issued by Société Générale S.A. The return on these notes is linked to an underlying portfolio of investments. The underlying portfolio is owned by Société Générale S.A. and managed by MLC Managed Funds Cayman SPC, a company unrelated to the ICAV. The Investment Manager has a contract with MLC Managed Funds Cayman SPC whereby the Investment Manager directs the trading activity in the underlying portfolio, thus driving the return of the Société Générale S.A. notes.

*Geographical concentration risk*

Financial assets and financial liabilities at fair value through profit or loss are issued by companies based in the following countries:

| <b>2021</b>   | <b>Fair value<br/>US\$</b> | <b>% of net<br/>assets</b> |
|---------------|----------------------------|----------------------------|
| <b>Assets</b> |                            |                            |
| United States | 22,996,265                 | 56.01 %                    |
| Luxembourg    | 6,708,482                  | 16.34 %                    |
| Netherlands   | 383,479                    | 0.93 %                     |
| <b>Total</b>  | <b>30,088,226</b>          | <b>73.28 %</b>             |

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**6. RISK MANAGEMENT AND FINANCIAL DERIVATIVES (Continued)**

*Geographical concentration risk (continued)*

| <b>2020</b>        | <b>Fair value<br/>US\$</b> | <b>% of net<br/>assets</b> |
|--------------------|----------------------------|----------------------------|
| <b>Assets</b>      |                            |                            |
| United States      | 22,496,718                 | 55.05 %                    |
| Luxembourg         | 7,230,039                  | 17.69 %                    |
| Netherlands        | <u>207</u>                 | <u>0.00 %</u>              |
| <b>Total</b>       | <u>29,726,964</u>          | <u>72.74 %</u>             |
| <b>Liabilities</b> |                            |                            |
| Netherlands        | <u>(108,757)</u>           | <u>(0.27) %</u>            |
| <b>Total</b>       | <u>(108,757)</u>           | <u>(0.27) %</u>            |

*Currency risk*

Currency risk arises because some of the assets of the ICAV are denominated in non-US\$ currencies. The Investment Manager generally enters into spot and forward currency transactions designed to hedge the currency exposure of non-base currency shareholders of the ICAV. Daily monitoring is undertaken by the Investment Manager to ensure instruments used and exposures created are consistent with the investment strategy and objectives of the ICAV.

In addition, the Investment Manager enters into spot and forward foreign exchange contracts to hedge back to Euro, those proportions of the main investment portfolio which relate to the Euro denominated classes of shares. As a result of this currency hedging strategy, the ICAV does not have a material residual currency exposure as the currency exposure of the net assets attributable to holders of redeemable participating shares is materially matched with the currency of those financial liabilities.

At the reporting date, the carrying amount of the ICAV's net assets and liabilities held in individual foreign currencies, expressed in US\$ and as a percentage of its net assets, were as follows:

| <b>2021</b>     | <b>Fair value<br/>US\$</b> | <b>% of net<br/>assets</b> |
|-----------------|----------------------------|----------------------------|
| <b>Currency</b> |                            |                            |
| Euro            | 353,799                    | 0.86 %                     |
| <b>2020</b>     |                            |                            |
| <b>Currency</b> |                            |                            |
| Euro            | 445,330                    | 1.09 %                     |

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**6. RISK MANAGEMENT AND FINANCIAL DERIVATIVES (Continued)**

*Interest rate risk*

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The majority of the ICAV's financial assets and financial liabilities are bonds and other instruments which either pay no interest, pay minimal amounts of interest or have a short maturity date. The interest bearing assets and liabilities of the ICAV comprise deposits with credit institutions and amounts due to brokers. These balances are all payable on demand and have minimal variable interest rates which are based on market rates. Other payables will generally be payable within 3 months and not subject to interest rate risk. Therefore, the ICAV does not have a material sensitivity to changes in interest rates.

*Credit risk*

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the ICAV. It is the ICAV's policy to enter into financial instruments with a range of reputable counterparties. Counterparties are selected, subject to a formal review process that includes a review of the broker's creditworthiness, financial strength, ability to enter into legally enforceable arrangements and standing in the financial community. Therefore, the ICAV seeks to avoid counterparty credit losses on its financial instruments. With respect to FDI, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. Other credit risk is limited as the ICAV does not custody assets away from its prime brokers or depository, and all execution transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered low since delivery of securities sold is only made once the broker has received payment. On a purchase, payment is made once the securities have been received by the broker. If either party fails to meet their obligation, the trade will fail.

The ICAV's maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event that counterparties fail to perform their obligations in relation to each class of recognised financial assets, other than deliverable forward foreign exchange contracts, is the carrying amount of those assets as indicated in the statement of financial position and shown in the below table:

The maximum exposure to credit risk is as follows:

| 2021                         | S&P<br>credit<br>rating | Financial<br>assets at<br>fair value<br>through<br>profit or loss<br>US\$ | Financial<br>liabilities at<br>fair value<br>through<br>profit or loss<br>US\$ | Deposits with<br>credit<br>institutions<br>and broker<br>balance<br>US\$ | Total<br>US\$     | % of net<br>assets |
|------------------------------|-------------------------|---|--|--|-------------------|--------------------|
| Société Générale S.A.*A      |                         | 29,704,747  | –  | 742,000  | 30,446,747        | 74.16 %            |
| Citco Bank Nederland<br>N.V. | NR                      | 383,479   | –  | 5,200,352  | 5,583,831         | 13.60 %            |
| BNY Mellon                   | AA-                     | –   | –  | 7,500,000  | 7,500,000         | 18.27 %            |
| <b>Total</b>                 |                         | <b>30,088,226</b>   | <b>–</b>   | <b>13,442,352</b>  | <b>43,530,578</b> | <b>106.03 %</b>    |

