

LYNX UCITS FUND

A SUB-FUND OF THE LYNX UCITS FUNDS ICAV

SEMI-ANNUAL REPORT AND UNAUDITED CONDENSED FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021

L Y N X

LYNX UCITS FUND

MANAGEMENT AND ADMINISTRATION

Registered Office	5 George's Dock International Financial Services Centre Dublin 1 Ireland
Directors	Brian Dunleavy* Fiona Mulhall** Marcus Andersson* (Resigned 17 May 2021) Henrik Landén (Appointed 17 May 2021)
Manager	KBA Consulting Management Limited 5 George's Dock International Financial Services Centre Dublin 1 Ireland
Investment Manager and Distributor	Lynx Asset Management AB Regeringsgatan 30-32 Box 7060 SE – 103 86 Stockholm Sweden
Depository	HSBC Continental Europe 1 Grand Canal Square Grand Canal Harbour Dublin 2 Ireland
Administrator	HSBC Securities Services (Ireland) DAC 1 Grand Canal Square Grand Canal Harbour Dublin 2 Ireland
Legal Counsel (as to Irish law)	Matheson 70 Sir Rogerson's Quay Dublin 2 Ireland
Independent Auditor	KPMG Chartered Accountants 1 Harbourmaster Place International Financial Services Centre Dublin 1 Ireland
Secretary	KB Associates 5 George's Dock International Financial Services Centre Dublin 1 Ireland

* Non-executive director.

** Non-executive independent director.

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LYNX UCITS FUND | CONTENTS

<i>Management and Administration</i>	2
<i>Investment Manager's Report</i>	7
<i>Statement of Financial Position</i>	13
<i>Statement of Comprehensive Income</i>	14
<i>Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares</i>	15
<i>Statement of Cash Flows</i>	16
<i>Notes to the Financial Statements</i>	17
<i>Schedule of Investments</i>	28
<i>Schedule of Portfolio Changes</i>	33
<i>Appendix</i>	34

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 2021 to 30 June 2021

PERFORMANCE OVERVIEW

The Lynx UCITS Fund ended the first half of 2021 up 2.49¹ per cent as gains in commodities and equities outpaced losses in fixed income and foreign exchange. The positive result brings annualized performance since inception for the standard Lynx program² to 9.33 per cent with an annualized standard deviation of 14.92 per cent. While the year-to-date result trails the Société Générale CTA Index (a leading industry benchmark) which ended the period up 6.51 per cent, the 17.95 per cent rolling 12-month performance comfortably leads the 12.91 per cent index return.

Anticipation of economies reopening around the globe impacted markets from energies to bonds. Concerns over rising inflation also surfaced. As most developed economies have benefited from generally benign conditions over the past 40 years, uncertainty regarding how rising inflation may impact asset prices created some unease for investors. The resulting price action created both opportunities and challenges for Lynx as the models adapted to the new regime.

Trend-following models generated positive results across timeframes with performance commensurate with the risk budgeted; medium-term holding periods were most profitable followed by short and then long-term models. Short and medium-term diversifying models also generated positive results in aggregate, although the returns were below their trend-following peers. Meanwhile, long-term diversifying models were unprofitable, slightly outweighing the gains in the other timeframes.

MARKET DEVELOPMENTS

While most have been looking forward to the time when the COVID-19 pandemic is no longer capturing the headlines and driving markets, they will need to look beyond the first six months of 2021. However, unlike last year when shutdowns and quarantines were stifling economies and the humanitarian crisis seemed to get more dire by the day, the increasing availability of coronavirus vaccines as the year progressed resulted in an optimism that had been absent for most of 2020.

Access to these vaccines – and the robustness of vaccination programs – had a marked impact on economic activity. While some countries struggled to secure enough doses to control the spread of the virus, govern-

ments in most developed Western nations were able to begin lifting the most extreme pandemic restrictions as their populations became increasingly immunized. The spread of more contagious – and potentially vaccine-resistant – variants slowed the reopening in Europe late in June and lockdowns returned across Asia and Australia as the second quarter drew to a close, but significant advances were made and global growth accelerated as a result.

In the US, GDP climbed 6.4 per cent in the first quarter and higher frequency economic indicators signalled continued strength. Inflation similarly rose and the US Federal Reserve became slightly more hawkish as a result. Although the Fed indicated last year that they would be comfortable loosening their inflation target – particularly given rather anaemic conditions in recent years – some governors revised their monetary policy expectations and dissented from the consensus opinion that price risks were transitory. Labor force participation rates generally remained below pre-pandemic levels as expanded benefits contributed to fewer employees reentering the workforce. Meanwhile, the unemployment rate continued to decline but remained over 2 per cent higher than in February 2020 adding to the uncertainty surrounding policy.

The Eurozone contracted in the first quarter as vaccine availability on the continent was initially well below the UK and North America, although the tide shifted markedly as the year progressed and growth accelerated. Inflation rates generally exceeded expectations – approaching pre-pandemic levels – and the ECB began considering their options should it exceed their 2 per cent target for an extended period. Levels varied widely across the continent, although price pressures generally rose. As was the case in the US, unemployment rates remained elevated when compared to the pre-pandemic period, particularly on the periphery.

Dramatic declines in manufacturing during the depths of the crisis – and the resulting low inventory levels coming into the new year – created an opportunity for many Asian nations to benefit from the recovery. However, relatively slow vaccinations across the continent contributed to muted domestic demand and lower inflation levels than developed Western economies; rising commodity prices further hindered growth. Even those nations that experienced increasing price pressures

¹ The performance is representative for Class I USD.

² The Lynx program is a trading strategy which is proprietary developed by Lynx Asset Management AB and was launched in May 2000.

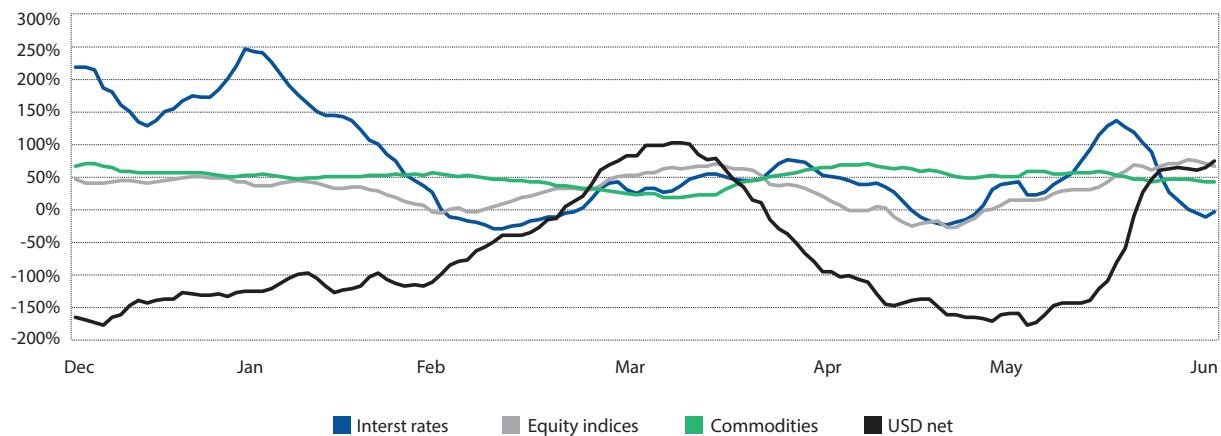


Chart 1. Net exposure by asset class in 2021.

were impacted by rising COVID-19 infection rates as a third wave began spreading across the region late in the period.

