



# **LYNX ACTIVE BALANCED FUND**

A SUB-FUND OF THE LYNX UCITS FUNDS ICAV

## **SEMI-ANNUAL REPORT AND UNAUDITED CONDENSED FINANCIAL STATEMENTS**

For the period from 1 January 2023 to 30 June 2023



# LYNX ACTIVE BALANCED FUND

## MANAGEMENT AND ADMINISTRATION

<b><i>Registered Office</i></b>	35 Shelbourne Road 4th Floor, Ballsbridge Dublin D04 A4E Ireland
<b><i>Directors</i></b>	Brian Dunleavy (Irish Resident)* Fiona Mulhall (Irish Resident)** Henrik Landén (Swedish resident)*
<b><i>Manager</i></b>	KBA Consulting Management Limited 35 Shelbourne Road 4th Floor, Ballsbridge Dublin, D04 A4E Ireland
<b><i>Investment Manager and Distributor</i></b>	Lynx Asset Management AB Regeringsgatan 30-32 Box 7060 SE – 103 86 Stockholm Sweden
<b><i>Depositary</i></b>	HSBC Continental Europe 1 Grand Canal Square Grand Canal Harbour Dublin 2 Ireland
<b><i>Administrator</i></b>	HSBC Securities Services (Ireland) DAC 1 Grand Canal Square Grand Canal Harbour Dublin 2 Ireland
<b><i>Legal Counsel (as to Irish law)</i></b>	Matheson 70 Sir Rogerson's Quay Dublin 2 Ireland
<b><i>Independent Auditor</i></b>	KPMG Chartered Accountants 1 Harbourmaster Place International Financial Services Centre Dublin 1 Ireland
<b><i>Secretary</i></b>	KB Associates 35 Shelbourne Road 4th Floor, Ballsbridge Dublin, D04 A4E Ireland

\* Non-executive director.

\*\* Non-executive independent director.

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*Words and expressions defined in the Prospectus, unless the context otherwise requires, have the same meaning when used in this semi-annual report and financial statements.*

# INVESTMENT MANAGER'S REPORT

*For the period from 1 January 2023 to 30 June 2023*

## PERFORMANCE OVERVIEW

The Lynx Active Balanced Fund generated a gain of 2.90 per cent net of fees in the first half of 2023 as gains in equities outweighed minor losses in fixed income and commodities. The positive result brings annualized performance since inception to 3.10 per cent net of fees<sup>1</sup>.

Stubbornly high inflation despite tighter monetary conditions, an ongoing war in Eastern Europe and a regional banking crisis in the US which resulted in three of the largest bank failures in the country's history were not enough to derail the positive sentiment during the first half of the year. Equity markets climbed and bond yields generally declined shrugging off much of the turmoil that defined financial markets in 2022. Additionally, commodity prices collapsed as declining industrial production and a stalled economic recovery in China resulted in sluggish demand.

## MARKET DEVELOPMENTS

In a welcomed outcome, tighter monetary policy across much of the Western world did not result in a global recession, spiking unemployment and collapsing stock prices in the first half of 2023. While inflation softened by most accounts, economic activity remained remarkably resilient and jobless figures held reasonably steady in both the US and Europe. Markets benefited from optimism that tighter financial conditions were beginning to have the desired impact on consumer spending without the severe adverse consequences some had feared. Easing supply chain constraints and falling energy prices bolstered the narrative that a soft landing was possible, and sentiment improved markedly from the year before.

However, while inflation readings moderated across much of the world, levels remained significantly above the targets of most developed market central banks. Many of these banks were still raising interest rates into June and indicated their intention to continue doing so until inflation was truly under control. Notably, policy diverged considerably based on geography. Benchmark lending rates in US and Europe climbed markedly during the period – with the ECB and Bank of England each tightening 150 basis points and the Fed hiking one per cent – while in Asia, the Bank of Japan maintained their extraordinarily accommodative policy stance and the People's Bank of China cut rates in the face

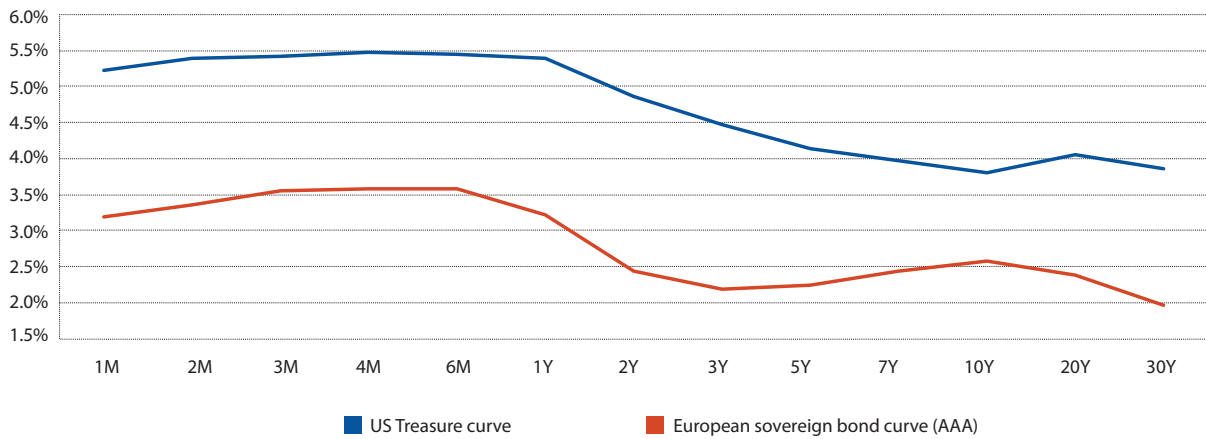
of a faltering economic recovery. The shifting interest rate differentials had a significant impact on foreign exchange as the Japanese yen depreciated by nearly 9 per cent against the US dollar and the Chinese renminbi fell by almost 5 per cent.

In sovereign fixed income, yield curves in Europe and the US remained inverted as short-term interest rates climbed with tighter monetary policy while longer-dated bonds factored in the potential for future recession. The Australian curve inverted in June for the first time since the global financial crisis and a total of 32 countries experienced inverted curves as the first half of the year came to a close. In fact, the US curve began the second half in the deepest inversion between 2- and 10-year rates since 1981. While historically an indication that trouble was on the horizon, investors largely wrote off the phenomenon as a temporary condition until inflation eventually abates.

Higher interest rates and the inverted curve had negative consequences for the regional banks in the US. Historically low Treasury yields in recent years encouraged some banks to extend their fixed income duration to generate additional revenue. The speed and magnitude of rate hikes over the past year, and the corresponding inversion of the curve, left these same institutions with unrealized capital losses on some of their holdings. Depositors, concerned about potential insolvency, began pulling their capital and banks started collapsing. Silicon Valley Bank ("SVB") was seized by regulators on March 10th, as was Signature Bank two days later. At the time, these were the second and third largest bank failures in US history, until First Republic unseated them at number two at the beginning of May.

While the markets initially reacted as would be expected, essentially a classic flight-to-quality, the US Treasury and Federal Reserve quickly instituted emergency measures to quell the panic. By extending depository insurance beyond the limits of the FDIC and providing emergency loans to other banks, the government signalled that they were prepared to act as necessary to avoid widespread contagion. Interestingly, the failure of Credit Suisse later that month and the subsequent collapse of First Republic Bank did not have the same market impact as SVB and Signature. In the former case, the Swiss government brokered a deal for UBS to buy the

<sup>1</sup> The performance figure is represented for Class D1 EUR.