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**6. RISK MANAGEMENT AND FINANCIAL DERIVATIVES (Continued)**

*Credit risk (continued)*

| 2020                         | S&P<br>credit<br>rating | Financial<br>assets at<br>fair value<br>through<br>profit or loss<br>US\$ | Financial<br>liabilities at<br>fair value<br>through<br>profit or loss<br>US\$ | Deposits with<br>credit<br>institutions<br>and broker<br>balance<br>US\$ | Total<br>US\$     | % of net<br>assets |
|------------------------------|-------------------------|---|--|--|-------------------|--------------------|
| Société Générale S.A.*A      |                         | 29,726,757  | –  | 56,227   | 29,782,984        | 72.88 %            |
| Citco Bank Nederland<br>N.V. | NR                      | 207   | (108,757)  | 6,850,386  | 6,741,836         | 16.50 %            |
| BNY Mellon                   | AA-                     | –   | –  | 6,000,000  | 6,000,000         | 14.68 %            |
| <b>Total</b>                 |                         | <u>29,726,964</u>   | <u>(108,757)</u>   | <u>12,906,613</u>  | <u>42,524,820</u> | <u>104.06 %</u>    |

\* The financial assets at fair value through profit and loss are investments held with various sub-depositaries as per below.

With respect to deliverable forward foreign exchange contracts, the exposure to credit risk equates to the full amount of the foreign currency which the ICAV will be required to pay or purchase when settling the forward foreign exchange contracts should the counterparties not pay the currency they are committed to deliver to the ICAV.

The financial assets included within the Société Générale S.A. balance include US\$22,996,265 of US Treasury Bills (2020: US\$22,496,718) which are credit rated as AA+ by S&P (2020: AA+). The financial assets at fair value through profit or loss are investments held with sub-depositaries of the depositary Société Générale S.A. as summarised below:

| 2021  |  | Total<br>US\$         | % of net<br>assets         |
|---|--|-----------------------|----------------------------|
| <b>Sub Depository</b>   |  |                       |                            |
| Euroclear   |  | 6,708,482             | 16.34 %                    |
| BHH   |  | <u>22,996,265</u>     | <u>56.01 %</u>             |
| <b>Total financial assets at fair value through profit or<br/>loss held with sub-depositaries</b> |  | <u>29,704,747</u>     | <u>72.35 %</u>             |
| <b>2020</b>   |  | <b>Total<br/>US\$</b> | <b>% of net<br/>assets</b> |
| <b>Sub Depository</b>   |  |                       |                            |
| Euroclear   |  | 7,230,039             | 17.69 %                    |
| BHH   |  | <u>22,496,718</u>     | <u>55.05 %</u>             |
| <b>Total financial assets at fair value through profit or<br/>loss held with sub-depositaries</b> |  | <u>29,726,757</u>     | <u>72.74 %</u>             |

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**6. RISK MANAGEMENT AND FINANCIAL DERIVATIVES (Continued)**

*Liquidity risk*

Liquidity risk is the risk that the ICAV will encounter difficulty in meeting obligations associated with financial liabilities. The ICAV is exposed to redemptions of redeemable participating shares. The Investment Manager manages the liquidity of the ICAV's portfolio to ensure it is appropriate given the capital structure and investment strategy. The Investment Manager considers the ICAV's investments to be realisable within reasonable time periods as the investments in bonds/notes are listed on a stock exchange and the investments in money market instruments and FDI have short-term maturity. As of December 31, 2021, the liquidity of the ICAV's portfolio, calculated in days to realise and as the weighted average of the liquidity of individual positions based on the average of 90 days trading volume, was 2 days (2020: 2 days). The table below analyses the ICAV's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

| <b>2021</b>  | <b>0 to 6<br/>months<br/>US\$</b> | <b>More than<br/>6 months<br/>US\$</b> | <b>Total<br/>US\$</b>      |
|--|-----------------------------------|--|----------------------------|
| Subscriptions received in advance  | (825,514)                         | –                                      | (825,514)                  |
| Performance fees payable   | (613,853)                         |  | (613,853)                  |
| Equalisation payable   | (477,155)                         | –                                      | (477,155)                  |
| Performance fees redemption payable                                      | (403,123)                         | –                                      | (403,123)                  |
| Investment management fees payable                                       | (38,878)                          | –                                      | (38,878)                   |
| Other payables and accrued expenses                                      | (128,173)                         |  | (128,173)                  |
| Net assets attributable to holders of<br>redeemable participating shares | <u>(41,055,518)</u>               | <u>–</u>                               | <u>(41,055,518)</u>        |
| <b>Total</b>   | <b><u>(43,542,214)</u></b>        | <b><u>–</u></b>                        | <b><u>(43,542,214)</u></b> |
| <br>   |                                   |  |                            |
| <b>2020</b>  | <b>0 to 6<br/>months<br/>US\$</b> | <b>More than<br/>6 months<br/>US\$</b> | <b>Total<br/>US\$</b>      |
| Financial liabilities at fair value<br>through profit or loss            |                                   |  |                            |
| Derivative financial instruments   | (108,757)                         | –                                      | (108,757)                  |
| Amounts due to brokers   | (1,728)                           |  | (1,728)                    |
| Performance fees payable   | (624,576)                         |  | (624,576)                  |
| Redemptions payable  | (421,616)                         | –                                      | (421,616)                  |
| Performance fees redemption payable                                      | (326,367)                         | –                                      | (326,367)                  |
| Investment management fees payable                                       | (42,908)                          | –                                      | (42,908)                   |
| Equalisation payable   | (20,351)                          | –                                      | (20,351)                   |
| Other payables and accrued expenses                                      | (587,126)                         |  | (587,126)                  |
| Net assets attributable to holders of<br>redeemable participating shares | <u>(40,867,516)</u>               | <u>–</u>                               | <u>(40,867,516)</u>        |
| <b>Total</b>   | <b><u>(43,000,945)</u></b>        | <b><u>–</u></b>                        | <b><u>(43,000,945)</u></b> |

