



# **LYNX ACTIVE BALANCED FUND**

A SUB-FUND OF THE LYNX UCITS FUNDS ICAV

## **ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

For the year ended 31 December 2021



# LYNX ACTIVE BALANCED FUND

## MANAGEMENT AND ADMINISTRATION

<b><i>Registered Office</i></b>	5 George's Dock International Financial Services Centre Dublin 1 Ireland
<b><i>Directors</i></b>	Brian Dunleavy (Irish Resident)* Fiona Mulhall (Irish Resident)** Marcus Andersson (Swedish resident)* (Resigned 17 May 2021) Henrik Landén (Swedish resident)* (Appointed 17 May 2021)
<b><i>Manager</i></b>	KBA Consulting Management Limited 5 George's Dock International Financial Services Centre Dublin 1 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 5 George's Dock International Financial Services Centre Dublin 1 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 annual report and financial statements.*

# DIRECTORS' REPORT

*For the year ended 31 December 2021*

■ The Directors present their report for Lynx Active Balanced Fund (the “Fund”), a sub-fund of the Lynx UCITS ICAV (the “ICAV”), and audited financial statements for the year ended 31 December 2021.

The Directors have opted to prepare separate reports and financial statements for each of the ICAV’s sub-funds in accordance with the Irish Collective Asset-management Vehicles Act 2015 (as amended) (the “ICAV Act”). As of 31 December 2021, the ICAV has established one other sub-fund, Lynx UCITS Fund. The reports and financial statements for Lynx UCITS Fund are available free of charge on request from the Manager. Any reference hereafter to the reports and financial statements will mean the reports and financial statements for Lynx Active Balanced Fund.

The investment objective of the Fund is to achieve long-term capital appreciation to a moderate risk level by providing dynamic long exposure to a diversified range of asset classes and financial instruments.

The ICAV was incorporated on 11 December 2018 and the Fund commenced operation on 28 December 2018.

## PRINCIPAL ACTIVITIES AND FUTURE DEVELOPMENTS

A detailed review of the Fund’s activities for the year ended 31 December 2021 and the Fund’s outlook is included in the Investment Manager’s Report on pages 9-13.

## DIRECTORS’ RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Directors’ Report and financial statements, in accordance with applicable law and regulations.

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

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

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

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and

- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the ICAV will continue in business.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Fund and enable them to ensure that the financial statements comply with the ICAV Act, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (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”). They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the ICAV. In this regard, they have entrusted the assets of the ICAV to HSBC Continental Europe, as Depositary, for safe-keeping. They have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities.

The Directors are also responsible for preparing a Directors’ Report that complies with the requirements of the ICAV Act.

## RESULTS, FINANCIAL POSITION AND DIVIDENDS

The results of operations for the year and the financial position as at the year end are set out in the Statement of Comprehensive Income and the Statement of Financial Position on page 18 and 17 respectively. There were no dividends declared during the year.

## KEY PERFORMANCE INDICATORS

The Directors consider that the change in net asset value (“NAV”) per share is a key indicator of the performance of the Fund. Key performance indicators (“KPIs”) monitored by the Directors for the Fund include the month to month movement in the NAV per share and the share capital movements.

## RISK MANAGEMENT OBJECTIVES AND POLICIES

The main risks arising from the Fund’s financial instruments as defined by IFRS 7 for financial reporting purposes are market risk (including market price risk, interest rate risk and foreign currency risk), credit risk and liquidity risk as detailed, together with the associated risk management objectives and policies, in Note 11 on pages 33-38 in the financial statements.

## **DIRECTORS WHO HELD OFFICE DURING THE YEAR**

The Directors who held office at any time during the year were: Brian Dunleavy, Fiona Mulhall, Marcus Andersson and Henrik Landén.

## **DIRECTORS' AND SECRETARY'S INTERESTS IN SHARES OF THE ICAV AND ITS FUND**

Henrik Landén, Director of the Fund, held 2,129 shares in Class D2 SEK of the Fund. None of the other Directors nor the ICAV Secretary or their respective families held any interest, beneficial or otherwise, in the share capital of the ICAV during or at the end of the financial year.

## **TRANSACTIONS INVOLVING DIRECTORS**

Other than as disclosed in Note 14 on page 40-41 to the financial statements, there were no contracts or agreements of any significance in relation to the business of the ICAV or the Fund in which the Directors had any interest, as defined in the ICAV Act, at any time during the year.