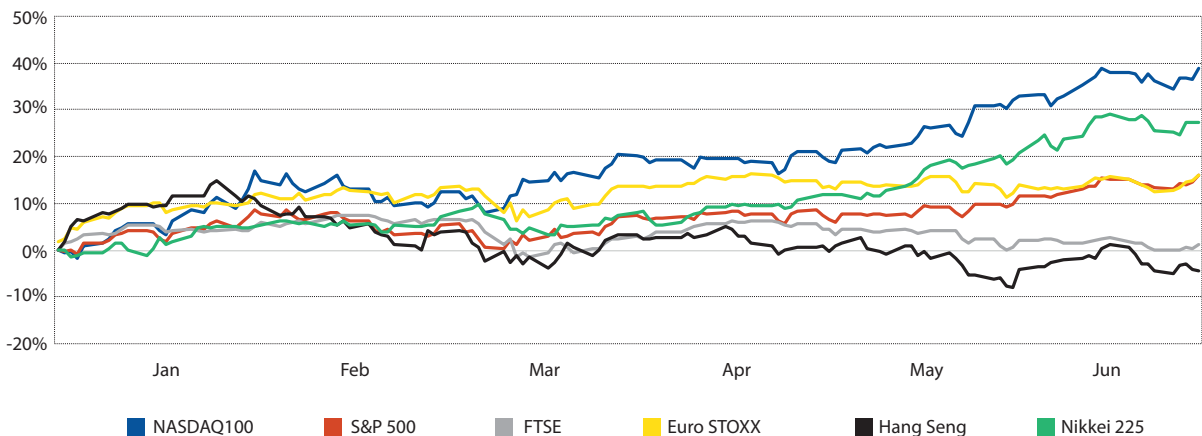


**Chart 1.** Yield curves as of June 30, 2023. Source: U.S. Department of the Treasury and the European Central Bank.

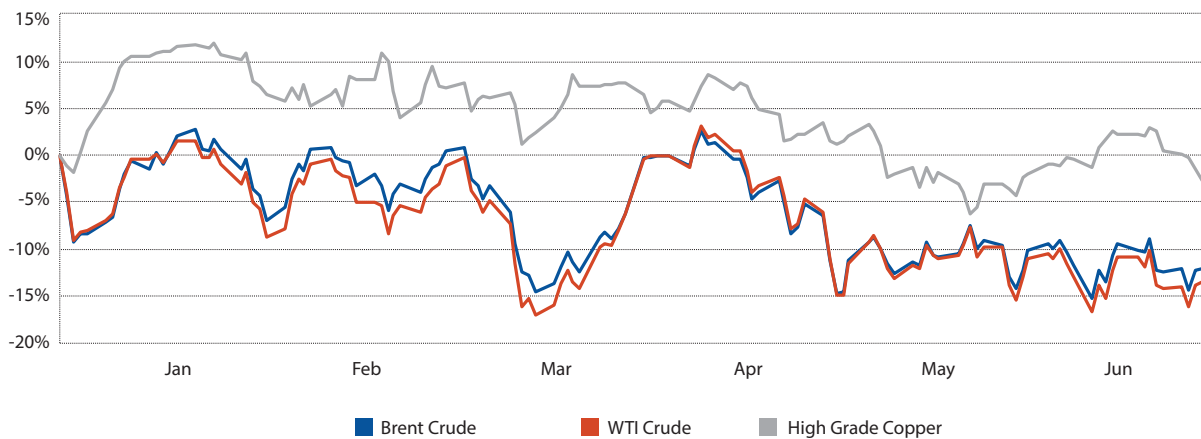
troubled bank before the situation deteriorated further. Equities generally ended the period higher although performance was quite mixed depending on market sector and geography. Gains in European and US equity indices were due largely to a very small group of stocks. In France, increasing Chinese demand for luxury products briefly made Bernard Arnault the richest man in the world as LVMH rallied over 25 per cent early in the year along with other distinguished high-end brands. In the US, mega-cap technology companies drove positive returns. The first six months of 2023 were the best for the NASDAQ in 40-years although the breadth of participation was remarkably narrow. The seven largest companies in the index (Microsoft, Apple, Alphabet, NVIDIA, Amazon, Tesla and Meta – also known as the “Magnificent Seven”) constituted approximately 43 per cent of the overall market capitalization of the NASDAQ composite at the end of June and over 50 per cent of the NASDAQ 100. The market cap weighted average performance of these stocks in the first half was over 60 per cent, accounting for a majority of the index returns.

The extraordinary popularity of generative AI was largely responsible for the technology boom as ChatGPT brought artificial intelligence to the masses. From the forecasted demand for microchips to the potential application of machine learning in the future, investors attempted to identify those companies which would benefit from the expected revolution. Interestingly, the tech sector underperformed considerably in 2022 as investors focused on those companies’ rising cost of capital and tighter margins, so the turnaround was especially remarkable.

Meanwhile in Asia, accommodative monetary policy in Japan, a renewed focus on corporate earnings with improving governance rules, and the much-anticipated return of inflation all contributed to a 27 per cent gain in the Nikkei Index. The positive result marked the strongest start to a calendar year in the nation since the onset of “Abenomics” a decade ago. Korean stocks similarly climbed, led primarily by technology companies, although the positive performance was not experienced across the region. Major indices in China, Hong Kong, Singapore and Thailand all ended the period in nega-



**Chart 2.** Global stock index performance during first six months of 2023. Source: Bloomberg



**Chart 3.** Crude oil and copper price development during first six months of 2023. Source: Bloomberg.

tive territory driven primarily by concern regarding global growth and the health of the Chinese economy.

With few exceptions, most notably gold, commodity prices weakened in the first half of the year. Industrial metals and energies declined as manufacturing slowed and global demand fell short of expectations. After three-years of quarantines, lockdowns and other restrictions under their strict “zero-COVID” policy, optimism was high when China began rolling back many of these provisions in late 2022. However, the economic recovery that many predicted has yet to materialize. Imports have declined sharply, falling every month from October 2022 through May 2023. Geopolitical tensions remained elevated as the war in Ukraine passed its one-year anniversary without an end in sight. Western support of Kiev remained strong allowing the country to limit territorial losses and Ukrainian forces were in the midst of a counteroffensive as the first half came to a close. While official statistics indicated that GDP began expanding during the second quarter in Russia, additional sanctions on individuals and companies linked to the Putin regime limited the country’s access to global financial markets resulting in declining growth expectations in the years to come.

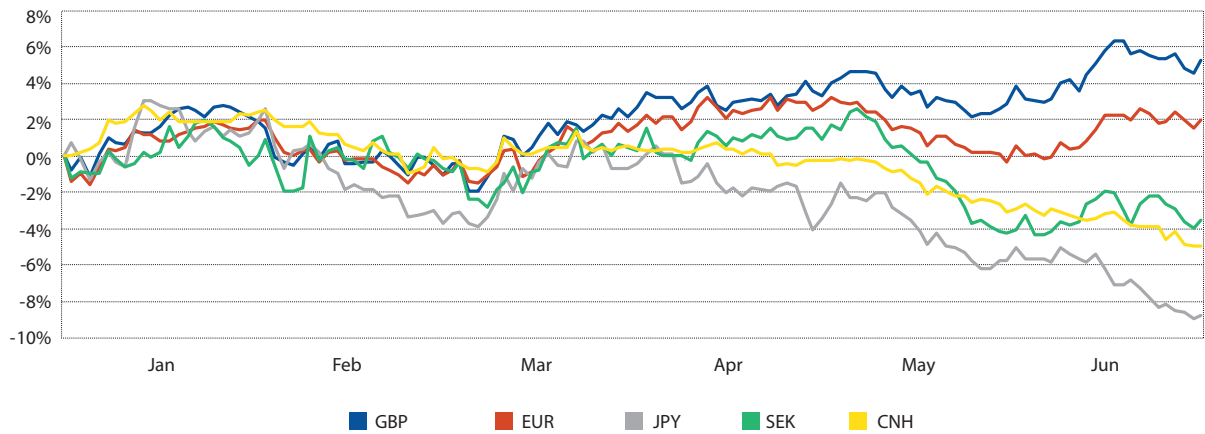
Meanwhile, increasing signs of internal opposition to the way in which the conflict has been managed created uncertainty regarding the stability of the political and military hierarchy in Russia. Late in June, Yevgeny Prigozhin, the controversial leader of the Wagner private military company, pulled his troops off the front lines where they fought alongside Russian soldiers and began a march towards Moscow. Speculation regarding his intentions abounded, although the apparent insurrection was called off before fighting ensued and mercenaries were given the option to rejoin Russian forces as professional soldiers, return to Russia or head to exile in Belarus.

Elsewhere, tensions between the US and China were raised when spy balloons – purported to be gathering weather data by Beijing – were identified and shot down

over the Americas. The incidents added to an already stressed relationship between the two nations due to the longstanding disagreement over the sovereignty and status of Taiwan. Contentious trade relations worsened with threats of new embargoes and punitive tariffs on top of those still in place from the Trump presidency, although US-China trade hit a record early in the year before additional restrictions were later implemented.

In US national politics, Republicans took control of the House of Representatives as the 2023 session commenced after gaining a slight majority in midterm elections. An unusually controversial selection of House Speaker requiring 15 rounds of voting illustrated the rather fractured nature of the legislature. Later in the year, negotiations between the Biden administration and Congressional leaders over raising the debt ceiling came into focus as investors weighed the implications of a potential default on US obligations. Despite concern that a deal would not be reached, stock and bond markets remained relatively stable on expectations that central bank policy would pivot in an adverse outcome.

In France, over one million people reportedly gathered in January to protest the government’s plan to push back the retirement age by two years to 64. Strikes and demonstrations continued as the year progressed. In China, the National People’s Congress unanimously reelected Xi Jinping to an unprecedented third term as the nation’s president. Elsewhere in the world, the shift towards nationalism continued in April as the Finns Party, Finland’s largest rightwing party, secured enough seats to gain a place in the new coalition government in the Lower House of the Eduskunta. Elections across the European continent similarly saw conservative, largely anti-immigration parties increasing in popularity. Unfortunately, climate change continued to have an adverse effect on the globe. Land and sea temperature records were set and broken in quick succession and the average global temperature eclipsed the 1.5°C / 2.7°F threshold above preindustrial levels set at the 2015 Paris Climate



**Chart 4.** Foreign exchange rates during the first six months of 2023 against the US dollar. Source: Bloomberg.

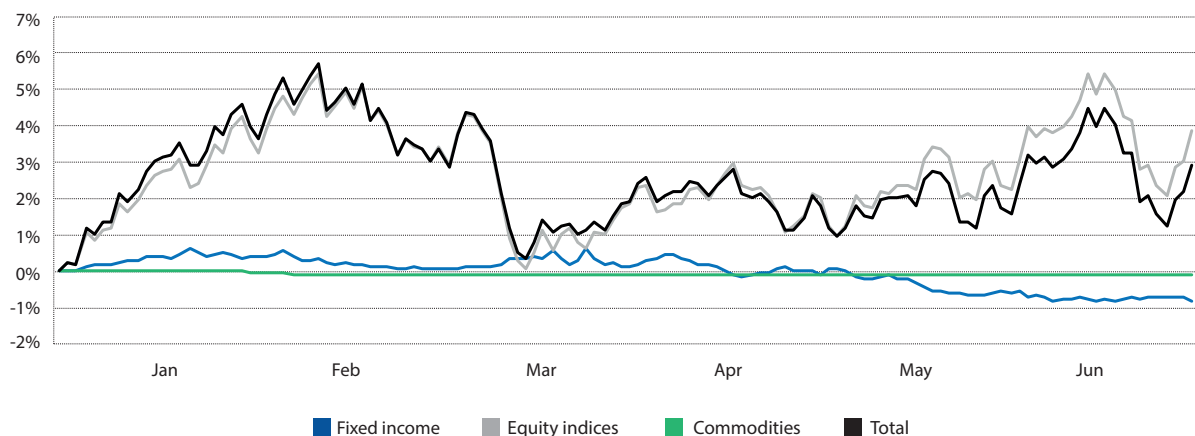
Accords multiple times. Abnormally hot and dry weather in Canada created a ripe environment for wildfires during the spring and blazes have continued virtually unabated since. Smoke from these fires has created hazardous air quality conditions across North America and even made their way across the Atlantic to Europe. In Asia, Cyclone Freddy formed in the Indian Ocean during February and became the most powerful – and one of the deadliest – tropical cyclone in history.