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**7. DEPOSITS WITH CREDIT INSTITUTIONS AND AMOUNTS DUE FROM BROKERS**

Deposits with credit institutions include amounts due from the ICAV's depository and other counterparties on demand and interest bearing deposits with original maturities of less than 3 months. As of December 31, 2021, the ICAV had foreign cash balances of US\$ equivalent of US\$926,139 (2020: US\$442,213) included in deposits with credit institutions.

Amounts due from brokers include interest receivable on broker cash, amounts receivable for trades pending settlement and cash collateral which may be restricted for margin and collateral positions.

| <b>2021</b>           | <b>Deposits due<br/>with credit<br/>institutions<br/>US\$</b> | <b>Amounts<br/>due from<br/>brokers<br/>US\$</b> | <b>Amounts<br/>due to<br/>brokers<br/>US\$</b> | <b>Net<br/>counterparty<br/>position<br/>US\$</b> |
|-----------------------|---|--|--|---|
| Société Générale S.A. | –   | 742,000  | –  | 742,000   |
| Citco Bank            |   |  |  |   |
| Nederland N.V.        | 3,330,349   | 1,870,003  | –  | 5,200,352   |
| BNY Mellon            | 7,500,000   | –  | –  | 7,500,000   |
| <b>Total</b>          | <b>10,830,349</b>   | <b>2,612,003</b>                                 | <b>–</b>                                       | <b>13,442,352</b>                                 |
| <b>2020</b>           | <b>Deposits due<br/>with credit<br/>institutions<br/>US\$</b> | <b>Amounts<br/>due from<br/>brokers<br/>US\$</b> | <b>Amounts<br/>due to<br/>brokers<br/>US\$</b> | <b>Net<br/>counterparty<br/>position<br/>US\$</b> |
| Société Générale S.A. | –   | 56,227   | –  | 56,227  |
| Citco Bank            |   |  |  |   |
| Nederland N.V.        | 5,762,112   | 1,090,002  | (1,728)  | 6,850,386   |
| BNY Mellon            | 6,000,000   | –  | –  | 6,000,000   |
| <b>Total</b>          | <b>11,762,112</b>   | <b>1,146,229</b>                                 | <b>(1,728)</b>                                 | <b>12,906,613</b>                                 |

**8. FEES AND EXPENSES**

***Administration fees***

Citco Fund Services (Ireland) Limited (the "Administrator") has been appointed as administrator to the Fund. The Administrator will receive from the Fund a monthly administration fee which is calculated as a percentage of the month-end net assets of the Fund at the relevant basis points per annum rate, subject always to a minimum monthly fee.

Administration fees for the year totalled to US\$182,400 (2020: US\$182,400), of which US\$14,917 (2020: US\$14,917) was payable as of December 31, 2021.



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**8. FEES AND EXPENSES (Continued)**

***Depositary fees***

Société Générale S.A. (Dublin Branch) (the “Depositary”) has been appointed as depositary to the ICAV and to the Fund with responsibility for acting as custodian and trustee of the assets to the ICAV and to the Fund. In respect of its trustee services, the Depositary shall be entitled to receive out of the assets of the Fund an annual fee not exceeding 0.025% of the NAV (plus VAT, if any), accrued and calculated on each valuation point and payable monthly in arrears, subject to a minimum monthly fee of EUR3,000.

The Depositary shall also be entitled to be repaid out of the assets of the Fund for all of its reasonable disbursements incurred on behalf of the Fund, including the safe-keeping fees and expenses of any sub-custodian (which shall be at normal commercial rates) and transaction charges (which shall also be at normal commercial rates) levied by the Depositary or any sub-custodian and any applicable taxes it incurs on behalf of the Fund.

Depositary fees for the year totalled to US\$40,855 (2020: US\$45,391), of which US\$11,435 (2020: US\$21,916) was payable as of December 31, 2021.

***Manager***

KBA Consulting Management Limited has been appointed as Manager to the ICAV effective November 8, 2021.

The Fund shall pay to the Manager out of its own assets a maximum aggregate annual fee outlined in the Supplement calculated at each valuation point, together with any VAT, if applicable and payable monthly in arrears. The Manager shall also be entitled to be repaid out of the assets of the Fund all of its reasonable out of pocket expenses incurred on behalf of the Fund together with any VAT thereon.