Expansionary monetary policy stayed in place across much of the globe as most central banks remained committed to keeping rates low at least through the end of 2021 and asset purchase programs continued. Prospects of increasing fiscal stimulus, including plans for infrastructure development, spawned optimism that governments would continue to support economic growth by any means necessary. Due in part to the ample liquidity bolstered by these accommodative policies, most global stock indices ended the first half of the year in positive territory, MSCI World, a global equity index, rose by 14.4 per cent. Major US indices closed at near record highs, while European bourses similarly performed well after a relatively slow start; the S&P 500 and EuroStoxx 50 each climbed 14.4 per cent. Expectations that nations would begin tapping the EU recovery fund further supported European stocks in the second quarter. With headwinds from rising COVID infection rates and speculation of tighter monetary policy in China and elsewhere in the region, Asian equity indices generally trailed US and European counterparts. The Japanese Nikkei 225 index ended the period up 4.9 per cent while the Hang Seng index rose 5.9 per cent.

Despite sanguine growth forecasts and continued accommodative monetary policy, global yield curves flattened in the second quarter after steepening earlier in the period. Rising inflation data had the greatest impact on the US curve, particularly after the FOMC dot plot revealed two rate hike projections in 2023 – earlier than previously forecast – and more robust economic projections for the current year. Skepticism regarding future policy resulted in some price fluctuations, but after peaking at 1.75 per cent on the 31st March, 10-year Treasury yields declined by 28 basis points to 1.47 per cent by the end of June. Even after the pullback, 10-

year rates remained 55 basis points above where they were coming into the year. European interest rate expectations also climbed but real rates in most countries remained negative. German 10-year bund rates climbed by 37 basis points, yet nominal yields remained below zero at -0.20 per cent. Speculation that the ECB would begin tapering their pandemic emergency purchase program (PEPP) contributed to climbing yields late in the period.

As the US economy gained momentum, indications that the Fed was considering tapering quantitative easing began to emerge. Official statements indicating that insufficient progress had been made, particularly regarding employment, created some ambiguity regarding future policy, but the US greenback nevertheless appreciated against most global counterparts in response by 2.8 per cent as measured by the US dollar index. Developed market European and Asian currencies similarly moved on changing monetary policy expectations, particularly as pandemic restrictions and lockdowns returned. Emerging market currencies fluctuated broadly as growth expectations and expected interest rate policy influenced exchange rates. The Turkish lira depreciated markedly on concerns over nonconventional monetary policy; despite persistent inflation in the country, Turkish president Erdogan was outspoken over the need for more accommodative monetary policy.

In commodities, rising demand for industrial metals and energies as economies reopened was met with extraordinarily tight inventories leading to speculation of another commodity “super-cycle.” Crude oil prices were particularly strong as voluntary Saudi Arabian production cuts – beyond levels previously negotiated within OPEC – and refinery closures in Texas during the first quarter contributed to the move. Brent crude oil rose 44 per cent during the period. Copper prices also rose significantly due to increasing industrial demand – specifically for electrical wiring and battery production –

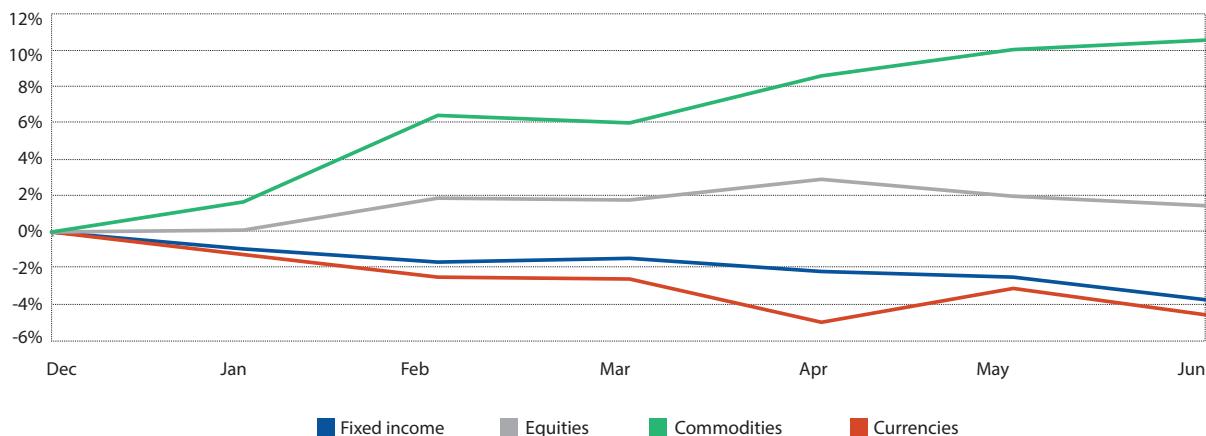


Chart 2 Contribution to performance by Asset Class during January to June 2021.

and decreasing South American production. Attempts by China to curb the appreciation – including pledging to release base metals from strategic national reserves – resulted in some weakness in June, although prices remained elevated ending up over 22 per cent on the year. Weather had the greatest impact on agricultural markets as grain and bean prices hit multiyear highs early in the year before US crop estimates rose on improving conditions as summer arrived.

ANALYSIS OF THE RESULT

Commodity markets continued to drive positive performance as they did in 2020 contributing approximately 10.7 per cent to the total gain of 2.5 per cent generated by the Fund in the first half of 2021. Energies were exceptionally profitable generating approximately a 6.7 per cent return as prices climbed on rising demand and tight supply. Meanwhile, agricultural markets generated strong results early in the year but softened in the second quarter, ultimately producing a gain of 2.9 per cent. Long positions in grains were particularly profitable as soybean and corn prices extended their meteoric rise from 2020 on increasing Chinese imports and dwindling global inventories through the end of May. Prices declined precipitously in June as Chinese farmers significantly increased planted acreage to meet domestic demand and weather conditions in the US improved, but the fund's exposure fell quickly resulting in only a partial giveback of previous gains. In the metals, solid profits in copper and aluminum outpaced losses in gold and silver to yield an approximate gain of 0.9 per cent. Industrial metals climbed on the “reopening trade” while precious metals weakened as the pandemic began to ease. Commodity profits were distributed relatively equally between trend-following and diversifying models with all timeframes generating a positive return.

Equity index futures were also profitable, contributing approximately 1.4 per cent to the six-month

return. Not only did results vary by region, but also within regions, as multiple factors from vaccine distribution to monetary and fiscal policy to the composition of each index influenced price action. Net exposure vacillated broadly between long and short as models attempted to forecast market direction and optimally express equity beta.

Interestingly, many of the multivariate models periodically maintained opportunities in industrial commodities as more attractive alternatives. Ultimately, gains in North America and Asia outweighed losses in Europe; large cap US indices and the Korean KOSPI made the largest positive contribution, while trading in the EuroStoxx index was the most challenging. Medium to long-term trend-following models were particularly profitable while medium-term diversifiers had the most difficulty in the sector; short-term models in both groups generated slightly negative results.