#### ANALYSIS OF THE RESULT

The Lynx Active Balanced Fund ended the first half of 2023 up 2.90 per cent net of fees<sup>2</sup>, as gains in equities outweighed minor losses in fixed income and commodities. Entering 2023 with relatively light risk exposure due to the tumultuous price action the prior year, improving sentiment resulted in a sharp increase in stock index positions early in the first quarter. Models tactically reduced equity exposure midway through March

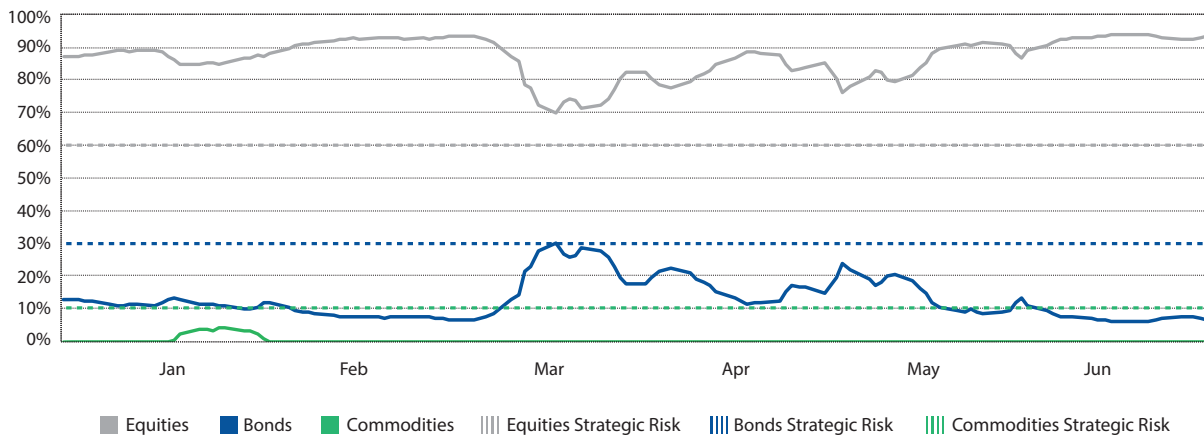
on the regional banking crisis in the US, yet quickly reengaged as prices recovered later that month. The asset class generated a gain of 3.6 per cent gross of fees, although performance was mixed by geography with US and Japanese indices contributing positively and exposure in China, Hong Kong and the UK detracting; long positions in the S&P 500 ESG, NASDAQ and Nikkei were particularly profitable. Fixed income exposure remained well below longer-term targets throughout the first half of the year and ultimately contributed a loss of 0.8 per cent gross of fees. Bond prices vacillated broadly as optimism that global central banks might scale back the pace of future rate hikes was met with the reality of tighter monetary policy. While no one market generated an outsized return, either positive or negative, positions in North America generally underperformed the rest of the globe. Finally, the Lynx Active Balanced Fund had no exposure to commodities entering the year and, other than a brief period in January, remained neutral through

<sup>2</sup> The performance figure is represented for Class D1 EUR.



**Chart 5.** Contributions to performance by asset class during first six months of 2023.





**Chart 6** Risk Proportions per asset class during first six months of 2023.

hout the period. Given the collapse in energy and industrial metal prices, the 0.1 per cent gross loss in the asset class was palatable.

The table and chart below illustrate a summary of gross returns by asset class and model category, respectively.

#### RETURN BY ASSET CLASS

Equity-related investments	3.6%
Commodity-related investments	-0.1%
Fixed income-related investments	-0.8%
Other (management fees, interest, hedging, etc.)	0.2%
<b>Total net return</b>	<b>2.9%</b>

#### RISK AND EXPOSURE

Lynx Active Balanced Fund aims to maintain a relatively consistent level of portfolio volatility over time, historically targeting 8 per cent over the long-term. From July 3rd this risk target will increase to 10 per cent, which is comparable to a global 60 per cent equity and 40 per cent bond portfolio. The target can fluctuate depending on the perceived tactical opportunities in the markets. The risk level of the Fund at any given time is actively managed through the systematic techniques embedded in the investment process with the aim of reducing risk in adverse market environments. As viewed in Chart 6, the Fund operated below its long-term average risk target throughout the first six months of the year, specifically due to modest exposures in fixed income and commodities, mitigating the negative impact on performance from adverse price action in those asset classes.

Over time, Fund investors can expect that 60 per cent of the total portfolio risk will be allocated to equities, 30 per cent to fixed income and 10 per cent to commodities. These risk allocations tactically deviated from the strategic levels during the first six months of the year, in line with our active allocation approach as illustrated in Chart 6. As of midyear 2023, the risk al-

locations to the different asset classes were as follows: 92 per cent in equities, 8 per cent in bonds and no allocation to commodities. The table below shows the largest positions in equities and fixed income as of 30 June 2023 in terms of Value at Risk.

#### OUTLOOK

While inflation has clearly been declining across the globe, levels remain elevated and central banks appear willing to continue hiking rates to achieve their objective. Consumers have been remarkably resilient in the face of tighter credit conditions and employment has remained reasonably robust, but will that continue as rates go even higher? Equities are off to a strong start to the year, although the participation has been very thin. To be sure, we have seen an incredible run in technology stocks with the “magnificent seven” increasing their market capitalization by over US \$4 trillion so far this year. However, most other businesses are not experiencing the same success. Rising capital costs with higher interest rates will likely result in tighter margins as companies may find it difficult to raise prices. Falling earnings combined with the relative attraction of bonds at their current yields could put additional downward pressure on stock prices in the second half. The resulting environment could be challenging for passive long equity investors and more amenable to a tactical approach like that employed in the Lynx Active Balanced Fund.

Additionally, increasing optimism that global economies will experience a “soft landing” as inflation eventually falls back to longer-term targets may be unfounded. Recession remains a likely risk scenario across the globe as the impact of higher interest rates on economic activity is generally lagged and even tighter policy going forward could tip the scales on growth. The IMF forecasts growth in advanced economies to fall to 1.3 per cent in 2023 from 2.7 per cent in 2022 and envisions a plausible risk scenario where the number could drop to 1 per cent. While the Chinese govern-

ment continues to forecast 5 per cent growth this year, recent economic reports indicate that the recovery following the end of their “zero-COVID” policy is faltering. An extended slowdown in global growth – and even a recession – could offer opportunities for the Lynx Active Balanced Fund particularly in global bonds. Sovereign yields are significantly higher in most nations than they have been in over a decade. The start of the next bull market in bonds could be on the horizon.

Geopolitical risk remains elevated as the ongoing war in Ukraine has pushed Russia and the West closer to direct military conflict. The acceptance of Finland as the 31st member of NATO over doubled the alliance’s border with Russia and reversed generations of neutrality. With Sweden likely to join next now that Turkey has pledged support for their bid, tensions could increase

further. To date, the impact of the war on financial markets has been limited. Commodity inflation due in part to grim forecasts of supply shortfalls have largely dissipated as supply lines have shifted and increased production has mitigated the impact on consumers. This has been perhaps most evident in energy markets as prices have collapsed since last summer. However, an expanding conflict could result in heightened uncertainty across commodity and financial markets and increasing opportunities for a tactical investment approach.

As always, Lynx is committed to managing your capital responsibly and profitably. We are invested alongside our clients in every program we manage, aligning our interests directly with yours. We look forward to delivering attractive, positive risk-adjusted returns for the rest of 2023 into the future.

## STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	<i>Notes</i>	<b>30 June 2023</b> <i>EUR</i>	<b>31 December 2022</b> <i>EUR</i>
<b>ASSETS</b>			
Cash and cash equivalents		822,656	345,198
Due from brokers		3,494,458	1,917,595
Subscriptions receivable		1,575	3,260
Financial assets at fair value through profit or loss	3, 4, 5		
-Transferable securities		37,057,156	28,394,565
-Financial derivative instruments		367,330	46,234
Cash held as collateral		1,071,288	1,151,839
Prepaid expenses		1,292	-
<b>TOTAL ASSETS</b>		<b>42,815,755</b>	<b>31,858,691</b>
<b>LIABILITIES</b>			
Bank overdraft		-	(607)
Financial liabilities at fair value through profit or loss	3, 4, 5		
-Financial derivative instruments		(536,802)	(634,998)
Other payables and accrued expenses	7	(45,162)	(44,944)
<b>LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES)</b>		<b>(581,964)</b>	<b>(680,549)</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES</b>		<b>42,233,791</b>	<b>31,178,142</b>

<i>Share class</i>	<i>Shares in issue</i> <b>30 June 2023</b>	<i>Net asset value</i> <i>per share</i> <b>30 June 2023</b>	<i>Net asset value</i> <b>30 June 2023</b>
Class USD I1*	1,000	\$125.07	\$125,073
Class USD I2*	64,587	\$126.77	\$8,187,735
Class USD D1*	100	\$123.40	\$12,340
Class USD D2*	100	\$125.92	\$12,592
Class USD A1*	100	\$123.40	\$12,340
Class EUR I1	1,000	€116.28	€116,284
Class EUR I2	65,958	€117.86	€7,774,001
Class EUR D1	114	€114.76	€13,035
Class EUR D2	100	€117.07	€11,707
Class EUR A2	100	€114.76	€11,476
Class SEK I1*	52,374	Kr115.80	Kr6,064,687
Class SEK I2*	1,412,256	Kr117.37	Kr165,754,344
Class SEK D1*	372,909	Kr114.25	Kr42,603,355
Class SEK D2*	853,316	Kr116.58	Kr99,478,969
Class SEK A3*	1,000	Kr114.25	Kr114,246

\* *Hedged share class*

<i>Share class</i>	<i>Net asset value</i>		
	<i>Shares in issue</i>	<i>per share</i>	<i>Net asset value</i>
	<i>31 December 2022</i>	<i>31 December 2022</i>	<i>31 December 2022</i>
Class USD I1*	1,000	\$119.83	\$119,826
Class USD I2*	44,540	\$121.27	\$5,401,413
Class USD D1*	100	\$118.40	\$11,840
Class USD D2*	100	\$120.55	\$12,055
Class USD A1*	100	\$118.40	\$11,840
Class EUR I1	1,000	€112.84	€112,840
Class EUR I2	44,460	€114.20	€5,077,350
Class EUR D1	114	€111.52	€12,681
Class EUR D2	100	€113.52	€11,352
Class EUR A2	100	€111.52	€11,152
Class SEK I1*	52,374	Kr112.17	Kr5,874,531
Class SEK I2*	830,366	Kr113.52	Kr94,261,843
Class SEK D1*	227,943	Kr110.83	Kr25,262,795
Class SEK D2*	933,620	Kr112.84	Kr105,349,261
Class SEK A3*	1,000	Kr110.83	Kr110,830

\* *Hedged share class*

## STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 January 2023 to 30 June 2023

	<i>Notes</i>	<b>30 June 2023</b> <i>EUR</i>	<b>30 June 2022</b> <i>EUR</i>
<b>INVESTMENT INCOME</b>			
Interest income		38,344	-
Net (losses) on financial assets and financial liabilities at fair value through profit or loss and on foreign exchange	3	(270,980)	(3,548,159)
<b>TOTAL INVESTMENT LOSS</b>		<b>(232,636)</b>	<b>(3,548,159)</b>
<b>OPERATING EXPENSES</b>			
Operating expenses	8	(204,043)	(228,937)
<b>TOTAL OPERATING EXPENSES</b>		<b>(204,043)</b>	<b>(228,937)</b>
<b>OPERATING LOSS</b>		<b>(436,679)</b>	<b>(3,777,096)</b>
<b>FINANCE COSTS</b>			
Interest expense		-	(24,197)
<b>TOTAL FINANCE COSTS</b>		<b>-</b>	<b>(24,197)</b>
<b>DECREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS</b>			
		<b>(436,679)</b>	<b>(3,801,293)</b>

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES

*For the period from 1 January 2023 to 30 June 2023*

	<i>30 June 2023</i> <i>EUR</i>	<i>30 June 2022</i> <i>EUR</i>
<b>Net assets attributable to holders of redeemable participating shares</b>	<b>31,178,142</b>	<b>40,134,802</b>
Issue of redeemable participating shares	12,994,310	936,497
Redemptions of redeemable participating shares	(1,501,982)	(2,934,537)
Decrease in net assets attributable to holders of redeemable participating shares from operations	(436,679)	(3,801,293)
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE END OF THE PERIOD</b>	<b>42,233,791</b>	<b>34,335,469</b>

## STATEMENT OF CASH FLOWS

For the period from 1 January 2023 to 30 June 2023

	<b>30 June 2023</b>	<b>30 June 2022</b>
	<b>EUR</b>	<b>EUR</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net decrease in net assets resulting from operations	(436,679)	(3,801,293)
Net losses on financial assets and financial liabilities at fair value through profit or loss	334,340	3,543,174
Purchase of financial assets	(42,444,196)	(17,018,307)
Proceeds from sale of financial assets	34,164,751	20,507,580
(Payments) on settlement of financial derivative instruments	(1,136,778)	(2,882,071)
(Increase) in due from brokers	(1,576,863)	(919,358)
Increase in due to brokers	-	2,340,493
Decrease/(increase) in cash held as collateral	80,551	(447,136)
(Increase) in prepaid expenses	(1,292)	(2,415)
Increase/(decrease) in other payables and accrued expenses	218	(15,240)
<b>NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES</b>	<b>(11,015,948)</b>	<b>1,305,427</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds on the issue of redeemable participating shares	12,995,995	1,024,736
Payment on redemption of redeemable participating shares	(1,501,982)	(2,941,138)
<b>NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES</b>	<b>11,494,013</b>	<b>(1,916,402)</b>
Net increase/(decrease) in cash and cash equivalents	478,065	(610,975)
Cash and cash equivalents at beginning of the period	344,591	1,277,514
<b>CASH AND CASH EQUIVALENTS AT END OF THE PERIOD</b>	<b>822,656</b>	<b>666,539</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>		
Interest received	38,344	-
Interest paid	-	(24,197)

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

## NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2023 to 30 June 2023

### 1. GENERAL

The reporting entity Lynx Active Balanced Fund (the “Fund”) is a sub-fund of Lynx UCITS Funds ICAV (the “ICAV”). The ICAV is an open-ended Irish collective asset-management vehicle with registered number C184319 structured as an umbrella fund with segregated liability between sub-funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the “UCITS Regulations”). As of 30 June 2023, the ICAV has established one other sub-fund, Lynx UCITS Fund.

Any liability incurred on behalf of or attributable to the Fund of the ICAV shall be discharged solely out of the assets of the Fund. Notwithstanding the foregoing, there can be no assurance that should an action be brought against the ICAV in the courts of another jurisdiction, the segregated nature of the Fund would necessarily be upheld.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### Basis of preparation

The Directors have opted to prepare separate financial statements for the Fund in accordance with the Irish Collective Asset-management Vehicles Act 2015 (as amended) (the “ICAV Act”). The financial statements for Lynx UCITS Fund are available free of charge on request from the Manager. Any reference hereafter to the financial statements will mean the financial statements of the Fund of the ICAV.

These condensed financial statements for the period ended 30 June 2023 have been prepared in accordance with International Accounting Standard (“IAS”) 34 ‘Interim Financial Reporting’ and pursuant to the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the “Central Bank UCITS Regulations”).

The condensed financial statements do not include all the information included in annual financial statements and should be read in conjunction with the last annual financial statements. The same accounting policies and methods of computation followed in the last annual financial statements have been used in the preparation of these interim financial statements. The last annual financial were prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted for use in the European Union (“EU”) and with the requirements of the ICAV Act and pursuant to the UCITS Regulations and the Central Bank UCITS Regulations.

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

### 3. FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS AND FOREIGN EXCHANGE

	30 June 2023	30 June 2022
	EUR	EUR
<b>Financial assets at fair value through profit or loss</b>		
Transferable securities		
-Treasury bills	30,725,487	21,768,559
-Treasury certificates	6,331,669	6,626,006
Financial derivative instruments		
-Forward contracts	-	4,315
-Future contracts	-	41,919
<b>Total financial assets at fair value through profit or loss</b>	<b>37,424,486</b>	<b>28,440,799</b>
<b>Financial liabilities at fair value through profit or loss</b>		
Financial derivative instruments		
-Forward contracts	486,216	595,248
-Future contracts	50,586	39,750
<b>Total financial liabilities at fair value through profit or loss</b>	<b>536,802</b>	<b>634,998</b>



	30 June 2023 EUR	30 June 2022 EUR
<b>Net (losses)/gains on financial assets and financial liabilities at fair value through profit or loss</b>		
Gains/(losses) on treasury bills	306,744	(123,192)
Gains/(losses) on treasury certificates	76,401	(29,272)
Gains/(losses) on future contracts	904,792	(3,921,033)
(Losses)/Gains on swaps	(34,039)	1,118,242
(Losses) on forward contracts	(1,588,238)	(587,919)
<b>Net (losses) on financial assets and financial liabilities at fair value through profit or loss</b>	<b>(334,340)</b>	<b>(3,543,174)</b>
<b>Net Gains/(losses) on foreign exchange</b>		
Net Gains/(losses) on foreign exchange	63,360	(4,985)
<b>Net Gains/(losses) on foreign exchange</b>	<b>63,360</b>	<b>(4,985)</b>
<b>Net (losses) on financial assets and financial liabilities at fair value through profit or loss and on foreign exchange</b>	<b>(270,980)</b>	<b>(3,548,159)</b>

#### 4. FAIR VALUE MEASUREMENT

IFRS 13 ‘Fair value measurement’ establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described in the table below.