The Manager’s fee is subject to an overall minimum fee of €50,000 per annum for the Fund plus an additional amount for subsequent sub-funds as disclosed in the relevant Supplement. The Manager may waive, at its absolute discretion, any fees.

Manager’s fees for the period since appointment totalled to US\$4,953 (2020: US\$Nil), all of which was payable as of December 31, 2021.

***Secretary fees***

Clifton Fund Consulting Limited acts as secretary to the ICAV.

Secretary fees for the year totalled to US\$3,300 (2020: US\$15,363), and US\$6,838 (2020: US\$21,701) was payable as of December 31, 2021.

***Investment management fees***

Andurand Capital Management Ltd and Andurand Capital Management LLP have been appointed as the Investment Manager and the Sub-Investment Manager, respectively, to the ICAV.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**8. FEES AND EXPENSES (Continued)**

***Investment management fees (continued)***

The Investment Manager receives a fee from the Fund payable on the first business day of each calendar month, calculated and accrued weekly, pro-rata to the NAV of each share class at the relevant valuation point, before deduction of any performance fees, using the investment management fee rate of 1.50% per annum for A EUR (Hedged) or A USD classes of shares, 1.00% per annum for F EUR (Hedged) class of shares and 0.75% per annum for F-1 EUR class of shares.

The Investment Manager is responsible for the fees of the Sub-Investment Manager.

Investment management fees for the year totalled to US\$448,090 (2020: US\$511,075), of which US\$38,878 (2020: US\$42,908) was payable as of December 31, 2021.

***Performance fees***

At the end of each fiscal period of the Fund, the Investment Manager is entitled to receive a performance fee out of the assets attributable to each class of shares equal to 20% of the amount by which the relevant class exceeds the (i) previous highest NAV of such class on which a performance fee was paid or accrued; or (ii) the initial offer price of such class.

The performance fee is payable ten days after the end of each fiscal period. The performance fee will be accrued at each valuation point but will only become payable (i.e. crystallise) at the end of the relevant fiscal period or pro-rata upon redemption.

If an investor subscribes for shares at a time when the NAV per share is other than the Peak Net Asset Value per Share, certain adjustments will be made to reduce inequities that could otherwise result to the subscriber or to the Investment Manager. The Peak Net Asset Value per Share (“Peak NAV per Share”) is the greater of (i) the Initial Offer Price and (ii) the NAV per share in effect immediately after the end of an Accounting Period in respect of which a Performance Fee (other than a Performance Fee Redemption) was charged.

If shares are subscribed for at a time when the NAV per share is less than the Peak NAV per Share, the investor will be required to pay a Performance Fee with respect to any subsequent appreciation in the value of those shares. With respect to any appreciation in the value of those shares from the NAV per share at the date of subscription up to the Peak NAV per Share, the Performance Fee will be charged at the end of each Accounting Period by repurchasing at the NAV per share (calculated as at the end of the Accounting Period) such number of the investor’s shares as have an aggregate NAV (after accrual for any Performance Fee) equal to 20 per cent of any such appreciation (a “Performance Fees Redemption”). The Administrator shall calculate the number of shares to be redeemed. The aggregate NAV of the shares so redeemed will be paid to the Investment Manager as a Performance Fee. Performance Fee Redemptions are employed to ensure that the ICAV maintains a uniform NAV per share.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**8. FEES AND EXPENSES (Continued)**

***Performance fees (continued)***

The total performance fee charged to the statement of comprehensive income was US\$1,016,976 (2020: US\$824,484) and the performance fee payable as of December 31, 2021 was US\$613,853 (2020: US\$624,576).

The Performance Fees Redemption payable to the Investment Manager as of December 31, 2021 amounts to US\$403,123 (2020: US\$326,367).

***Directors' fees***

The board of directors shall receive fees for their services up to a maximum aggregate amount of EUR100,000 per annum, payable to each director at the Fund level.

The Directors may elect to waive their entitlement to receive a fee. Mr. Haugnes has waived his entitlement to receive a fee from the ICAV.

Each director may be entitled to special remuneration if called upon to perform any special or extra services to the ICAV, or to additional time based remuneration if the director has to devote materially more time to the affairs of the ICAV than anticipated in the director's service agreement.

Directors' fees for the year totalled to US\$38,000 (2020: US\$33,178), none of which was payable as of December 31, 2021 (2020: US\$Nil).

***Audit fees***

Audit fees for the year totalled to US\$27,000 (2020: US\$26,967), of which US\$27,000 was payable as of December 31, 2021 (2020: US\$10,700). There were no other assurance services, tax advisory services, or non-audit services provided by the auditor of the ICAV.

***Legal fees***

Legal fees for the year totalled to US\$23,854 (2020: US\$20,000), none of which was payable as of December 31, 2021 (2020: US\$26,168).

**9. SHARE CAPITAL**

In accordance to the instrument of incorporation (the "Instrument"), the share capital of the ICAV shall be equal to the value for the time being of the issued share capital of the ICAV. The actual value of the paid up share capital of the ICAV shall at all times be equal to the value of the assets of the ICAV after deduction of its liabilities.