## **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 year complied with the obligations set out in Regulation 43(1) of the Central Bank UCITS Regulations.

## **SOFT COMMISSION AND DIRECT BROKERAGE SERVICES**

There were no soft commissions or directed brokerage service arrangements in place during the financial year

ended 31 December 2021 and financial year ended 31 December 2020.

## **DIRECTORS' REMUNERATION**

Please see details of Directors' fees disclosed in Note 8 on page 30. Marcus Andersson and Henrik Landén were employees of Lynx Asset Management AB during the year and were not entitled to Directors' fees from the Fund.

## **ACCOUNTING RECORDS**

The Directors believe that they have complied with the requirements of Sections 109 to 113 of the ICAV Act, with regard to keeping adequate accounting records. The Directors have appointed HSBC Securities Services (Ireland) DAC to maintain adequate accounting records. The address at which this business is located is as follows:

1 Grand Canal Square  
Grand Canal Harbour  
Dublin 2  
Ireland

## **SIGNIFICANT EVENTS DURING THE YEAR**

Significant events during the year are disclosed in Note 15 on page 41.

## **SUBSEQUENT EVENTS**

Subsequent events are disclosed in Note 16 on page 42.

## **CORPORATE GOVERNANCE CODE (THE "CODE")**

Irish Funds, the association for the funds industry in Ireland, has published a corporate governance code that may be adopted on a voluntary basis by Irish authorized investment funds. The Board of Directors have adopted the Code, and the ICAV was in compliance with all elements of the Code during the year.

## **INDEPENDENT AUDITORS**

The auditor, KPMG, Chartered Accountants, have been appointed by the ICAV. KPMG have expressed their willingness to continue in office in accordance with Section 125 of the ICAV Act.

*On behalf of the Board of Directors  
25 April 2022*

*Brian Dunleavy*

*Fiona Mulhall*

# INVESTMENT MANAGER'S REPORT

*For the year ended 31 December 2021*

■ Lynx Active Balanced Fund generated a positive return of 7.36 per cent in 2021 as gains in equities and commodities outweighed a loss in fixed income. The result brings annualized performance since inception to 8.11 per cent with an annualized standard deviation of 8.05 per cent.

Entering 2021, optimism that the COVID-19 pandemic would soon be under control as vaccines became increasingly available across the globe was confounded by the emergence of new variants as the year progressed. While the reaction to each consecutive wave of the virus was more muted relative to the first, the sudden shift in investor sentiment created a relatively challenging trading environment. Rising inflation also had a marked impact on market prices as consumer prices increased at the fastest pace in over a generation. Commodities benefited as manufacturing accelerated and the demand for energies and industrial metals outpaced supply growth, although elevated inflationary pressures weighed considerably on fixed income.

## YEAR IN REVIEW

Has the extraordinary become ordinary? Rising global COVID-19 cases, political upheavals around the world, elevated geopolitical tensions and the highest developed market inflation readings in a generation had little lasting impact on investor sentiment in 2021.

The year began with a surge of coronavirus infections across the globe, but also the hope that newly developed vaccines would soon end the plague that had gripped the world over the prior year. However, the emergence of highly contagious variants extended the life of the pandemic as delta instigated another round of lockdowns and travel restrictions in the spring while omicron spread wildly across the globe late in the fourth quarter. Despite record high infection rates and the declining efficacy of vaccines given the virus' mutations, market reactions to these developments were distinctly different than the initial response in 2020. Pullbacks were reasonably short-lived as investors quickly shrugged off bad news, rather envisioning the future post-COVID.