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date;
- Level 2 Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active;
- Level 3 Inputs that are unobservable. This category includes all instruments for which the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument’s valuation. This category includes instruments that are valued based on quoted prices for similar instruments for which significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument’s level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes “observable” requires significant judgement by the Directors. The Directors consider observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the Directors’ perceived risk of that instrument.

##### *Transferable securities*

Transferable securities whose values are based on quoted market prices in active markets are classified within level 1. These include active treasury bills and certificates. The Directors do not adjust the quoted price for such instruments, even in situations where the Fund holds a large position and a sale could reasonably impact the quoted price.

Transferable securities that trade in markets that are not considered to be active, but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within level 2.

Transferable securities classified within level 3 have significant unobservable inputs, as they trade infrequently or not at all. There are no level 3 investments held at financial period end.

### *Financial derivative instruments*

Financial derivative instruments can be exchange-traded or privately negotiated over-the-counter (“OTC”). Exchange-traded derivatives, such as future contracts are typically classified within level 1 or level 2 of the fair value hierarchy depending on whether or not they are deemed to be actively traded. OTC derivatives, such as forward contracts and swaps have inputs which can generally be corroborated by market data and are therefore classified within level 2.

The following table presents the financial instruments carried at fair value on the Statement of Financial Position by caption and by level within the valuation hierarchy as at 30 June 2023.

	<b>Total</b>	<b>(Level 1)</b>	<b>(Level 2)</b>	<b>(Level 3)</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
<b>Financial assets at fair value through profit or loss</b>				
Transferable securities				
-Treasury bills	30,725,487	30,725,487	-	-
-Treasury certificates	6,331,669	6,331,669	-	-
Financial derivative instruments				
-Future contracts	367,330	367,330	-	-
<b>Total financial assets at fair value through profit or loss</b>	<b>37,424,486</b>	<b>37,424,486</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Financial derivative instruments				
-Forward contracts	486,216	-	486,216	-
-Future contracts	50,586	50,586	-	-
<b>Total financial liabilities at fair value through profit or loss</b>	<b>536,802</b>	<b>50,586</b>	<b>486,216</b>	<b>-</b>

The Fund recognizes transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change occurred.

There were no transfers between levels during the financial period from 1 January 2023 to 30 June 2023.

The following table presents the financial instruments carried at fair value on the Statement of Financial Position by caption and by level within the valuation hierarchy as at 31 December 2022.

	<b>Total</b>	<b>(Level 1)</b>	<b>(Level 2)</b>	<b>(Level 3)</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
<b>Financial assets at fair value through profit or loss</b>				
Transferable securities				
-Treasury bills	21,768,559	21,768,559	-	-
-Treasury certificates	6,626,006	6,626,006	-	-
Financial derivative instruments				
-Forward contracts	4,315	-	4,315	-
-Future contracts	41,919	41,919	-	-
<b>Total financial assets at fair value through profit or loss</b>	<b>28,440,799</b>	<b>28,436,484</b>	<b>4,315</b>	<b>-</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Financial derivative instruments				
-Forward contracts	595,248	-	595,248	-
-Future contracts	39,750	39,750	-	-
<b>Total financial liabilities at fair value through profit or loss</b>	<b>634,998</b>	<b>39,750</b>	<b>595,248</b>	<b>-</b>

There were no transfers between levels during the year ended 31 December 2022.

## Financial assets and liabilities not measured at fair value

The financial assets and financial liabilities not measured at fair value through profit or loss are short-term financial assets and financial liabilities whose carrying amounts approximate fair value. Cash and cash equivalents are categorized as Level 1 and all other financial assets and financial liabilities not measured at fair value through profit or loss are categorized as Level 2 in the fair value hierarchy.

## 5. DERIVATIVE CONTRACTS

The Fund will pursue its investment policy principally through investment in FDI. The FDI used in the implementation of the Fund's investment objective include futures contracts, forwards and swaps. Futures contracts and forward contracts may also be used to hedge against market risk.

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

The following derivative contracts were included in the Fund's statement of financial position at fair value through profit or loss at period end:

	30 June 2023 EUR	31 December 2022 EUR
<b>Financial assets at fair value through profit or loss</b>		
-Forward contracts	-	4,315
-Future contracts	367,330	41,919
<b>Total financial assets at fair value through profit or loss</b>	<b>367,330</b>	<b>46,234</b>
<b>Financial liabilities at fair value through profit or loss</b>		
-Forward contracts	(486,216)	(595,248)
-Future contracts	(50,586)	(39,750)
<b>Total financial liabilities at fair value through profit or loss</b>	<b>(536,802)</b>	<b>(634,998)</b>
<b>Net Liabilities</b>	<b>(169,472)</b>	<b>(588,764)</b>

Notional exposures on derivative contracts were as follows:

30 June 2023	Long exposure		Short exposure	
	Notional amounts EUR	Number of contracts	Notional amounts EUR	Number of contracts
<b>Primary underlying risk</b>				
<b>Equity price</b>				
Index futures	34,983,999	18	-	-
<b>Bond price</b>				
Bond futures	3,060,652	5	-	-
<b>Currency price</b>				
Currency futures	8,002,088	3	(25,773,012)	1
Forward contracts	-	-	(34,402,557)	2

31 December 2021	Long exposure		Short exposure	
	Notional amounts EUR	Number of contracts	Notional amounts EUR	Number of contracts
<b>Primary underlying risk</b>				
<b>Equity price</b>				
Index futures	14,655,509	16	-	-
<b>Bond price</b>				
Bond futures	4,087,538	6	-	-
<b>Currency price</b>				
Currency futures	1,663,662	1	(8,393,862)	1
Forward contracts	658,379	1	(27,438,006)	2

## 6. FEES AND EXPENSES

### (a) Investment Management fees

The Investment Manager shall be entitled to receive from the Fund, an investment management fee in relation to each class of shares calculated on a percentage of net assets attributable to such class of shares. Such fees are accrued daily and paid monthly in arrears at an annual rate as set out below:

Classes of shares	Investment management fee (per annum)
Class I1	0.90%
Class I2	0.60%
Class D1	1.20%
Class D2	0.75%
Class A	1.20%

The Investment Manager may from time to time and at its sole discretion and out of its own resources decide to rebate shareholders part or all of the investment management fees.

Any such rebate(s) may be applied in paying up additional shares to be issued to the shareholder(s).

### (b) Manager fees

The Manager shall be entitled to receive from the ICAV, a manager fee calculated as a percentage of the net asset value ("NAV") of the ICAV. The Fund shall be responsible for its attributable portion of the fees payable to the Manager and fees shall be allocated to the sub-funds on a pro-rata basis. Such fees are accrued daily and paid monthly in arrears as set out below. The Investment Manager may take responsibility for payment of the fees to the Manager. These fees are subject to a minimum fee of EUR 65,000 per annum for the initial two sub-funds of the ICAV. The manager fees are as follows:

Net Asset Value of the ICAV	Fee payable to the Manager
€0 - €250 million ("M1")	0.03% per annum
€250Ml - €500Ml	0.0275% per annum
€500Ml - €750Ml	0.025% per annum
€750Ml - €1 billion (Bn")	0.0225% per annum
Above €1Bn	0.02% per annum

### (c) Administration fees

The Administrator is entitled to receive out of the assets of the Fund an administration fee, accrued and calculated daily and paid monthly in arrears, at a rate of up to 0.06% per annum of the Fund's NAV for the first EUR 500 million and 0.05% per annum of the Fund's NAV above EUR 500 million subject to a minimum annual fee of up to EUR 30,000 for the Fund. The Fund shall be responsible for the fees of and reasonable out-of-pocket expenses properly incurred by the Administrator.

### (d) Depositary fees

The Depositary is entitled to an annual fee out of the assets of the Fund at a rate which shall not exceed 0.03% per annum of the NAV of the Fund, subject to a minimum fee EUR 36,000 per annum pro-rated between the sub-funds of the ICAV on the basis of the assets under administration of each sub-fund. This fee accrues and is calculated on each dealing day and paid monthly in arrears. The Depositary shall also be entitled to receive out of the assets of the Fund all agreed sub-custodian fees and transaction charges.

### (e) Directors' fees

The Directors may be entitled to a fee by way of remuneration for their services at a rate to be determined from time to time by the Directors. The Directors' remuneration will not exceed EUR 50,000 at the ICAV level per annum in the aggregate or such other amount as may be determined by the Directors and notified to shareholders from time to time. Any Directors employed by the Investment Manager will waive their entitlement to fees. The Directors shall be entitled to be reimbursed by the ICAV for all reasonable disbursements and out-of-pocket expenses incurred by them, if any.