Conversely, foreign exchange was the most challenging sector for Lynx in the first half of the year, generating a loss of approximately -4.7 per cent. The program entered 2021 with significant short positions in the US dollar which suffered as the US currency rose early in the first quarter on increasing rate expectations. Net exposure fluctuated broadly afterwards as exchange rates moved in part on changing expectations of future monetary policy. While the Fed remained highly accommodative, indications of rising inflation resulted in an increasingly hawkish tone from some – but not all – Federal Reserve governors. This dissension contributed to a relatively challenging trading environment in the dollar. Additionally, rising COVID-19 infections in some countries and the consequential reinstatement of lockdowns and extensions of pandemic restrictions also had a marked influence on foreign exchange which was difficult for the models to decipher. Trend-following models were unprofitable across timeframes, although the medium-term holding periods were particularly

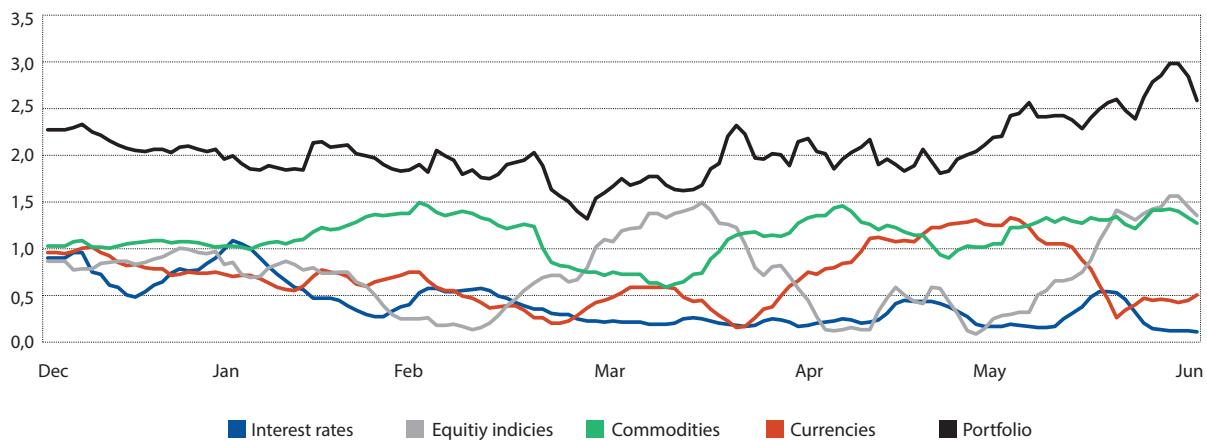


Chart 3 VaR development through June 2021 for the Lynx program.

challenged. Medium-term diversifying models similarly had difficulty, while long-term models realized a slight gain.

Fixed income also weighed on performance, contributing a loss of approximately -3.9 per cent. Bonds and short-term interest rates were both unprofitable as losses were realized across regions. In the US, models maintained curve steepening positions throughout much of the half; however, gains generated on the long end of the curve were insufficient to cover losses in shorter-term instruments as interest rate expectations increased dramatically with the emergence of inflationary pressures. Results were similarly mixed in Europe, as a profitable short position in Euro-buxl futures was outweighed by losses in other German and French bonds. European fixed income exposure vacillated broadly during the first six months of the year as models had difficulty accurately forecasting the trajectory of rates. Elsewhere in the world, Korean and Australian bonds were also modestly unprofitable. By model family, losses were relatively equally split between trend-following and diversifying models, although performance varied by timeframe. Short-term holding periods were the most successful trend models while medium-term diversifying models performed best. Conversely, long-term timeframes performed poorly across both.

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

Performance by asset class

Commodity-related investments	10.7%
Equity-related investments	1.4%
Fixed income-related investments	-3.9%
Currency-related investments	-4.7%
Other (management fees, interest etc.)	-1.0%
Total performance	2.5%

Performance by model type

Trend following models		4.0%
Of which	- short-term	1.4%
	- medium-term	1.8%
	- long-term	0.8%
Diversifying models		-0.4%
Of which	- short-term	0.1%
	- medium-term	0.2%
	- long-term	-0.7%
Other (management fees, interest etc.)		-1.0%
Total performance		2.5%

RISK UTILIZATION

To achieve the fund's volatility target of 18 per cent annualized volatility, the average Value at Risk ("VaR") for the portfolio should equate to approximately 1.9 per cent (1-day, 95 per cent confidence interval). During the first half of 2021, the average VaR for the Lynx program was around 2.0 per cent.

The fund's risk utilization is decided by the underlying models and the risk is directed to those markets where the models identify the most attractive opportunities. Commodities have consistently accounted for a relatively large portion of the risk so far this year, contributing to the elevated VaR across the portfolio. They have also been the best performing asset class by a wide margin, reflecting how the risk budgeting process can contribute to positive results.

Interestingly, models have been less convinced of opportunities in fixed income throughout the year, resulting in a relatively low allocation as compared to the target. Meanwhile, models have been highly tactical allocating risk in equities and foreign exchange with varied results. Overall portfolio VaR approached the 3% limit in late June and remained well above average as the month came to a close.

The chart above illustrates the change in risk during the year as measured by VaR (1 day, 95 per cent confidence interval) as well as the risk for the four sectors separately:

INVESTMENT PROCESS

The six portfolio managers of the Lynx program constitute the investment committee and are responsible for the strategic direction and management of the fund. As trading decisions are made by the 46 models currently employed in the program, the investment committee focuses primarily on longer-term matters such as determining which models are included in the portfolio and setting the average risk budgeted to each asset class and market. The investment committee also has the final authority to set the allocations to each model. However, the weight placed on the output of statistical portfolio optimization increased in 2021 due to further advancements in our approach to forecasting correlation and other model characteristics.

The model lineup and risk allocations are formally reevaluated twice a year in June and December. The investment committee and the research team work diligently throughout the year leading up to these revisions. As early as four months before the actual implementation, the research department submits proposals for new models and each model is carefully evaluated by a reference group in the research team and the investment committee. To be approved by the investment committee, a new model must not only demonstrate the ability to generate positive results across multiple time periods, but also display attractive return characteristics in several key aspects. The metrics used in model evaluation include the expected marginal contribution to the existing portfolio of models and behaviour in extreme market situations. In addition, the model's underlying foundational concept is assessed and analyzed.

As part of the semiannual evaluation, all models that are already employed in the portfolio are reviewed to ensure that performance has not deviated from historical expectations.

Their contribution to the portfolio return is also analyzed as this contributes to their risk budget over the coming months. During the first six months of the year, three new models were added to the portfolio, while two models were retired.

Additions

The three additions are diversifying models employing machine learning and quantitative macro techniques, some utilizing non-price data from new sources. The first is a multivariate medium-term model utilizing multiple indicators, some conditioned on other indicators and the

performance of the signals generated, to construct an optimal portfolio; the approach is similar to a neural network with no hidden layers. The next addition is another medium-term diversifying model, this one using both fundamental and technical inputs to forecast commodity prices; import/export data, foreign exchange rates, commitment of traders reports, term structure dynamics and cross commodity spread information are all considered. The final model is an asset class specific short-term diversifying model that measures the trend of ETF and mutual fund flows to trade precious metals; signals are generated in the direction of the flow momentum.

Retirements

The first model retired was a short-term diversifying model that had underperformed expectations; in some cases, the opportunities that diversifying models attempt to capitalize upon degrade faster than expected resulting in relatively quick turnover. The second retirement was a multivariate long-term trend-following model incorporating value, momentum and risk sentiment indicators to tactically allocate capital between stock indices and bonds; newer models have been developed that apply similar concepts, but more robustly.

The risk allocated to model families changed marginally from the end of 2020. The trend-following allocation declined from 72 to 68 per cent while diversifying models increased from 28 to 32 per cent. Notably, the reduction in trend came primarily from long-term models which declined from 13 to 10 per cent; short-term trend increased from 14 to 15 per cent, while medium-term models fell from 42 to 41 per cent. The increase in diversifying models was largely due to medium-term timeframes which rose from 18 to 21 per cent; short and long-term diversifying models remained at 3 and 10 per cent, respectively. As has been the case in recent years, these changes reflect an increasing adaptivity of the portfolio to shifting market conditions. The average risk allocation amongst asset classes remained unchanged, with fixed income and equities each budgeted 28 per cent, foreign exchange 23 per cent and commodities 21 per cent.

The table below illustrates the allocations to each model category as of the end of June 2021 compared to these same figures from the end of 2020 (in parentheses):

Target Allocation Between Model Types¹

	Trend-following models	Diversifying models
Short-term	15% (14)	3% (3)
Medium-term	41% (42)	21% (18)
Long-term	10% (13)	10% (10)

¹ Due to diversification effects the numbers in the table do not sum up to total risk per model type.

More information on all programs managed by Lynx can be found at www.lynxhedge.se.