The share capital of the ICAV may be divided into different classes of shares each representing a separate portfolio of assets and further sub-divided, to denote differing characteristics attributable to particular shares, into classes. The share capital of the ICAV is to be divided into a specified number of shares without assigning any nominal value to them.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**9. SHARE CAPITAL (Continued)**

The Instrument provides that shares of the ICAV shall be divided into ordinary participating shares of no nominal value and ordinary management shares of no nominal value. The ICAV may issue shares as fully paid up. The liability of shareholders in respect of payment on their shares shall be limited to the amount, if any, unpaid, on the shares respectively held by them.

Subject to the provisions of the Instrument, shareholders have the right to participate in or receive profits or income arising from the acquisition, holding, management or disposal of investments of the relevant sub-fund, to vote at any general meeting of the ICAV or at any meeting of the relevant sub-fund or class of shares in respect of which such shares have been issued and such other rights as may be provided in respect of shares of a particular sub-fund or class in each case as more particularly described in the prospectus and/or relevant supplement subject always to the requirements of the Central Bank, the Central Bank UCITS Regulations and the ICAV Act. Holders of management shares shall have the right to receive an amount not to exceed the consideration paid for such management shares and to vote at any general meeting of the ICAV in accordance with the provisions of the Instrument.

The board of directors are authorised to exercise all the powers of the ICAV to issue shares in the Fund on such terms and in such manner as they may think fit.

Transactions in participating shares for the year ended as of December 31, 2021 and 2020 were as follows:

|                      | Number<br>of shares<br>outstanding<br>December 31,<br>2020 | Shares<br>subscribed | Shares<br>repurchased | Number<br>of shares<br>outstanding<br>December 31,<br>2021 | NAV per<br>share as of<br>December 31,<br>2021 |
|----------------------|--|----------------------|-----------------------|--|--|
| Class A EUR (Hedged) | 94,153   | 52,094               | (79,006)              | 67,241   | EUR128.16                                      |
| Class A USD          | 73,210   | 27,226               | (64,459)              | 35,977   | US\$137.41                                     |
| Class F EUR (Hedged) | 66,116   | 7,323                | (15,324)              | 58,115   | EUR130.61                                      |
| Class F-1 EUR        | 64,590   | 93,570               | (39,724)              | 118,436  | EUR131.32                                      |
|                      | <u>298,069</u>   | <u>180,213</u>       | <u>(198,513)</u>      | <u>279,769</u>   |  |
|                      | Number<br>of shares<br>outstanding<br>December 31,<br>2019 | Shares<br>subscribed | Shares<br>repurchased | Number<br>of shares<br>outstanding<br>December 31,<br>2020 | NAV per<br>share as of<br>December 31,<br>2020 |
| Class A EUR (Hedged) | 163,185  | 22,873               | (91,905)              | 94,153   | EUR115.04                                      |
| Class A USD          | 95,088   | –                    | (21,878)              | 73,210   | US\$122.40                                     |
| Class F EUR (Hedged) | 70,774   | –                    | (4,658)               | 66,116   | EUR116.76                                      |
| Class F-1 EUR        | 64,590   | –                    | –                     | 64,590   | EUR117.15                                      |
| Class F-1 USD        | 52,516   | –                    | (52,516)              | –  | US\$–  |
|                      | <u>446,153</u>   | <u>22,873</u>        | <u>(170,957)</u>      | <u>298,069</u>   |  |

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**9. SHARE CAPITAL (Continued)**

*Equalisation credit*

The ICAV ensures that an equalisation credit is calculated when the NAV per share of shares subscribed is greater than the Peak NAV per Share of their class, in order to reduce certain inequities that could result for the Fund's shareholders. The equalisation credit is calculated as the amount in excess of the current NAV per share equal to 20% of the difference between the NAV of the share and the high water mark per share of the relevant class. As of December 31, 2021, there is equalisation payable of US\$477,155 (2020: US\$20,351).

**10. RELATED PARTIES**

As per Note 8, the ICAV pays investment management fees and performance fees to the Investment Manager.

As per Note 8, the directors received fees from the ICAV for their services.

The Investment Manager is also involved in the operations of the listed notes held by the Fund. See Note 6.

No present director or related party has any interests, beneficial or non-beneficial, in the share capital of the ICAV. None of the directors has or has had any direct interest in the promotion of the ICAV or in any transaction effected by the Fund which is unusual in its nature or conditions or is significant to the business of the ICAV up to the date of these financial statements or in any contracts or arrangements of the ICAV subsisting at the date hereof other than Mr. Haugnes who is a director of the ICAV and is also an employee of the Investment Manager.

**11. SIGNIFICANT EVENTS**

The Prospectus was updated to include specific pre-contractual disclosures that are required under the Sustainable Financial Disclosure Regulation and the Taxonomy Regulation on March 10, 2021, and November 8, 2021, respectively.

Following the Central Bank review of the implementation of Consultation Paper 86 ("CP86") and the introduction of additional substance requirements for internally managed investment vehicles such as the ICAV, the Board of Directors took the decision to appoint an external UCITS management company and to move the ICAV away from its internally managed status. The Board of Directors conducted a search for an appropriate service provider and decided to appoint KBA Consulting Management Limited as UCITS management company for the ICAV, subject to regulatory approval. With the necessary legal and regulatory work having been undertaken and Central Bank approval received, the process was completed on November 8, 2021. As part of the transition, KB Associates resigned as provider of designated person services to the ICAV effective the same date. An updated Prospectus for the ICAV and Supplement for the Fund were issued on November 8, 2021 to reflect the change.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2021**

**11. SIGNIFICANT EVENTS (Continued)**

*Impact of Russia-Ukraine Conflict*

The Directors, the Manager and the Investment Manager continue to monitor the sanctions activity globally to ensure the portfolios are in adherence. Currently the funds are not exposed to Russian or Ukrainian assets, nor any other sanctioned holdings. We continue to rely on the Administrator to monitor the investor base with respect to sanctions and, if any sanctioned investors are identified, to remediate following their appropriate policies and procedures.