## 7. OTHER PAYABLES AND ACCRUED EXPENSES

	30 June 2023	31 December 2022
	EUR	EUR
Audit fees payable	6,510	13,020
Administration fees payable	2,466	2,466
Directors' fees payable	2,311	2,631
Depository fees payable	1,047	791
Investment management fees payable	24,026	18,409
Manager fees payable	1,521	1,259
Other payables	7,281	6,368
	<b>45,162</b>	<b>44,944</b>

## 8. OPERATING EXPENSES

	30 June 2023	30 June 2022
	EUR	EUR
Transaction costs	9,535	10,881
Audit fees	6,510	6,183
Administration fees	14,959	14,959
Depository fees	10,055	13,228
Investment management fees	129,586	130,507
Directors' fees	4,534	9,566
Manager fees	8,421	16,838
Other expenses	20,443	26,775
	<b>204,043</b>	<b>228,937</b>

## 9. SHARE CAPITAL AND REDEEMABLE PARTICIPATING SHARES

The minimum authorized share capital of the ICAV is €2 represented by subscriber shares of no par value. The maximum authorized share capital of the ICAV, as may be amended by the Directors from time to time and notified to shareholders, is 500,000,000,002 shares of no par value represented by 2 (two) subscriber shares of no par value and 500,000,000,000 (five hundred billion) shares of no par value, initially designated as unclassified shares. The Directors are empowered to issue up to 500,000,000,000 shares of no par value designated as shares of any class on such items as they think fit. Both subscriber shares are held by Lynx Asset Management AB.

The subscriber shares entitle the holders to attend and vote at general meetings of the ICAV but do not entitle the holders to participate in the profits or assets of the sub-funds of the ICAV except for a return of capital on a winding-up. The shares entitle the holders to attend and vote at general meetings of the ICAV and to participate in the profits and assets of the relevant sub-fund of the ICAV. There are no pre-emption rights attaching to the shares.

The issued redeemable participating share capital of the Fund, is at all times equal to the net asset value of the Fund. Redeemable participating shares are redeemable at the shareholders' option and in accordance with the offering documents are classified as financial liabilities. The movement in the number of redeemable participating shares for the period from 1 January 2023 to 30 June 2023 was as follows:

Share class	At the beginning of the financial year	Shares issued	Shares redeemed	At the end of the financial year
Class USD I1*	1,000	-	-	1,000
Class USD I2*	44,540	20,047	-	64,587
Class USD D1*	100	-	-	100
Class USD D2*	100	-	-	100
Class USD A1*	100	-	-	100
Class EUR I1	1,000	-	-	1,000
Class EUR I2	44,460	21,498	-	65,958
Class EUR D1	114	-	-	114

Class EUR D2	100	-	-	100
Class EUR A2	100	-	-	100
Class SEK I1*	52,374	-	-	52,374
Class SEK I2*	830,366	588,390	(6,500)	1,412,256
Class SEK D1*	227,943	179,520	(34,554)	372,909
Class SEK D2*	933,620	25,381	(105,685)	853,316
Class SEK A3*	1,000	-	-	1,000

\* Hedged share class

The amounts for the redeemable participating shares movements during the period from 1 January 2023 to 30 June 2023 were as follows:

Share class	Beginning net assets EUR	Amounts subscribed EUR	Amounts redeemed EUR	Amount of Profit/loss during the year EUR	Ending net assets EUR
Class USD I1*	112,312	-	-	3,005	115,317
Class USD I2*	5,062,717	2,291,686	-	194,679	7,549,082
Class USD D1*	11,097	-	-	280	11,377
Class USD D2*	11,299	-	-	311	11,610
Class USD A1*	11,097	-	-	280	11,377
Class EUR I1	112,840	-	-	3,444	116,284
Class EUR I2	5,077,350	2,500,000	-	196,651	7,774,001
Class EUR D1	12,681	-	(14)	368	13,035
Class EUR D2	11,352	-	-	355	11,707
Class EUR A2	11,152	-	-	324	11,476
Class SEK I1*	527,866	-	-	(13,967)	513,899
Class SEK I2*	8,470,056	6,150,790	(66,482)	(508,952)	14,045,412
Class SEK D1*	2,270,030	1,792,271	(348,783)	(103,466)	3,610,052
Class SEK D2*	9,466,334	259,563	(1,086,703)	(209,713)	8,429,481
Class SEK A3*	9,959	-	-	(278)	9,681
	<b>31,178,142</b>	<b>12,994,310</b>	<b>(1,501,982)</b>	<b>(436,679)</b>	<b>42,233,791</b>

\* Hedged share class

The movement in the number of redeemable participating shares for the period from 1 January 2022 to 30 June 2022 was as follows:

Share class	At the beginning of the financial period	Shares issued	Shares redeemed	At the end of the financial period
Class USD I1*	1,000	-	-	1,000
Class USD I2*	44,540	-	-	44,540
Class USD D1*	100	-	-	100
Class USD D2*	100	-	-	100
Class USD A1*	100	-	-	100
Class EUR I1	1,000	-	-	1,000
Class EUR I2	44,460	-	-	44,460
Class EUR D1	115	-	-	115
Class EUR D2	100	-	-	100
Class EUR A2	100	-	-	100
Class SEK I1*	52,374	-	-	52,374
Class SEK I2*	837,979	-	-	837,979
Class SEK D1*	327,101	46,887	(119,360)	254,628
Class SEK D2*	1,104,620	34,486	(134,705)	1,004,401
Class SEK A3*	1,000	-	-	1,000

\* Hedged share class

The amounts for the redeemable participating shares movements during the period from 1 January 2022 to 30 June 2022 were as follows:

<b>Share class</b>	<b>Beginning net assets EUR</b>	<b>Amounts subscribed EUR</b>	<b>Amounts redeemed during the year EUR</b>	<b>Amount of Profit/loss during the year EUR</b>	<b>Ending net assets EUR</b>
Class USD I1*	117,280	-	-	174	117,454
Class USD I2*	5,270,809	-	-	15,709	5,286,518
Class USD D1*	11,623	-	-	(0)	11,623
Class USD D2*	11,781	-	-	26	11,807
Class USD A1*	11,623	-	-	(0)	11,623
Class EUR I1	127,534	-	-	(10,462)	117,072
Class EUR I2	5,721,329	-	-	(461,487)	5,259,842
Class EUR D1	14,579	-	-	(1,216)	13,363
Class EUR D2	12,811	-	-	(1,042)	11,769
Class EUR A2	12,639	-	-	(1,051)	11,588
Class SEK I1*	647,135	-	-	(78,225)	568,910
Class SEK I2*	10,447,646	-	-	(1,249,157)	9,198,489
Class SEK D1*	4,005,539	539,595	(1,363,870)	(444,212)	2,737,052
Class SEK D2*	13,710,228	396,902	(1,570,667)	(1,568,853)	10,967,610
Class SEK A3*	12,246	-	-	(1,497)	10,749
	<b>40,134,802</b>	<b>936,497</b>	<b>(2,934,537)</b>	<b>(3,801,293)</b>	<b>34,335,469</b>

\* Hedged share class

## 10. 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, it is not chargeable to Irish tax on its income or gains.

However, Irish tax may arise on the happening of a “chargeable event”. A chargeable event includes any distribution payments to shareholders, any encashment, redemption, cancellation or transfer of shares and any deemed disposal of shares for Irish tax purposes arising as a result of the holding of shares for an eight-year period or more.

A chargeable event does not include:

- (i) A shareholder who is not an Irish resident and not ordinarily resident in Ireland at the time of the chargeable event provided the necessary signed statutory declarations are held by the ICAV and its Fund; or
- (ii) Certain exempted Irish resident investors who have provided the ICAV and its Fund with the necessary signed statutory declaration; or
- (iii) Any transactions in relation to shares held in a recognized clearing system as designated by order of the Revenue Commissioners of Ireland; or
- (iv) An exchange of shares in the ICAV for other shares in the ICAV; or
- (v) An exchange of shares arising on a qualifying amalgamation or reconstruction of the ICAV with another investment undertaking; or
- (vi) Certain exchanges of shares between spouses and former spouses.

On the happening of a chargeable event, the ICAV shall be entitled to deduct the appropriate amount of tax on any payment made to a shareholder in respect of the chargeable event. On the occurrence of chargeable event where no payment is made by the ICAV to the shareholder, the ICAV may appropriate or cancel the required number of shares to meet the tax liability.

Dividends, interest and capital gains (if any) received on investments made by the Fund may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Fund or its shareholders.

## 11. SOFT COMMISSION AND DIRECT BROKERAGE SERVICES

There were no soft commissions or directed brokerage service arrangements in place during the period from 1 January 2023 to 30 June 2023 (30 June 2022: Nil).

## 12. NET ASSET VALUE TABLE

The following table discloses the dealing NAV, the shares in issue and NAV per Share for each share class of the Fund as at 30 June 2023.

Share class	Shares in issue	Net asset value	Net asset value per share
Class USD I1*	1,000	\$125,073	\$125.07
Class USD I2*	64,587	\$8,187,735	\$126.77
Class USD D1*	100	\$12,340	\$123.40
Class USD D2*	100	\$12,592	\$125.92
Class USD A1*	100	\$12,340	\$123.40
Class EUR I1	1,000	€116,284	€116.28
Class EUR I2	65,958	€7,774,001	€117.86
Class EUR D1	114	€13,035	€114.76
Class EUR D2	100	€11,707	€117.07
Class EUR A2	100	€11,476	€114.76
Class SEK I1*	52,374	Kr6,064,687	Kr115.80
Class SEK I2*	1,412,256	Kr165,754,344	Kr117.37
Class SEK D1*	372,909	Kr42,603,355	Kr114.25
Class SEK D2*	853,316	Kr99,478,969	Kr116.58
Class SEK A3*	1,000	Kr114,246	Kr114.25

\* Hedged share class

The following table discloses the dealing Net Asset Value, the shares in issue and Net Asset Value per Share for each Share Class of the Fund as at 31 December 2022.