ASSETS UNDER MANAGEMENT

Total assets under management in the Lynx program at the end of June 2021 were approximately USD 6.45 billion, compared with USD 5.20 billion at the end of 2020. The increase in assets under management is a result of significant inflows during the first half of 2021. We are happy to note the continued confidence we enjoy from our clients.

Most of the program's assets are invested in separately managed client accounts and in the offshore funds.

OFFICE ACCESS

As of the writing of this letter, we continue to follow governmental recommendations regarding access to our headquarters in Stockholm, Sweden. Employees currently have the ability to either work from Lynx' office (in accordance with restrictions regarding the number of employees present simultaneously) or remotely through secured connections. We have a Gigabit internet connection with a fully mirrored backup, which is tested daily and periodically test the robustness of our remote connectivity platform. Should conditions remain the same, we anticipate to welcome all employees as well as visitors back to the office without current limitations - beginning in mid-August.

OUTLOOK

We recently wrote about the potential for an inflationary environment to develop over the coming years and the challenges investors may face managing risk should this occur. Extraordinarily accommodative monetary poli-

cies are still in place from the aftermath of the global financial crisis and the compounding effect of recent stimulus has the potential to exacerbate fiscal imbalances globally. Government debt continues to rise and while quantitative easing mitigates the risk of a rate spike, it is only a matter of time before asset purchases are tapered and programs abolished.

However, as a quantitative systematic manager our job is not to predict what the world will be like months or years from now. Rather, our models attempt to forecast how market prices will move tomorrow based only on data that is available today. "History doesn't repeat itself, but it often rhymes," as the adage goes. Using history as our guide, we attempt to navigate through any regime and – to the extent that the future reflects the past – capitalize on the opportunities that emerge.

Having said this, certain environments tend to be more attractive than others. Trend-following models generally need market prices to move from one level of equilibrium to the next to prosper. As investors respond to the extraordinary changes that have taken place since the pandemic began and digest the potential impact of increasing monetary and fiscal stimulus, markets could move significantly. We believe that the Lynx program is prepared to capitalize on the market opportunities that should arise if they do.

As always, Lynx remains committed to managing your capital responsibly and profitably. We are invested alongside our clients in every program we manage, aligning our interests directly with our investors. We hope to reward your confidence in us with differentiated, positive returns for the rest of 2021 and beyond.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	<i>Notes</i>	30 June 2021 USD	31 December 2020 USD
ASSETS			
Financial assets at fair value through profit or loss	3,4	31,684,801	31,725,270
-Transferable securities		905,450	1,888,879
-Financial derivative instruments		1,595,225	718,115
Cash and cash equivalents		3,251,318	1,520,022
Cash held as collateral		3,903,497	3,299,535
Due from brokers		2,802	-
Other assets and prepaid expenses			
TOTAL ASSETS		41,343,093	39,151,821
LIABILITIES			
Financial liabilities at fair value through profit or loss	3,4	(2,572,371)	(298,565)
-Financial derivative instruments		-	(160,000)
Cash received as collateral		(22,023)	(17,915)
Audit fees payable		(6,432)	(1,848)
Administration fees payable	5(d)	(15)	(16,262)
Directors' fees payable	5(f)	(1,627)	(1,711)
Depository fees payable	5(e)	(27,828)	(23,344)
Investment management fees payable	5(a)	(87,956)	-
Performance fees payable	5(c)	(2,350)	-
Manager fees payable	5(b)	(18,154)	(20,662)
Other payables	6		
LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES)		(2,738,756)	(540,307)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES		38,604,337	38,611,514

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

STATEMENT OF COMPREHENSIVE INCOME

For the period from 1 January 2021 to 30 June 2021

	Notes	30 June 2021 USD	30 June 2020 USD
INVESTMENT INCOME			
Interest income		2,011	7,821
Other income		18,720	517
Net losses on financial assets and financial liabilities at fair value through profit or loss	3	(1,030,923)	(2,692,609)
Net gains/(losses) on foreign exchange		840,009	(875,577)
TOTAL INVESTMENT EXPENSE		(170,183)	(3,559,848)
OPERATING EXPENSES			
Administration fees	5(d)	(36,064)	(16,101)
Directors' fees	5(f)	(9,656)	(9,181)
Transaction costs		(27,826)	(1,828)
Depository fees	5(e)	(12,753)	(11,176)
Investment management fees	5(a)	(150,716)	(190,521)
Performance fees	5(c)	(91,641)	-
Audit fees		(4,809)	(8,242)
Manager fees	5(b)	14,362	-
Other expenses	7	(15,837)	(37,935)
TOTAL OPERATING EXPENSES		(363,664)	(274,984)
OPERATING LOSS		(533,847)	(3,834,832)
FINANCE COSTS			
Interest expense		(9,058)	(691)
TOTAL FINANCE COSTS		(9,058)	(691)
DECREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS		(542,905)	(3,835,523)

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

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

For the period from 1 January 2021 to 30 June 2021

	30 June 2021 USD	30 June 2020 USD
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE BEGINNING OF THE PERIOD	38,611,514	57,138,475
Issue of redeemable participating shares	6,881,165	7,165,461
Redemptions of redeemable participating shares	(6,345,437)	(21,416,191)
Decrease in net assets attributable to holders of redeemable participating shares from operations	(542,905)	(3,835,523)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE END OF THE PERIOD	38,604,337	39,052,222

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

STATEMENT OF CASH FLOWS

For the period from 1 January 2021 to 30 June 2021

	30 June 2021 USD	30 June 2020 USD
CASH FLOWS FROM OPERATING ACTIVITIES		
Net decrease in net assets resulting from operations	(542,905)	(3,835,523)
Net losses on financial assets and financial liabilities at fair value through profit or loss	1,030,923	2,692,609
Purchase of financial assets	(24,600,413)	(52,641,470)
Proceeds from sale of financial assets	27,151,301	67,526,245
(Payments)/proceeds on settlement of financial derivative instruments	(284,107)	721,849
(Increase) in other assets and prepaid expenses	(2,802)	(3,171)
(Increase)/decrease in cash held as collateral	(1,731,296)	186,327
(Decrease) in cash received as collateral	(160,000)	-
(Increase) in due from brokers	(603,962)	(3,383,872)
(Decrease) in due to brokers	-	(193,652)
Increase/(decrease) in audit fees payable	4,108	(8,027)
Increase/(decrease) in performance fees payable	87,956	(1,221)
Increase/(decrease) in investment management fees payable	4,484	(9,735)
Increase/(decrease) in administration fees payable	4,584	(3,565)
(Decrease)/increase in depositary fees payable	(84)	390
(Decrease) in directors' fees payable	(16,247)	(1,104)
Increase in Manager fees payable	2,350	-
(Decrease) in other payables	(2,508)	(4,123)
NET CASH PROVIDED BY OPERATING ACTIVITIES	341,382	11,041,957
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on the issue of redeemable participating shares	6,881,165	7,165,461
Payment on redemption of redeemable participating shares	(6,345,437)	(21,416,191)
NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES	535,728	(14,250,730)
Net increase/(decrease) in cash and cash equivalents	877,110	(3,208,773)
Cash and cash equivalents at beginning of the year/period	718,115	1,655,672
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	1,595,225	(1,553,101)
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:		
Interest received	2,011	7,821
Interest paid	(9,058)	(691)

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

NOTES TO THE FINANCIAL STATEMENTS

For the period from 1 January 2021 to 30 June 2021

1. GENERAL

Lynx UCITS Fund (the “Fund”) is a sub-fund of Lynx UCITS 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 2021, the ICAV has established one other sub-fund, Lynx Active Balanced 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.

The ICAV was incorporated on 11 December 2018 and the Fund commenced operation on 1 March 2019.