There have been no other events during the year affecting the ICAV that require recognition or disclosure in these financial statements.

**12. EFFICIENT PORTFOLIO MANAGEMENT**

The use of forward currency contracts for removing foreign currency exposure, as described in Note 5, is the only Efficient Portfolio Management technique currently undertaken by the ICAV.

**13. SUBSEQUENT EVENTS**

Subsequent to the year end, the ICAV had subscriptions of US\$17,248,734 (2020: US\$Nil) and redemptions of US\$6,137,752 (2020: US\$9,898,517). Subsequent to the year end, the NAV of the ICAV increased by approximately 31.46% year to date 2022.

There were no other events subsequent to the financial year end which require disclosures in these financial statements.

**14. APPROVAL OF ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS**

The financial statements were approved by the board of directors on April 27, 2022.

ANDURAND UCITS ICAV

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**NET ASSET VALUE PER SHARE (UNAUDITED)**

as of December 31, 2021

| <b>2021</b>          | <b>Number of<br/>shares in<br/>issue</b> | <b>Net asset<br/>value per<br/>share</b> | <b>Total net asset<br/>value<br/>US\$</b> |
|----------------------|--|--|---|
| <b>Share class</b>   |  |  |   |
| Class A EUR (Hedged) | 67,241.30                                | EUR128.16                                | 9,798,219                                 |
| Class A USD          | 35,977.24                                | US\$137.41                               | 4,943,600                                 |
| Class F EUR (Hedged) | 58,115.10                                | EUR130.61                                | 8,630,285                                 |
| Class F-1 EUR        | 118,436.46                               | EUR131.32                                | 17,683,414                                |
| <b>2020</b>          | <b>Number of<br/>shares in<br/>issue</b> | <b>Net asset<br/>value per<br/>share</b> | <b>Total net asset<br/>value<br/>US\$</b> |
| <b>Share class</b>   |  |  |   |
| Class A EUR (Hedged) | 94,153.04                                | EUR115.04                                | 13,231,899                                |
| Class A USD          | 73,209.91                                | USD122.40                                | 8,960,893                                 |
| Class F EUR (Hedged) | 66,116.39                                | EUR116.76                                | 9,430,832                                 |
| Class F-1 EUR        | 64,590.07                                | EUR117.15                                | 9,243,892                                 |
| <b>2019</b>          | <b>Number of<br/>shares in<br/>issue</b> | <b>Net asset<br/>value per<br/>share</b> | <b>Total net asset<br/>value<br/>US\$</b> |
| <b>Share class</b>   |  |  |   |
| Class A EUR (Hedged) | 163,184.80                               | EUR90.37                                 | 16,535,194                                |
| Class A USD          | 95,088.38                                | USD96.02                                 | 9,130,386                                 |
| Class F EUR (Hedged) | 70,773.93                                | EUR91.52                                 | 7,262,918                                 |
| Class F-1 EUR        | 64,590.07                                | EUR91.73                                 | 6,643,531                                 |
| Class F-1 USD        | 52,515.50                                | USD98.88                                 | 5,192,733                                 |

**ANDURAND UCITS ICAV****PORTFOLIO CHANGES (UNAUDITED)**

as of December 31, 2021

|  | <b>Cost<br/>US\$</b>     |
|--|--------------------------|
| <b>All changes - purchases at cost</b> |                          |
| US Treasury Bill 0.0000% 2022-01-13    | 3,499,466                |
| US Treasury Bill 0.0000% 2021-08-26    | 2,999,907                |
| US Treasury Bill 0.0000% 2021-10-07    | 2,999,851                |
| US Treasury Bill 0.0000% 2021-12-02    | 2,999,557                |
| US Treasury Bill 0.0000% 2021-11-18    | 2,999,557                |
| US Treasury Bill 0.0000% 2021-08-12    | 2,999,510                |
| US Treasury Bill 0.0000% 2021-11-04    | 2,999,494                |
| US Treasury Bill 0.0000% 2022-03-24    | 2,999,440                |
| US Treasury Bill 0.0000% 2022-02-17    | 2,999,417                |
| US Treasury Bill 0.0000% 2021-07-22    | 2,999,370                |
| US Treasury Bill 0.0000% 2022-03-10    | 2,999,318                |
| US Treasury Bill 0.0000% 2022-04-14    | 2,999,296                |
| US Treasury Bill 0.0000% 2022-05-12    | 2,999,271                |
| US Treasury Bill 0.0000% 2022-07-14    | 2,997,947                |
| US Treasury Bill 0.0000% 2021-09-09    | 2,500,000                |
| US Treasury Bill 0.0000% 2022-01-20    | 1,499,698                |
| US Treasury Bill 0.0000% 2021-07-08    | 1,498,141                |
| SOCGEN 0011 0.0000% 2022-10-24         | 1,347,070                |
| SOCGEN 0010 0.0000% 2022-10-24         | 1,347,070                |
|  | <b>Proceeds<br/>US\$</b> |
| <b>All changes - sales proceeds</b>    |                          |
| SOCGEN 0010 0.0000% 2022-10-24         | 4,824,181                |
| SOCGEN 0011 0.0000% 2022-10-24         | 4,824,181                |
| US Treasury Bill 0.0000% 2021-01-14    | 4,500,000                |
| US Treasury Bill 0.0000% 2021-02-04    | 3,000,000                |
| US Treasury Bill 0.0000% 2021-02-25    | 3,000,000                |
| US Treasury Bill 0.0000% 2021-07-22    | 3,000,000                |
| US Treasury Bill 0.0000% 2021-10-07    | 3,000,000                |
| US Treasury Bill 0.0000% 2021-11-04    | 3,000,000                |
| US Treasury Bill 0.0000% 2021-11-18    | 3,000,000                |
| US Treasury Bill 0.0000% 2021-12-02    | 3,000,000                |
| US Treasury Bill 0.0000% 2021-08-26    | 3,000,000                |
| US Treasury Bill 0.0000% 2021-04-08    | 2,999,998                |
| US Treasury Bill 0.0000% 2021-08-12    | 2,999,882                |
| US Treasury Bill 0.0000% 2021-06-10    | 2,970,000                |
| US Treasury Bill 0.0000% 2021-05-06    | 2,500,000                |
| US Treasury Bill 0.0000% 2021-09-09    | 2,500,000                |
| US Treasury Bill 0.0000% 2021-05-20    | 1,499,988                |
| US Treasury Bill 0.0000% 2021-07-08    | 1,499,922                |