Share class	Shares in issue	Net asset value	Net asset value per share
Class USD I1*	1,000	\$119,826	\$119.83
Class USD I2*	44,540	\$5,401,413	\$121.27
Class USD D1*	100	\$11,840	\$118.40
Class USD D2*	100	\$12,055	\$120.55
Class USD A1*	100	\$11,840	\$118.40
Class EUR I1	1,000	€112,840	€112.84
Class EUR I2	44,460	€5,077,350	€114.20
Class EUR D1	114	€12,681	€111.52
Class EUR D2	100	€11,352	€113.52
Class EUR A2	100	€11,152	€111.52
Class SEK I1*	52,374	Kr5,874,531	Kr112.17
Class SEK I2*	830,366	Kr94,261,843	Kr113.52
Class SEK D1*	227,943	Kr25,262,795	Kr110.83
Class SEK D2*	933,620	Kr105,349,261	Kr112.84
Class SEK A3*	1,000	Kr110,830	Kr110.83

\* Hedged share class

The following table discloses the dealing NAV, the shares in issue and NAV per Share for each share class of the Fund as at 30 December 2021.

Share class	Shares in issue	Net asset value	Net asset value per share
Class USD I1*	1,000	\$132,732	\$132.73
Class USD I2*	44,540	\$5,965,238	\$133.93
Class USD D1*	100	\$13,154	\$131.55
Class USD D2*	100	\$13,333	\$133.33
Class USD A1*	100	\$13,154	\$131.55
Class EUR I1	1,000	€127,534	€127.53
Class EUR I2	44,460	€5,721,329	€128.69



Class EUR D1	115	€14,579	€126.42
Class EUR D2	100	€12,811	€128.11
Class EUR A2	100	€12,639	€126.39
Class SEK I1*	52,374	Kr6,644,437	Kr126.87
Class SEK I2*	837,979	Kr107,270,809	Kr128.01
Class SEK D1*	327,101	Kr41,126,723	Kr125.73
Class SEK D2*	1,104,620	Kr140,769,251	Kr127.44
Class SEK A3*	1,000	Kr125,731	Kr125.73

\* Hedged share class

### 13. RELATED PARTY TRANSACTIONS

IAS 24 'Related Party Disclosures' requires the disclosure of information relating to material transactions with parties who are deemed to be related to the reporting entity. The following transactions with related parties were entered into during the financial period.

Brian Dunleavy is a Director of the ICAV and an employee of the Manager.

The Money Laundering Reporting Officer ("MLRO") and the Secretary of the Fund are employees of KB Associates which is part of the same economic group as the Manager. During the period ended 30 June 2023, MLRO fees amounting to EUR 1,166 (30 June 2022: EUR 2,459) were charged to the Fund of which EUR 1,060 (31 December 2022: EUR 1,450) was outstanding at the period end. Secretary fees amounting to EUR 1,166 (30 June 2022: EUR 2,459) were charged to the Fund of which EUR 1,060 (31 December 2022: EUR 1,450) was outstanding at the period end.

KB Associates also provides VAT and payroll services to the Fund. VAT services fees amounting to EUR 583 (30 June 2022: EUR 875) were charged to the Fund and EUR 480 (31 December 2022: EUR 428) was outstanding at the period end and payroll services fees amounting to EUR 292 (30 June 2022: EUR 615) were charged to the Fund and EUR 229 (31 December 2022: EUR 214) was outstanding at the period end.

The fees for, and payable to, the Directors, Investment Manager and the Manager are disclosed in Note 8 and Note 7 respectively of the financial statements.

The below table provides an analysis of the number of shares held in the Fund by Lynx Asset Management AB, the Investment Manager during the period ended 30 June 2023:

Share class	31 December 2022	31 December 2021
	No of shares	No of shares
Class USD I1*	1,000	1,000
Class USD I2*	10,000	10,000
Class USD D1*	100	100
Class USD D2*	100	100
Class USD A1*	100	100
Class EUR I1	1,000	1,000
Class EUR I2	10,000	10,000
Class EUR D1	100	100
Class EUR D2	100	100
Class EUR A2	100	100
Class SEK I1*	10,000	10,000
Class SEK I2*	265,000	265,000
Class SEK D1*	1,000	1,000
Class SEK D2*	1,000	1,000
Class SEK A3*	1,000	1,000

\* Hedged share class

Lynx Vinstandelsstiftelse is a trust for the benefit of employees of Lynx Asset Management AB. As at 30 June 2023, Lynx Vinstandelsstiftelse held 36,813 (31 December 2022: 37,321) shares in Class I2 SEK of the Fund.

Lynx Asset Management AB and Lynx Vinstandelsstiftelse jointly holds 11.94% (31 December 2022: 15.81%) of the Fund's shares.

Henrik Landén is a Director of the ICAV and is an employee of the Investment Manager. As on 30 June 2023 he held 2,939 (31 December 2022: 2,719) shares in Class D2 SEK of the Fund.

None of the other Directors of the ICAV held shares in the Fund during the period ended 30 June 2023 (31 December 2022: Nil).

With the exception of the above, there are no other related party transactions.

#### **14. TRANSACTIONS WITH CONNECTED PERSONS**

Regulation 43(1) of the Central Bank UCITS Regulations requires in effect that any transaction carried out with a UCITS by a management company or depositary to the UCITS, the delegates or sub-delegates of the management company or 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 Manager is satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in Regulation 43(1) of the Central Bank UCITS Regulations are applied to all transactions with connected persons, and are satisfied that transactions with connected persons entered into during the period complied with the obligations set out in Regulation 43(1) of the Central Bank UCITS Regulations.

#### **15. SIGNIFICANT EVENTS DURING THE YEAR**

The Directors of the Fund continue to monitor the developments in the conflict between Russia and Ukraine closely. The fund holds no investments or exposures directly related to the countries directly involved in the conflict. Neither the Directors nor the Investment Manager foresee any impact due to the situation other than market reactions to future developments

There were no other significant events during the period which need to be recorded in the financial statements.

#### **16. SUBSEQUENT EVENTS**

On 3 July 2023 an updated Supplement of the Fund was filed with the Central Bank of Ireland. The updates covered a change of expected annualized volatility to 10 percent from previously 8 percent.

#### **17. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Board of Directors on 22 August 2023.

## SCHEDULE OF INVESTMENTS

As at 30 June 2023

Holdings	Description	Fair Value EUR	% of Net Asset Value
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>			
<b><i>Fixed Income Securities</i></b>			
<b>Bermuda</b>			
4,200,000	Treasury Certificates 0% 14/09/2023	4,171,808	9.88
2,200,000	Treasury Certificates 0% 11/01/2024	2,159,861	5.11
		<b>6,331,669</b>	<b>14.99</b>
<b>France</b>			
3,500,000	French Discount Treasury Bill 0% 26/07/2023	3,493,455	8.27
3,700,000	French Discount Treasury Bill 0% 09/08/2023	3,687,882	8.73
3,400,000	French Discount Treasury Bill 0% 23/08/2023	3,384,445	8.01
1,500,000	French Discount Treasury Bill 0% 06/09/2023	1,491,053	3.53
2,000,000	French Discount Treasury Bill 0% 13/09/2023	1,986,770	4.71
1,500,000	French Discount Treasury Bill 0% 20/09/2023	1,489,057	3.53
2,100,000	French Discount Treasury Bill 0% 04/10/2023	2,081,636	4.93
1,200,000	French Discount Treasury Bill 0% 18/10/2023	1,187,916	2.81
3,200,000	French Discount Treasury Bill 0% 01/11/2023	3,162,848	7.49
2,500,000	French Discount Treasury Bill 0% 15/11/2023	2,467,475	5.84
3,600,000	French Discount Treasury Bill 0% 29/11/2023	3,548,250	8.40
2,800,000	French Discount Treasury Bill 0% 24/01/2024	2,744,700	6.50
		<b>30,725,487</b>	<b>72.75</b>
	<b>Total Fixed Income Securities</b>	<b>37,057,156</b>	<b>87.74</b>
<b><i>Futures Contracts<sup>1</sup></i></b>			
<b>Australia</b>			
17	SPI 200 Index future 21/09/2023	8,855	0.02
		<b>8,855</b>	<b>0.02</b>
<b>Canada</b>			
7	S&P TSX 60 Index future 14/09/2023	5,801	0.02
		<b>5,801</b>	<b>0.02</b>
<b>Germany</b>			
4	Euro Buxl 30 Yr Bond future 07/09/2023	5,300	0.01
		<b>5,300</b>	<b>0.01</b>
<b>Hong Kong</b>			
1	H-Shares Index future 28/07/2023	135	-
7	Hang Seng Index future 28/07/2023	2,677	0.01
		<b>2,812</b>	<b>0.01</b>
<b>Italy</b>			
2	FTSE MIB Index future 15/09/2023	3,975	0.01
		<b>3,975</b>	<b>0.01</b>
<b>Netherlands</b>			
1	AEX Index future 21/07/2023	370	-
		<b>370</b>	<b>-</b>