On 4 March 2019, the net assets of MS Lynx UCITS Fund (a sub-fund of Fund Logic Alternatives Plc) were transferred to the Fund. Following the decision by the Directors of Fund Logic Alternatives Plc to liquidate the sub-fund, Lynx Asset Management AB, the investment manager of MS Lynx UCITS Fund, decided to continue its investment strategy in the newly formed Lynx UCITS ICAV.

The investment objective of the Fund is to provide shareholders with returns based on; (i) exposure to the Lynx Program; (ii) investments in transferable securities and money market instruments issued by government issuers; and (iii) investments in cash deposits and cash equivalent securities.

In June 2020, the investment portfolio of the Fund was restructured. To gain exposure to the Lynx program the Fund invests in futures contracts and currency forward contracts. The Fund also invests in debt securities issued by two Jersey based companies, Alphabeta Access Products Limited and Weser Capital Series 6. Through these debt securities the Fund gains exposure to Lynx (Cayman) Fund Limited which invests in interest rate futures as well as commodity futures in line with the Lynx program.

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 Active Balanced 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 2021 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

	30 June 2021	31 December 2020
	USD	USD
Financial assets at fair value through profit or loss		
<i>Designated at fair value</i>		
Transferable securities		
-Treasury bills	5,581,342	6,750,239
-Treasury certificates	26,103,459	24,975,031
Financial derivative instruments		
-Forward contracts	763,111	1,683,637
-Future contracts	142,339	205,242
Total financial assets at fair value through profit or loss	32,590,251	33,614,149
Financial liabilities at fair value through profit or loss		
Financial derivative instruments		
-Forward contracts	2,484,232	274,262
-Future contracts	88,139	24,303
Total financial liabilities at fair value through profit or loss	2,572,371	298,565
<i>Realized gains/(losses) on financial assets and financial liabilities at fair value through profit or loss</i>		
Losses on investment funds	-	(1,430,148)
Gains/(losses) on debt securities	1,233,037	(1,097,874)
Gains on treasury bills	15,294	343,640
(Losses)/gains on forward contracts	(95,911)	598,838
(Losses)/gains on futures contracts	(188,196)	123,011
Net realized gains/(losses) on financial assets and financial liabilities at fair value through profit or loss	964,224	(1,462,533)
<i>Unrealized gains/(losses) on financial assets and financial liabilities at fair value through profit or loss</i>		
Gains on investment funds	-	112,331
Gains/(losses) on debt securities	1,265,228	(856,177)
Losses on treasury bills	(3,140)	(106,661)
Losses on forward contracts	(3,130,496)	(533,033)
(Losses)/gains on futures contracts	(126,739)	153,464
Net unrealized losses on financial assets and financial liabilities at fair value through profit or loss	(1,995,147)	(1,230,076)
Net losses on financial assets and financial liabilities at fair value through profit or loss		
	(1,030,923)	(2,692,609)

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.
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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 categorisation 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. 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. These include debt securities.

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.

Investments in other investment funds ("Investee Funds") are valued using the NAV of the underlying funds provided by the Investee Funds, without adjustment. Investee Funds are classified as level 2 securities.

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 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 2021.

	Total	(Level 1)	(Level 2)	(Level 3)
	US\$	US\$	US\$	US\$
Financial assets at fair value through profit or loss				
Transferable securities				
-Debt securities	5,581,342	-	5,581,342	-
-Treasury bills	26,103,459	26,103,459	-	-
Forward contracts	763,111	-	763,111	-
Futures contracts	142,339	142,339	-	-
Total financial assets at fair value through profit or loss	32,590,251	26,245,798	6,344,453	-

Financial liabilities at fair value through profit or loss

Financial derivative instruments				
-Forward contracts	(2,484,232)	-	(2,484,232)	-
-Future contracts	(88,139)	(88,139)	-	-
Total financial liabilities at fair value through profit or loss	(2,572,371)	(88,139)	(2,484,232)	-

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 2021 to 30 June 2021.

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 2020.

	Total US\$	(Level 1) US\$	(Level 2) US\$	(Level 3) US\$
Financial assets at fair value through profit or loss				
Transferable securities				
-Debt Securities	6,750,239	-	6,750,239	-
-Treasury bills	24,975,031	24,975,031	-	-
Forward contracts	1,683,637	-	1,683,637	-
Futures contracts	205,242	205,242	-	-
Total financial assets at fair value through profit or loss	33,614,149	25,180,273	8,433,876	-
Financial liabilities at fair value through profit or loss				
Financial derivative instruments				
-Forward contracts	(274,262)	-	(274,262)	-
-Future contracts	(24,303)	(24,303)	-	-
Total financial liabilities at fair value through profit or loss	(298,565)	(24,303)	(274,262)	-

There were no transfers between levels during the financial year ended 31 December 2020.

Financial assets and liabilities not measured at fair value

The financial assets and 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. 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 E Shares	0.70%
Class I Shares	1.00%
Class D1 Shares	1.30%

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).

For the financial period ended 30 June 2021, investment management fees of USD 150,716 (30 June 2020: USD 190,521) were charged to the Fund of which USD 27,828 (31 December 2020: USD 23,344) was payable at the period end.

(b) Manager fees

The Manager shall be entitled to receive from the ICAV, a manager fee calculated as a percentage of the 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 of EUR 52,000 per annum effective from 1 January 2021 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

For the financial period ended 30 June 2021 the Managers' fee of USD 14,362 (30 June 2020: USD 19,119) has been charged to the Fund of which USD 2,350 (31 December 2020: USD 3,151) was payable at the period end.

(c) Performance fees

The Investment Manager will be entitled to receive a performance fee in respect of each share class equal to 20% of the amount by which the NAV of the relevant share class exceeds the high water mark (“HWM”) as at the last business day of the calculation period, first business day through to 31 December, plus any crystallised performance fee accrued in relation to the relevant share class in respect of redemptions during the calculation period subject in the case of the initial adjustment.

HWM means the NAV of the relevant share classes as at the end of the last calculation period on which a performance fee was paid. For the first calculation period, the initial HWM shall be the proceeds of the initial offer price of the relevant share classes subject to the initial adjustment.

The performance fee shall be calculated and accrue daily.

From 8 June 2020, the performance fee is calculated at share class level in accordance with the above description.

For the financial period ended 30 June 2021, performance fees of USD 91,641 (30 June 2020: USD Nil) were charged to the Fund of which USD 87,956 (31 December 2020: USD Nil) was payable at the period end.

(d) 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 60,000. The Fund shall be responsible for the fees of and reasonable out-of-pocket expenses properly incurred by the Administrator.

For the financial period ended 30 June 2021, administration fees of USD 36,064 (30 June 2020: USD 16,101) were charged to the Fund of which USD 6,432 (31 December 2020: USD 1,848) was payable at the period end.

(e) 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.

For the financial period ended 30 June 2021, depositary fees of USD 12,753 (30 June 2020: USD 11,176) were charged to the Fund of which USD 1,627 (31 December 2020: USD 1,711) was payable at the period end.

(f) 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 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.

For the financial period ended 30 June 2021, directors' fees of USD 9,656 (30 June 2020: USD 9,181) were charged to the Fund and USD 15 (31 December 2020: USD 16,262) was payable at the period end.