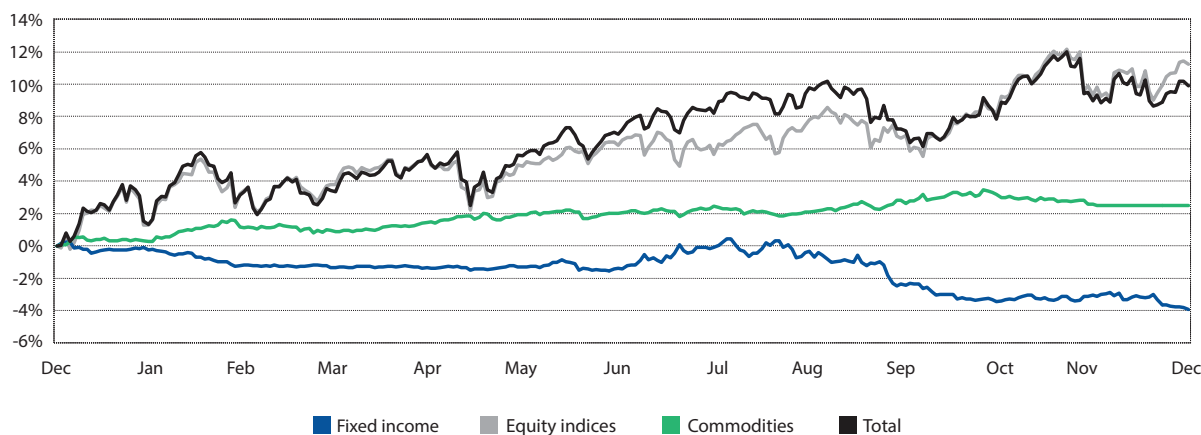
On the political front, there were multiple leadership changes during the year and not all transfers of power were peaceful. Following a speech by Donald Trump at a rally on January 6th, thousands of his supporters advanced on the US Capitol, storming the building and sending members of Congress into lockdown to prevent the certification of Joe Biden's presidential

election. A military coup in Myanmar in early February toppled the popularly elected government of Aung San Suu Kyi – a former Nobel Prize winner. In June, Israel's longest-serving prime minister, Benjamin Netanyahu, was ousted from his position for the second time in his career amid corruption charges. Later in the year, Angela Merkel stepped down after 16 years as German Chancellor, while in Sweden, Magdalena Andersson became the first female Prime Minister in history.

Geopolitical pressures remained elevated across much of the globe. After amassing troops on their border with the Ukraine, Russia warned western nations against getting involved in any dispute claiming their moves were in response to a building NATO influence in the region. Russian forces stayed in place as the year came to an end and tensions remained high. In August, the Taliban captured Kabul and the Afghan government surrendered control of the nation to them ending 20 years of US involvement in the country. Continued territorial disputes in Asia between China and their neighbours and the resulting military exercises and other displays of force had many in the region on edge, concerned about an escalation.

On the economic front, after remaining relatively subdued for a generation, inflation numbers increased dramatically in 2021. Unlike some other similar periods historically, supply chain disruptions and work force shortages created by the pandemic were initially cited as the primary causes. As a result, many global central bankers considered the pressures to be transitory. However, as economies continued to reopen following widespread lockdowns in 2020, reflationary pressures built. Expansionary monetary policy remained in place and fiscal spending increased across much of the globe. Consumer prices climbed at their fastest pace in decades. CPI in the US exceeded 7 per cent for the first time since 1982, while numbers in Germany and the Great Britain rose at 4.7 and 4.3 per cent, respectively; readings were even higher in the European periphery.

Policy makers ultimately needed to address persistently high inflation in Europe and North America, despite concern over the coronavirus. Although policy remained accommodative, central banks began to accelerate the move towards normalization as the year came to an end. The Bank of England and Norges Bank each hiked interest rates in December, while the Fed indicated they were on track to raise rates multiple times in 2022 and suggested they would likely quicken the tapering of asset purchases. Foreign exchange and fixed



**Chart 1.** Contribution to performance by asset class during 2021.

income markets reacted to these moves and the changing macroeconomic landscape. Rates climbed across much of the globe with the German bund yields rising 39 basis points to end the year at -0.18 per cent and US 10-year Treasury notes surging nearly 60 basis points to 1.51 per cent.

Despite rising yields and expectation of normalizing conditions in 2022, asset prices increased; commodities were one of the primary beneficiaries, particularly energies. Early in the year, Saudi Arabia’s voluntarily production cut – beyond levels previously negotiated within OPEC – and widespread refinery shutdowns in Texas resulted in a sharp appreciation of the crude oil complex. As the year progressed, increasing demand and tight supply supported even higher prices. Natural gas prices surged as producers were relatively slow to ramp up production due to skepticism that industrial demand would remain robust. As autumn arrived, European natural gas supply was at a seasonal record low and prices rocketed higher. European shortages due largely to anemic Russian supply had nations on the continent competing with Asia for liquid natural gas shipments. Industrial metals similarly climbed on the reflation trade. Increased Chinese imports and decreased South American production, particularly in the first quarter, were supported by rising copper demand for electrical wiring and battery production.