Holdings	Description	Fair Value EUR	% of Net Asset Value
<b>Singapore</b>			
152	FTSE China A50 Index future 28/07/2023	293	-
48	Nikkei 225 Index future 07/09/2023	167,466	0.40
		<b>167,759</b>	<b>0.40</b>
<b>Sweden</b>			
19	OMXS30 ESG future 21/07/2023	655	-
		<b>655</b>	<b>-</b>
<b>United States</b>			
1	CAD Currency future 19/09/2023	383	-
21	Mini Russell 2000 Index future 15/09/2023	10,893	0.03
24	Mini S&P 500 ESG Index future 15/09/2023	68,546	0.16
39	GBP Currency future 18/09/2023	1,412	-
14	Mini Nasdaq 100 Index future 15/09/2023	34,912	0.08
11	Mini S&P MID 400 Index future 15/09/2023	62,369	0.15
		<b>178,515</b>	<b>0.42</b>
<b>Total Future Contracts</b>		<b>374,042</b>	<b>0.89</b>
Variation margin paid on futures contracts		(6,712)	(0.02)
<b>Total Future Contracts</b>		<b>367,330</b>	<b>0.87</b>
<b>Total Financial Assets at Fair Value Through Profit or Loss</b>		<b>37,424,486</b>	<b>88.61</b>
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS			
<i>Future Contracts<sup>1</sup></i>			
<b>Australia</b>			
16	Australia 10 Yr Bond future 15/03/2023	(10,024)	(0.02)
		<b>(10,024)</b>	<b>(0.02)</b>
<b>Germany</b>			
5	DAX Index future 15/09/2023	(1,387)	(0.01)
4	Euro-OAT Bond future 07/09/2023	(4,330)	(0.01)
1	Euro-Schatz Bond future 07/09/2023	(645)	-
124	Euro Stoxx ESG-X Index future 15/09/2023	(25,480)	(0.06)
		<b>(31,842)</b>	<b>(0.08)</b>
<b>Singapore</b>			
19	MSCI Taiwan Index future 28/07/2023	(3,753)	(0.01)
		<b>(3,753)</b>	<b>(0.01)</b>
<b>United Kingdom</b>			
32	FTSE 100 Index future 15/09/2023	(34,522)	(0.08)
		<b>(34,522)</b>	<b>(0.08)</b>
<b>United States</b>			
61	JPY Currency future 18/09/2023	(178,690)	(0.42)
65	Mini MSCI Emerging Markets Index future 15/09/2023	(69,782)	(0.17)
6	US Ultra Bond future 20/09/2023	(4,531)	(0.01)
(206)	EUR Currency future 18/09/2023	(75,515)	(0.18)
		<b>(328,518)</b>	<b>(0.78)</b>

<b>Holdings</b>	<b>Description</b>	<b>Fair Value EUR</b>	<b>% of Net Asset Value</b>
	<b>Total Future Contracts</b>	<b>(408,659)</b>	<b>(0.97)</b>
	Variation margin received on futures contracts	358,073	0.85
	<b>Total Future Contracts</b>	<b>(50,586)</b>	<b>(0.12)</b>
	<i><b>Forward Contracts<sup>1</sup></b></i>		
	Buy SEK310,643,687 / EUR26,730,272 01/08/2023	(410,992)	(0.97)
	Buy USD8,252,678 / EUR7,672,285 01/08/2023	(75,224)	(0.18)
	<b>Total Forward Contracts (Notional Amount: EUR 34,402,557)</b>	<b>(486,216)</b>	<b>(1.15)</b>
	<b>Total Financial Liabilities at Fair Value Through Profit or Loss</b>	<b>(536,802)</b>	<b>(1.27)</b>
	<b>Total Financial Assets and Liabilities at Fair Through Profit or Loss</b>	<b>36,887,684</b>	<b>87.34</b>
	<b>Other net assets</b>	<b>5,346,107</b>	<b>12.66</b>
	<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>42,233,791</b>	<b>100.00</b>

<sup>1</sup> The counterparty for forward, future and swap contracts is Goldman Sachs.

<b>Analysis of Total Assets</b>	<b>Amount EUR</b>	<b>% of Total Asset</b>
Transferable securities admitted to an official stock exchange	30,725,487	71.76
Transferable securities traded on a regulated market	6,331,669	14.79
Financial derivative instruments dealt on a regulated market	367,330	0.86
Cash and cash equivalents	822,656	1.92
Other assets	4,568,613	10.67
<b>Total Asset</b>	<b>42,815,755</b>	<b>100.00</b>

## SCHEDULE OF PORTFOLIO CHANGES

For the period from 1 January 2023 to 30 June 2023

<b>All Purchases</b>	<b>Cost in EUR</b>
French Discount Treasury Bill 0% 05/07/2023	3,971,622
French Discount Treasury Bill 0% 11/29/2023	3,516,922
French Discount Treasury Bill 0% 26/07/2023	3,457,585
French Discount Treasury Bill 0% 23/08/2023	3,361,077
French Discount Treasury Bill 0% 01/11/2023	3,138,091
French Discount Treasury Bill 0% 24/01/2024	2,741,404
French Discount Treasury Bill 0% 09/08/2023	2,673,965
French Discount Treasury Bill 0% 13/04/2023	2,486,362
French Discount Treasury Bill 0% 15/11/2023	2,465,110
Treasury Certificates 0% 11/05/2023	2,287,202
Treasury Certificates 0% 11/01/2024	2,158,563
French Discount Treasury Bill 0% 04/10/2023	2,072,345
French Discount Treasury Bill 13/09/2023	1,984,458
Treasury Certificates 0% 14/09/2023	1,976,291
French Discount Treasury Bill 0% 20/09/2023	1,479,734
French Discount Treasury Bill 0% 18/10/2023	1,184,906
French Discount Treasury Bill 0% 07/06/2023	994,163
French Discount Treasury Bill 0% 12/07/2023	494,396
<b>All Sales</b>	<b>Proceeds in EUR</b>
French Discount Treasury Bill 0% 22/02/2023	4,096,036
French Discount Treasury Bill 0% 05/07/2023	3,995,190
French Discount Treasury Bill 0% 14/06/2023	2,996,261
French Discount Treasury Bill 0% 25/01/2023	2,498,437
French Discount Treasury Bill 0% 13/04/2023	2,497,825
Treasury Certificates 0% 09/03/2023	2,297,896
Treasury Certificates 0% 11/05/2023	2,297,792
Treasury Certificates 0% 13/07/2023	2,197,107
French Discount Treasury Bill 0% 17/05/2023	2,097,911
French Discount Treasury Bill 0% 08/03/2023	1,998,300
French Discount Treasury Bill 0% 22/03/2023	1,998,152
French Discount Treasury Bill 0% 19/04/2023	1,998,100
French Discount Treasury Bill 0% 12/07/2023	1,198,375
French Discount Treasury Bill 0% 07/06/2023	998,995
French Discount Treasury Bill 0% 05/04/2023	998,372

The portfolio changes reflect the aggregate purchases of a security exceeding one per cent of the total value of purchases and aggregate disposals of a security greater than one per cent of the total sales for the period. At a minimum the largest 20 purchases and largest 20 sales must be given. The full listing of the portfolio changes for the period is available, upon request, at no extra cost from the Administrator.

## OTHER ADDITIONAL DISCLOSURES

For the period from 1 January 2023 to 30 June 2023

### Exchange Rates

The following foreign exchange rates were used to translate assets and liabilities into EUR at the period year end:

	30 June 2023	31 December 2022
Australian Dollar	0.6106	0.6370
Canadian Dollar	0.6956	0.6924
Hong Kong Dollar	0.1177	0.1202
Japanese Yen	0.0064	0.0071
Pound Sterling	1.1649	1.1292
Swedish Krona	0.0847	0.0899
United States Dollar	0.9220	0.9373

### Reconciliation of Net Asset Value Attributable To The Holders Of Redeemable Participating Shares To The Published Net Asset Value

	30 June 2023 EUR	31 December 2022 EUR
Published net asset value	42,232,216	31,175,087
Adjustment for subscriptions receivable	1,575	3,055
<b>Net assets attributable to the holders of redeemable participating shares (in accordance with IFRS)</b>	<b>42,233,791</b>	<b>31,178,142</b>

The above adjustment is required for financial reporting purposes only and has no impact on the subscription and redemption prices at which shareholders deal.

## APPENDIX

### TOTAL EXPENSE RATIO

The Total Expense Ratio (“TER”) is calculated according to the following formula: (total expenses / AF)\* 100;

AF (= average fund assets)

	%	%
	<b>30 june 2023</b>	<b>30 june 2022</b>
Total Expense Ratio	1.00	1.16

### THE SECURITIES FINANCING TRANSACTION REGULATION DISCLOSURE

The Securities Financing Transactions Regulation (“SFTR”) introduces mandatory reporting for Securities Financing Transactions (“SFTs”) and sets minimum disclosure and consent requirements on the re-use of collateral with the aim of improving transparency in the SFT market.

A SFT is defined as per Article 3(11) of the SFTR as:

- a repurchase transaction;
- securities or commodities lending and securities or commodities borrowing;
- any transaction having an equivalent economic effect, in particular a buy-sell back transaction or sell-buy back transaction; or
- a margin lending transaction.

As at 30 June 2023, the Fund held no SFTs and therefore SFT reporting requirements do not apply to the Fund.





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