6. OTHER PAYABLES

	30 June 2021 USD	31 December 2020 USD
Transaction costs payable	7,501	7,214
Secretarial fees payable	1,695	2,514
Professional fees payable	1,695	2,514
VAT services fees payable	894	980
Annual fees payable	-	1,906
Financial reporting fees payable	750	704
Central bank levy payable	1,660	1,404
Payroll services fees payable	642	691
FATCA service fees payable	3,317	2,735
	18,154	20,662

7. OTHER EXPENSES

	30 June 2021 USD	30 June 2021 USD
Financial reporting fees	4,208	3,749
Secretarial fees	2,483	2,679
Professional fees	2,483	3,721
Regulatory admin fee	196	-
Facility fees	1,284	863
Annual fees	1,436	3,136
Out-of-pocket expenses	1,085	1,068
Central bank levy	318	-
FATCA service fees	951	322
Trade fees	-	21,318
Payroll services fees	621	-
Other expenses	772	1,079
	15,837	37,935

8. SHARE CAPITAL AND REDEEMABLE PARTICIPATING SHARES

The minimum authorized share capital of the ICAV is EUR 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 participating shares for the period from 1 January 2021 to 30 June 2021 was as follows:

Share class	At the beginning of the financial period	Shares issued	Shares redeemed	At the end of the financial period
Class D1 USD	34	-	-	34
Class E EUR*	20,949	243	(642)	20,550
Class I EUR*	6,939	5,499	(4,374)	8,064
Class I CHF*	25	-	(25)	-

*Hedged share class

The amounts for the redeemable participating shares movements during the period from 1 January 2021 to 30 June 2021 were as follows:

	Beginning net assets US\$	Amounts subscribed US\$	Amounts redeemed US\$	Conversion of shares US\$	Amount of Profit/loss during the year US\$	Ending net assets US\$
Class D1 USD	37,809	-	-	-	885	38,694
Class E EUR*	30,388,901	367,350	(935,707)	-	(575,687)	29,244,857
Class I EUR*	8,162,415	6,513,815	(5,386,817)	-	31,373	9,320,786
Class I CHF*	22,389	-	(22,913)	-	524	-
	38,611,514	6,881,165	(6,345,437)		(542,905)	38,604,337

*Hedged share class

The movement in the number of redeemable participating shares for the period from 1 January 2020 to 30 June 2020 was as follows:

Share class	At the beginning of the financial period	Shares issued	Shares redeemed	Conversion	At the end of the financial period
Class USD E Original Series	5,051	-	-	(5,051)	-
Class USD E	-	-	(5,051)	5,051	-
Class USD I Original series	1,739		(223)	(1,516)	-
Class USD I	-	-	-	2,067	2,067
Class I USD -Series 03092019	600	-	-	(600)	-
Class USD D1 Original series	15	-	-	(15)	-
Class USD D1	-	-	-	34	34
Class USD D1-Series 19022020	-	22		(22)	-
Class EUR E Original series*	26,147	-	(5,355)	(20,792)	-
Class EUR E*	-	2,807	-	22,660	25,467
Class E EUR - Series 04112019*	300	-	-	(300)	-
Class E EUR - Series 12122019*	46	-	-	(46)	-
Class E EUR - Series 23012020*	-	1,500	-	(1,500)	-
Class E EUR - Series 07052020*	-	300	-	(300)	-
Class EUR I Original series*	10,132	-	(7,936)	(2,196)	-
Class EUR I*	-	-	-	7,015	7,015
Class I EUR - Series 1 15052019*	2,078.00	-	(260)	(1,818)	-
Class I EUR - Series 1 20082019*	850	-	-	(850)	-
Class I EUR - Series 23102019*	200	-	-	(200)	-
Class I EUR Series 23122019*	500	-	-	(500)	-
Class I EUR Series 15012020*	-	530	(518)	(12)	-
Class I EUR Series 26022020*	-	600	-	(600)	-
Class I EUR Series 27052020*	-	500	-	(500)	-
Class CHF I Original series*	36	-	(11)	(25)	-
Class CHF I*	-	-	-	25	25

*Hedged share class

The amounts for the redeemable participating shares movements during the period from 1 January 2020 to 30 June 2020 were as follows:

	Beginning net assets US\$	Amounts subscribed US\$	Amounts redeemed US\$	Conversion of shares US\$	Amount of Profit/ loss during the year US\$	Ending net assets US\$
Class USD E Original Series	6,227,924	-	-	(5,688,651)	(539,273)	-
Class USD E	-	-	(5,861,245)	5,688,651	172,594	-
Class USD I Original series	1,677,317	-	(202,438)	(1,333,648)	(141,231)	-
Class USD I	-	-	-	1,818,142	35,689	1,853,831
Class I USD -Series 03092019	531,122	-	-	(484,494)	(46,628)	-
Class USD D1 Original series	15,732	-	-	(14,330)	(1,402)	-
Class USD D1	-	-	-	33,014	644	33,658
Class USD D1-Series 19022020	-	22,457	-	(18,684)	(3,773)	-
Class EUR E Original series*	33,612,104	-	(6,961,703)	(24,423,369)	(2,227,032)	-
Class EUR E*	-	3,369,897	-	26,617,032	368,402	30,355,331
Class E EUR - Series 04112019*	331,345	-	-	(302,778)	(28,567)	-
Class E EUR - Series 12122019*	53,129	-	-	(48,548)	(4,581)	-
Class E EUR - Series 23012020*	-	1,656,075	-	(1,519,410)	(136,665)	-
Class E EUR - Series 07052020*	-	323,640	-	(322,927)	(713)	-
Class EUR I Original series*	10,592,704	-	(7,583,292)	(2,095,174)	(914,238)	-
Class EUR I*	-	-	-	6,693,234	97,400	6,790,634
Class I EUR - Series 1 15052019*	2,408,119	-	(274,467)	(1,922,655)	(210,997)	-
Class I EUR - Series 1 20082019*	873,421	-	-	(797,065)	(76,356)	-
Class I EUR - Series 23102019*	222,950	-	-	(203,459)	(19,491)	-
Class I EUR Series 23122019*	563,899	-	-	(514,603)	(49,296)	-
Class I EUR Series 15012020*	-	591,242	(524,827)	(11,721)	(54,694)	-
Class I EUR Series 26022020*	-	653,400	-	(600,606)	(52,794)	-
Class I EUR Series 27052020*	-	548,750	-	(547,951)	(799)	-
Class CHF I Original series*	28,709	-	(8,219)	(18,222)	(2,268)	-
Class CHF I*	-	-	-	18,222	546	18,768
	57,138,475	7,165,461	(21,416,191)		- (3,835,523)	39,052,222

* Hedged share class

9. 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.

10. SOFT COMMISSION AND DIRECT BROKERAGE SERVICES

There were no soft commissions or directed brokerage service arrangements in place during the period from 1 January 2021 to 30 June 2021 (30 June 2020: Nil).

11. 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 2021.

Share class	Shares in issue	Net asset value	Net asset value per value
Class D1 USD	34	\$38,694	\$1,122.53
Class E EUR*	20,550	€24,662,557	€1,200.12
Class I EUR*	8,064	€7,860,338	€974.71

* Heded 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 2020.

Share class	Shares in issue	Net asset value	Net asset value per share
Class D1 USD	34	\$37,809	\$1,096.86
Class E EUR*	20,949	€24,737,599	€1,180.85
Class I CHF*	25	CHF19,783	CHF784.414
Class I EUR*	6,939	€6,644,486	€957.529

* Heded share class.

12. EXCHANGE RATES

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

	30 June 2021	31 December 2020
Australian Dollar	0.7498	0.7684
British Pound Sterling	1.3810	1.3593
Canadian Dollar	0.8074	0.7839
Chinese Yuan Renminbi	0.1547	0.1522
Euro	1.1858	1.2285
Hong Kong Dollar	0.1288	0.1290
Hungarian Forint	0.0034	0.0033
Japanese Yen	0.0090	0.0097
Korean Won	0.0009	-
Mexican Peso	0.0502	0.0498
New Zealand Dollar	0.6978	0.7131
Norwegian Krone	0.1161	0.1165
Polish Zloty	0.2624	0.2762

Singapore Dollar	0.7435	0.7559
South African Rand	0.0701	0.0685
Swedish Krona	0.1169	0.1220
Swiss Francs	1.0815	1.1317
Turkish Lira	-	0.1254

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.