Outside of commodities, equity markets across much of the globe again delivered exceptional results in 2021. Accommodative monetary policy and increasing fiscal stimulus around the globe created a ripe environment for stocks to flourish despite lofty valuations. Better-than-expected earnings, accelerating manufacturing growth and strong performance from energy and property-related stocks further bolstered gains, particularly in large cap indices. The identification of new COVID-19 variants over the course of the year created some interim volatility and rising inflationary pressures had many forecasting more challenging con-

ditions ahead in 2022, but most major global market indices delivered positive results. The one notable exception was China where tighter monetary policy, increasing governmental oversight of private companies, and generally lower vaccination rates than in the West contributed to relatively poor results. While the S&P 500, EuroStoxx and TOPIX indices ended the year up 27.0, 21.0 and 10.4 per cent, respectively, the China 50 index closed down 11.3 per cent, while the Hang Seng index in Hong Kong dropped 14.0 per cent.

### ANALYSIS OF THE RESULT

Rising inflationary pressures and an ongoing pandemic were not enough to keep most global stock markets down for long in 2021 and the Lynx Active Balanced Fund benefited, generating a gain of 7.36 per cent. While losses accrued in fixed income, commodities contributed positively to mitigate the negative impact on performance.

Equities were particularly profitable with long positions in North America accounting for approximately three quarters of the 11 per cent sector result. Largest gains were realized in the S&P 500 and NASDAQ indices as these were consistently among the top risk positions in equities throughout the year and both markets outperformed most global counterparts. Conversely, positions in China and a broad emerging market index detracted from the positive performance although exposure was generally light compared to other regions.

Commodity exposure is gained through a swap contract which tracks the Bloomberg Commodity ex-Agriculture and Livestock Index; trading in this swap generated a solid gain of 2.6 per cent due to positioning in energies and base metals. Crude oil and natural gas prices rose dramatically on increasing demand and declining inventories. The imbalance was especially stark in Europe as Russian supply was insufficient to keep up with rising consumption, although Asia was similarly in deficit.



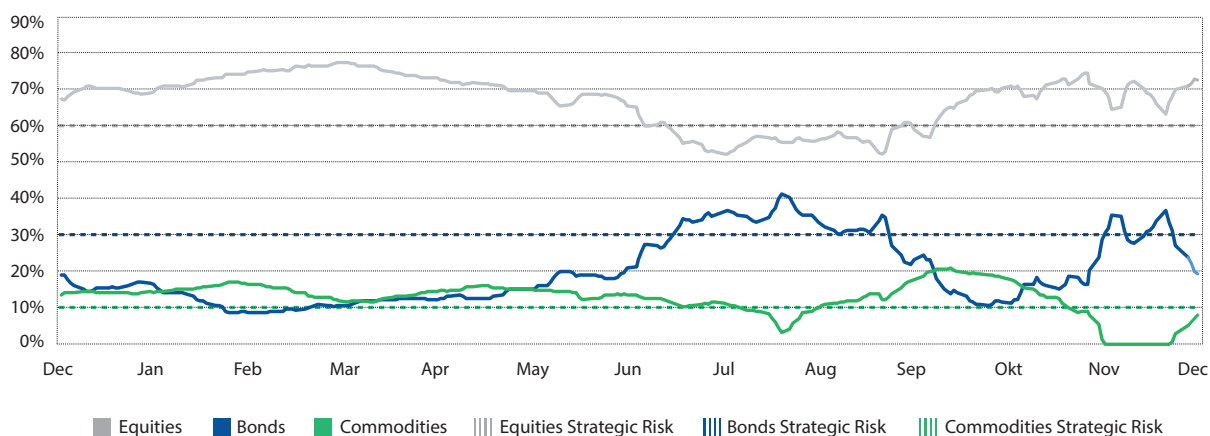


Chart 2 Risk proportions per asset class

Conversely, fixed income was a challenging asset class for LABF in 2021 contributing a negative 3.9 per cent. Losses accumulated in every instrument traded in the portfolio as rising inflation and expectations of relatively tighter monetary policy in the near future resulted in a sharp rise in global interest rates. Largest losses were realized in the Australian 10-year bond, US 5-year Treasury note and French notional bond (OAT) illustrating the negative contribution across regions.