ANDURAND UCITS ICAV

**SCHEDULE OF INVESTMENTS (UNAUDITED)**  
as of December 31, 2021

|  | Quantity  | Fair value<br>US\$ | % of net<br>assets |
|--|-----------|--------------------|--------------------|
| <b>Financial assets at fair value through profit or loss</b>   |           |                    |                    |
| <b>Transferable securities admitted to an official stock exchange listed or traded in a regulated market</b>       |           |                    |                    |
| <b>Sovereign bonds</b>   |           |                    |                    |
| US Treasury Bill 0.0000% 2022-01-13  | 3,500,000 | 3,499,997          | 8.53 %             |
| US Treasury Bill 0.0000% 2022-02-17  | 3,000,000 | 2,999,991          | 7.31 %             |
| US Treasury Bill 0.0000% 2022-03-10  | 3,000,000 | 2,999,904          | 7.31 %             |
| US Treasury Bill 0.0000% 2022-03-24  | 3,000,000 | 2,999,799          | 7.31 %             |
| US Treasury Bill 0.0000% 2022-04-14  | 3,000,000 | 2,999,664          | 7.30 %             |
| US Treasury Bill 0.0000% 2022-05-12  | 3,000,000 | 2,999,301          | 7.30 %             |
| US Treasury Bill 0.0000% 2022-07-14  | 3,000,000 | 2,997,600          | 7.30 %             |
| US Treasury Bill 0.0000% 2022-01-20  | 3,500,000 | 1,500,009          | 3.65 %             |
|  |           | 22,996,265         | 56.01 %            |
| <b>Total sovereign bonds</b>   |           | <u>22,996,265</u>  | <u>56.01 %</u>     |
| <b>Investments in listed bonds/notes</b>   |           |                    |                    |
| <b>Financials</b>  |           |                    |                    |
| SOCGEN 0010 0.0000% 2022-10-24   | 1,388,000 | 3,354,241          | 8.17 %             |
| SOCGEN 0011 0.0000% 2022-10-24   | 1,388,000 | 3,354,241          | 8.17 %             |
|  |           | 6,708,482          | 16.34 %            |
| <b>Total investments in listed bonds/notes</b>   |           | <u>6,708,482</u>   | <u>16.34 %</u>     |
| <b>Total transferable securities admitted to an official stock exchange listed or traded in a regulated market</b> |           | <u>29,704,747</u>  | <u>72.35 %</u>     |

ANDURAND UCITS ICAV

**SCHEDULE OF INVESTMENTS (UNAUDITED) (Continued)**  
as of December 31, 2021

|   | Currency<br>buys | Currency<br>sells | Maturity<br>date | Fair value<br>US\$         | % of net<br>assets           |
|---|------------------|-------------------|------------------|----------------------------|------------------------------|
| <b>Financial assets at fair value through profit or loss (continued)</b>                              |                  |                   |                  |                            |                              |
| <b>Over-the-counter financial derivatives</b>   |                  |                   |                  |                            |                              |
| <b>Forward foreign currency exchange contracts</b>  |                  |                   |                  |                            |                              |
| Citco Bank Nederland N.V.   | EUR35,330        | USD31,035         | 1/5/2022         | 44                         | 0.00 %                       |
| Citco Bank Nederland N.V.   | EUR31,569,836    | USD35,529,117     | 1/31/2022        | 383,435                    | 0.93 %                       |
|   |                  |                   |                  | <u>383,479</u>             | <u>0.93 %</u>                |
| <b>Total forward foreign currency exchange contracts</b>  |                  |                   |                  | <b><u>383,479</u></b>      | <b><u>0.93 %</u></b>         |
| <b>Total financial assets at fair value through profit or loss</b>                                    |                  |                   |                  | <b><u>30,088,226</u></b>   | <b><u>73.28 %</u></b>        |
| <b>Analysis of total gross assets</b>   |                  |                   |                  | <b>Fair value<br/>US\$</b> | <b>% of gross<br/>assets</b> |
| Transferable securities admitted to an official stock exchange listed or traded in a regulated market |                  |                   |                  | 29,704,747                 | 68.22 %                      |
| Over-the-counter financial derivatives  |                  |                   |                  | 383,479                    | 0.88 %                       |
| Other assets  |                  |                   |                  | <u>13,453,988</u>          | <u>30.90 %</u>               |
| <b>Total</b>  |                  |                   |                  | <b><u>43,542,214</u></b>   | <b><u>100.00 %</u></b>       |