Marcus Andersson was a Director of the ICAV until 17 May 2021 and a principal and a Director of the Investment Manager.

Henrik Landén is a Director of the ICAV and is an employee of the Investment 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 2021, MLRO fees amounting to USD 2,483 (30 June 2020: USD 3,721) were charged to the Fund of which USD 1,695 (31 December 2020: 2,514) was outstanding at the period end. Secretary fees amounting to USD 2,483 (30 June 2020: USD 2,679) were charged to the Fund of which USD 1,695 (31 December 2020: 2,514) was outstanding at the period end.

KB Associates also provides VAT and payroll services to the Fund. VAT services and payroll services fees amounting to USD 1,863 (30 June 2020: USD 1,880) were charged to the Fund of which USD 1,536 (31 December 2020: USD 1,671) was outstanding at the period end.

Lynx Asset Management AB is also the Investment Manager of Lynx (Cayman) Fund Limited. During the period from 1 January 2021 to 30 June 2021, the Fund purchased Nil (30 June 2020: 6,179,918) units and sold Nil (30 June 2020: 12,498,136) units of Lynx (Cayman) Fund Limited.

None of the Directors of the ICAV hold or held shares in the Fund during the period ended 30 June 2021 (31 December 2020: Nil).

The fees for the Directors, Investment Manager and the Manager are disclosed in Note 5 of the financial statements.

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 Directors are 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 PERIOD

While the development of the COVID-19 pandemic has had a significant impact on the world, the Fund has been able to continue its investment activities as per normal. The Directors, the Manager and the Investment Manager has established procedures to address and mitigate the potential harm to people and the management of the Fund. The Directors still follow the situation carefully and in cooperation with the Manager and the Investment Manager, routines and processes are adjusted when necessary in order to manage the program effectively without risking the health of people or neglecting social responsibility.

An updated Prospectus of the ICAV and Supplement of the Fund was filed with the Central Bank of Ireland on 9 March 2021. This was updated to reflect the requirements of Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector under the Sustainable Finance Disclosure Regulation (“SFDR”).

On 17 May 2021, Marcus Andersson resigned as a Director of the ICAV. On the same date, Henrik Landén was appointed a Director of the ICAV.

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

16. SUBSEQUENT EVENTS

There were no material events subsequent to the Statement of Financial Position date which require disclosure in the financial statements.

17. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors on 16 August 2021.

SCHEDULE OF INVESTMENTS

As at 30 June 2021

Holdings	Description	Fair Value USD	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
<i>Fixed Income Securities</i>			
United States			
690,800	US Treasury Bill 0% 22/07/2021	690,784	1.79
464,000	US Treasury Bill 0% 05/08/2021	463,984	1.20
1,208,000	US Treasury Bill 0% 12/08/2021	1,207,936	3.13
1,000,000	US Treasury Bill 0% 09/09/2021	999,912	2.59
1,145,000	US Treasury Bill 0% 23/09/2021	1,144,893	2.97
2,000,000	US Treasury Bill 0% 30/09/2021	1,999,797	5.18
2,000,000	US Treasury Bill 0% 07/10/2021	1,999,755	5.18
4,500,000	US Treasury Bill 0% 14/10/2021	4,499,409	11.65
4,000,000	US Treasury Bill 0% 04/11/2021	3,999,439	10.36
2,000,000	US Treasury Bill 0% 12/11/2021	1,999,664	5.18
2,300,000	US Treasury Bill 0% 02/12/2021	2,299,557	5.96
1,000,000	US Treasury Bill 0% 30/12/2021	999,747	2.59
1,400,000	US Treasury Bill 0% 27/01/2022	1,399,632	3.63
1,000,000	US Treasury Bill 0% 24/02/2022	999,702	2.59
1,400,000	US Treasury Bill 0% 19/05/2022	1,399,248	3.62
		26,103,459	67.62
Total Fixed Income Securities		26,103,459	67.62
<i>Debt Securities</i>			
2,939,703	Oder Capital Series 6	2,790,671	7.23
2,939,703	Weser Capital Series 6	2,790,671	7.23
		5,581,342	14.46
Total Debt Securities		5,581,342	14.46
<i>Future Contracts¹</i>			
Canada			
7	S&P/TSX 60 Index Future 16/09/2021	5,950	0.02
		5,950	0.02
Hong Kong			
(6)	H-Shares Index Future 29/07/2021	7,887	0.02
(4)	Hang Seng Index Future 29/07/2021	7,887	0.02
		15,774	0.04
Netherlands			
3	Amsterdam Index Future 16/07/2021	1,883	-
		1,883	-

Singapore			
(22) FTSE China A50 Index Future 29/07/2021	1,997	0.01	
1 MSCI Sing IX ETS Index Future 29/07/2021	56	-	
16 MSCI Taiwan Index Future 29/07/2021	9,200	0.02	
	11,253	0.03	
United States			
(38) AUDUSD Currency Future 13/09/2021	40,380	0.10	
(17) CAD Currency Future 14/09/2021	550	-	
(10) CHF Currency Future 13/09/2021	9,638	0.02	
21 Djia Mini e-CBOT Future 17/09/2021	29,430	0.08	
(43) Euro FX Currency Future 13/09/2021	39,131	0.10	
(31) GBP Currency Future 13/09/2021	10,200	0.03	
(44) JPY Currency Future 13/09/2021	23,356	0.06	
25 S&P 500 E-Mini Future 17/09/2021	57,000	0.15	
(1) S&P MID 400 E-mini Index Future 17/09/2021	40	-	
	209,725	0.54	
Total Future Contracts	244,585	0.63	
<i>Forward Contracts¹</i>			
USD9,692,571 / EUR8,050,000 15/09/2021	131,783	0.34	
USD5,651,704 / EUR4,660,317 01/07/2021	125,508	0.33	
USD3,595,635 / NOK30,200,000 15/09/2021	88,556	0.23	
USD7,041,267 / GBP5,037,500 15/09/2021	83,306	0.22	
USD3,710,011 / AUD4,850,000 15/09/2021	72,299	0.19	
USD3,238,202 / SEK27,200,000 15/09/2021	56,240	0.15	
USD4,470,644 / NZD6,330,000 15/09/2021	54,557	0.14	
USD3,385,369 / CAD4,140,000 15/09/2021	42,972	0.11	
USD6,097,287 / JPY672,500,000 15/09/2021	33,112	0.09	
USD2,232,713 / CHF2,037,500 15/09/2021	24,553	0.06	
USD2,979,778 / SGD3,980,000 15/09/2021	21,002	0.05	
USD927,489 / ZAR13,200,000 15/09/2021	11,688	0.03	
USD487,797 / HUF143,000,000 15/09/2021	5,895	0.02	
USD495,716 / PLN1,870,000 15/09/2021	4,879	0.01	
USD1,303,514 / CNH8,450,000 15/09/2021	3,431	0.01	
MXN5,300,000 / USD262,352 15/09/2021	1,217	-	
USD129,342 / RUB9,500,000 15/09/2021	853	-	
NOK800,000 / USD92,446 15/09/2021	457	-	
ZAR1,300,000 / USD89,844 15/09/2021	349	-	
CAD70,000 / USD56,286 15/09/2021	227	-	
RUB4,000,000 / USD53,905 15/09/2021	195	-	
EUR25,000 / USD29,671 15/09/2021	21	-	
GBP12,500 / USD17,255 15/09/2021	11	-	
Total Forward Contracts	763,111	1.98	
Total Financial Assets at Fair Value Through Profit or Loss	32,692,497	84.69	

Holdings	Description	Fair Value USD	% of Net Asset Value
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS			
<i>Future Contracts¹</i>			
Australia			
12	SPI 200 Index Future 16/09/2021	(11,903)	(0.03)
		(11,903)	(0.03)
France			
6	CAC40 10 Euro Future 16/07/2021	(7,186)	(0.02)
		(7,186)	(0.02)
Germany			
7	DAX Index Future 17/09/2021	(36,700)	(0.09)
41	Dow Jones EURO STOXX 50 (Price) Index Future 17/09/2021	(25,400)	(0.07)
		(62,100)	(0.16)
Italy			
2	FTSE/MIB Index Future 17/09/2021	(3,451)	(0.01)
		(3,451)	(0.01)
Japan			
7	Nikkei 225 Index (OSE) Future 09/09/2021	(16,040)	(0.04)
10	Topix Index Future 09/09/2021	(9,102)	(0.03)
		(25,142)	(0.07)
Korea, Republic of			
(9)	Korea 10 Yr Bond Future 17/09/2021	(248)	-
(24)	Korea 3 Yr Bond Future 17/09/2021	(274)	-
18	KOSPI 200 Index Future 09/09/2021	(7,398)	(0.02)
		(7,920)	(0.02)
Singapore			
6	Nikkei 225 Index (SGX) Future 09/09/2021	(7,547)	(0.02)
		(7,547)	(0.02)
South Africa			
1	FTSE/JSE Top 40 Index Future 16/09/2021	(396)	-
		(396)	-
United Kingdom			
25	FTSE 100 Index Future 17/09/2021	(31,259)	(0.08)
		(31,259)	(0.08)
United States			
(6)	Emin Russell 2000 Index Future 17/09/2021	(965)	-
2	Mini MSCI EAFE Index Future 17/09/2021	(3,270)	(0.01)
2	Mini MSCI Emerging Markets Future 17/09/2021	(75)	-
(3)	Nasdaq 100 E-Mini Future 17/09/2021	(9,045)	(0.02)
		13,355	(0.03)
Total Future Contracts			(170,259)
			(0.44)

Forward Contracts²

EUR36,621,379 / USD44,644,071 01/07/2021	(1,218,425)	(3.16)
ZAR55,800,000 / USD4,044,299 15/09/2021	(172,962)	(0.45)
EUR32,551,946 / USD38,775,923 03/08/2021	(149,864)	(0.39)
EUR4,400,000 / USD5,352,004 15/09/2021	(126,234)	(0.33)
GBP3,812,500 / USD5,381,617 15/09/2021	(115,670)	(0.30)
NZD4,490,000 / USD3,231,472 15/09/2021	(99,051)	(0.26)
SEK23,400,000 / USD2,833,504 15/09/2021	(96,076)	(0.25)
CAD4,220,000 / USD3,479,460 15/09/2021	(72,480)	(0.19)
SGD4,350,000 / USD3,282,925 15/09/2021	(49,088)	(0.13)
HUF372,000,000 / USD1,301,926 15/09/2021	(48,300)	(0.12)
PLN4,770,000 / USD1,298,386 15/09/2021	(46,359)	(0.12)
USD1,461,037 / MXN30,300,000 15/09/2021	(45,777)	(0.12)
CNH24,550,000 / USD3,818,135 15/09/2021	(40,981)	(0.11)
CHF1,200,000 / USD1,340,989 15/09/2021	(40,477)	(0.09)
NOK7,500,000 / USD905,957 15/09/2021	(34,996)	(0.09)
MXN98,600,000 / USD4,936,254 15/09/2021	(32,891)	(0.08)
JPY322,500,000 / USD2,939,586 15/09/2021	(31,489)	(0.08)
AUD2,280,000 / USD1,739,602 15/09/2021	(29,504)	(0.08)
RUB227,250,000 / USD3,091,947 15/09/2021	(18,340)	(0.05)
USD1,025,240 / SEK8,800,000 15/09/2021	(4,222)	(0.01)
USD1,063,869 / NZD1,530,000 15/09/2021	(3,525)	(0.01)
USD1,015,145 / CAD1,260,000 15/09/2021	(2,107)	(0.01)
USD591,217 / CNH3,850,000 15/09/2021	(1,129)	(0.01)
USD262,714 / ZAR3,800,000 15/09/2021	(925)	-
USD369,202 / PLN1,410,000 15/09/2021	(894)	-
USD320,484 / RUB23,750,000 15/09/2021	(740)	-
USD928,579 / SGD1,250,000 15/09/2021	(681)	-
USD220,150 / NOK1,900,000 15/09/2021	(494)	-
USD80,456 / HUF24,000,000 15/09/2021	(423)	-
USD202,779 / JPY22,500,000 15/09/2021	(112)	-
USD103,584 / GBP75,000 15/09/2021	(9)	-
USD40,634 / CHF37,500 15/09/2021	(7)	-
Total Forward Contracts	(2,484,232)	(6.42)
Total Financial Liabilities at Fair Value		
Through Profit or Loss	(2,654,491)	(6.87)
Total Financial Assets and Liabilities at Fair		
Through Profit or Loss	30,038,006	77.81
Other net assets	8,566,331	22.19
Net Assets Attributable to		
Holders of Redeemable Participating Shares	38,604,337	100.00

¹ The counterparty for future contracts is Morgan Stanley International.

² The counterparties for forward contracts are Goldman Sachs, Morgan Stanley International and UBS Warburg Ltd.

Analysis of Total Assets	Amount	% of Total Asset
	USD	
Transferable securities admitted to an official stock exchange listing	26,103,459	63.14
Transferable securities dealt in on another regulated market	5,581,342	13.50
Financial derivative instruments traded over-the-counter	(1,721,121)	(4.16)
Financial derivative instruments dealt on a regulated market	74,326	0.18
Cash and other current assets	11,305,087	27.34
Total Assets	41,343,093	100.00

SCHEDULE OF PORTFOLIO CHANGES

For the period from 1 January 2021 to 30 June 2021

All Purchases	Cost in USD
US Treasury Bill 0% 14/10/2021	4,499,434
US Treasury Bill 0% 04/11/2021	3,999,292
US Treasury Bill 0% 12/11/2021	1,999,886
US Treasury Bill 0% 30/09/2021	1,999,752
US Treasury Bill 0% 02/12/2021	1,798,555
US Treasury Bill 0% 08/07/2021	1,499,317
US Treasury Bill 0% 19/05/2022	1,399,449
US Treasury Bill 0% 27/01/2022	1,399,111
US Treasury Bill 0% 12/08/2021	1,207,775
US Treasury Bill 0% 23/09/2021	1,144,839
US Treasury Bill 0% 30/12/2021	999,427
US Treasury Bill 0% 24/02/2022	999,311
US Treasury Bill 0% 22/07/2021	690,468
US Treasury Bill 0% 09/09/2021	499,961
US Treasury Bill 0% 05/08/2021	463,836
All Sales	Proceeds in USD
US Treasury Bill 0% 04/11/2021	4,499,426
US Treasury Bill 0% 25/02/2021	2,999,895
US Treasury Bill 0% 27/05/2021	2,799,992
US Treasury Bill 0% 17/06/2021	2,033,996
US Treasury Bill 0% 22/04/2021	1,999,990
Oder Capital Series 6	1,833,581
Weser Capital Series 6	1,833,581
US Treasury Bill 0% 15/04/2021	1,805,994
US Treasury Bill 0% 21/01/2021	1,599,951
US Treasury Bill 0% 08/07/2021	1,499,969
US Treasury Bill 0% 28/01/2021	1,299,947
US Treasury Bill 0% 20/05/2021	999,998
US Treasury Bill 0% 03/06/2021	744,998
US Treasury Bill 0% 25/03/2021	699,984
US Treasury Bill 0% 29/04/2021	499,999

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.

APPENDIX (UNAUDITED)

TOTAL EXPENSE RATIO

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

AF (= average fund assets)

	30 June 2021 %	30 June 2021 %
Total Expense Ratio	1.25	1.04

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 2021, the Fund held no SFTs and therefore SFT reporting requirements do not apply to the Fund.

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