**ADDITIONAL INFORMATION (UNAUDITED)  
for the year ended December 31, 2021**

The following exchange rate as of December 31, 2021 has been used to translate assets and liabilities into the functional currency of the ICAV:

| <b>Currency</b> | <b>Rate</b> |
|-----------------|-------------|
| EUR             | 0.8795      |

**Average total expense ratio**

The average total expense ratio (“TER”) table shows the actual expenses incurred by the ICAV during the reporting year expressed as a percentage of average net assets of the ICAV for the corresponding year.

|                          | <b>Class A<br/>EUR<br/>(Hedged)<br/>shares</b> | <b>Class A<br/>USD<br/>shares</b> | <b>Class F<br/>EUR<br/>(Hedged)<br/>shares</b> | <b>Class F-1<br/>EUR<br/>shares</b> |
|--------------------------|--|-----------------------------------|--|-------------------------------------|
| TER with performance fee | (6.17) %                                       | (6.30) %                          | (5.80) %                                       | (4.91) %                            |
| Share of performance fee | (2.91) %                                       | (3.69) %                          | (3.15) %                                       | (2.61) %                            |

**Further documents for distribution/marketing in Switzerland/financial reports**

The ICAV is compliant with Swiss law for distribution to qualified investors in or from Switzerland. In Switzerland, the Fund has appointed as Swiss Representative Waystone Fund Services (Switzerland), Av. Villamont 17, 1005 Lausanne, Switzerland, Tel: +41 21 311 17 77, email: [clientsolutions@waystone.com](mailto:clientsolutions@waystone.com). The Fund’s paying agent is Helvetische Bank AG. In respect of the Shares distributed in or from Switzerland, the place of performance and jurisdiction is Lausanne (Switzerland). Investors in Switzerland can obtain the documents of the Fund, such as the prospectus or the financial reports, and a breakdown of the buy and sell transactions during the year free of charge from the Swiss representative. This document may only be issued, circulated or distributed so as not to constitute an offering to the general public in Switzerland. Recipients of the document in Switzerland should not pass it on to anyone without first consulting their legal or other appropriate professional adviser, or the Swiss representative.

**Sustainable Finance Disclosure Regulation and Taxonomy Regulation**

The Fund has been categorised as an Article 6 financial product for the purposes of the Sustainable Finance Disclosure Regulation. For the purpose of the Taxonomy Regulation, it should be noted that the investments underlying the Fund do not take into account the EU criteria for environmentally sustainable economic activities.

**REPORT ON REMUNERATION POLICY (UNAUDITED)  
for the year ended December 31, 2021**

The Manager has designed and implemented a remuneration policy (the “Policy”) in line with the provisions of S.I. 257 of 2013 European Union (Alternative Investment Fund Managers) Regulations 2013 (the “AIFM Regulations”), S.I. 352 of 2011 European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the “UCITS Regulations”) and of the ESMA Guidelines on sound remuneration policies under the UCITS Directive and AIFMD (the “ESMA Guidelines”). The Policy is designed to ensure that the remuneration of key decision makers is aligned with the management of short and long-term risks, including the oversight and where appropriate the management of sustainability risks in line with the Sustainable Finance Disclosures Regulations.

The Managers remuneration policy applies to its identified staff whose professional activities might have a material impact on the ICAV risk profile and so covers senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profile of the ICAV. The Manager’s policy is to pay identified staff a fixed component with the potential for identified staff to receive a variable component. It is intended that the fixed component will represent a sufficiently high proportion of the total remuneration of the individual to allow the Manager to operate a fully flexible policy, with the possibility of not paying any variable component. When the Manager pays a variable component as performance related pay certain criteria, as set out in the Manager’s remuneration policy, must be adhered to. The various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the relevant staff rank and professional activity as well as best market practice. The Manager’s remuneration policy is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the funds it manages.

These disclosures are made in respect of the remuneration policies of the Manager. The disclosures are made in accordance with the ESMA Guidelines.

Total remuneration (in EUR) paid to the identified staff of the Manager fully or partly involved in the activities of the ICAV that have a material impact on the ICAV’s risk profile during the financial year to December 31, 2021:

**Total remuneration paid to Identified Staff during the financial year to December 31, 2021**

|                                | <b>EUR</b>       |
|--------------------------------|------------------|
| <b>Fixed remuneration</b>      |                  |
| - Senior Management            | 1,232,664        |
| - Other identified staff       | –                |
| <b>Variable remuneration</b>   |                  |
| - Senior Management            | 110,724          |
| - Other identified staff       | –                |
| <b>Total remuneration paid</b> | <u>1,343,388</u> |
| Number of beneficiaries        | 16               |