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

**RETURN BY ASSET CLASS**

	2021	2020
Equity indices	11.0%	-5.1%
Fixed Income	-3.9%	4.8%
Commodities	2.6%	-0.2%
Other	-2.3%	-2.3%
	<b>7.4%</b>	<b>-2.8%</b>

**RISK AND EXPOSURE**

The cornerstone of the investment process of the Lynx Active Balanced Fund is to allocate risk rather than capital to different asset classes. By balancing the risk, the strategy seeks to minimize the negative impact of market downturns on performance. The Fund targets a baseline risk-balanced allocation of 60 per cent to equities, 30 per cent to fixed income and 10 per cent to commodities. During the year, these risk allocations have tactically deviated from the strategic levels in line with our active allocation approach as illustrated in Chart 2 above.

The risk budgeted to asset classes vacillated broadly over the course of 2021 as models reacted to shifting price action, particularly when markets declined sharply on coronavirus concerns or inflationary fears in the spring and early fall. Ultimately, the average allocation to equities was approximately 67 per cent, well above the target, as the net exposure ranged between around

52 per cent and 77 per cent. Conversely, the average fixed income allocation averaged just 20%, well below the target, mitigating the potential loss that could otherwise have been generated as rate expectations climbed. Meanwhile, the average allocation to commodities was approximately 12%, in line with longer-term expectations, although the risk fluctuated between zero and 21 per cent; the relatively significant contribution from the asset class reflects the extraordinary results generated in industrial commodities.

**SUSTAINABILITY INFORMATION**

*Sustainability at Lynx*

In order to invest responsibly, Lynx is dependent upon the health and the efficient functioning of the financial markets as well as of the society in a wider perspective.

Lynx ultimately believes that ESG factors can potentially have a material impact on long-term financial performance. Poorly managed ESG risks can lead to inefficiencies, operational disruptions, and reputational risk, which may ultimately impact our ability to meet our financial responsibilities. Sustainability factors are considered as part of the broader investment process, meaning that any ESG-related risk in traded instruments is assessed carefully vis-à-vis other risks. The approach ensures that Lynx’s investment teams are making investment decisions with the knowledge of key ESG-related matters that ultimately might have an impact on an investment’s risk and/or return.

We focus on the most liquid markets and our exposure and trading volumes are designed to be small in relation to the open interest and daily traded volume to minimize our market impact. As the fund invests in derivatives which do not carry voting rights, we are unable to exercise active ownership or influence companies in the same way as equity funds. Instead, we engage with other asset managers, policy makers and derivatives exchanges to reassure investors that we truly value the principles and practices that we preach.

### *Sustainability activities in 2021*

2021 saw the official formation of the Lynx Sustainability Forum. The Forum sets and updates Lynx's sustainability framework, direction and project prioritizations and ensures that resources are leveraged across the firm to drive these initiatives. The Forum includes team members from different groups within Lynx and provides the Executive Management Team and Board of Directors with regular updates on sustainability efforts.

During the year, the Sustainability Forum increased their engagement with derivatives exchanges and industry organizations to help facilitate the development of standards, practices and new products designed to enable the green transition. Liaising with these groups has enabled us to increase our understanding of ESG risks relating to our investment universe and opened us up to potentially including new ESG-related investments. Members of the Forum also joined roundtables and working groups sponsored by external organizations where we are members such as the Alternative Investment Management Association (AIMA) and the Standards Board for Alternative Investments (SBAI). In addition, members of the Forum regularly participated in conferences, seminars and panels and produced independent research on the challenges and opportunities CTAs face when implementing responsible investment.

With more capital flowing into ESG strategies, global exchanges – including the Nasdaq, Eurex and CME Group – have launched a series of equity index futures tied to ESG benchmarks. Considering our commitment to responsible investing and our aspiration to be early adopters, Lynx started trading three of these derivatives in 2021 and we are monitoring and evaluating a long list of similar instruments for potential inclusion in our investment universe in the future.

Furthermore, we acknowledge and support the work of derivatives exchanges in introducing ESG standards for commodity contracts. As an example, the London Metal Exchange (“LME”) – where Lynx currently trades aluminum, copper, lead, nickel, and zinc – has incorporated ESG standards into its contract specifications with regards to responsible sourcing. Similarly, the CME – where Lynx trades precious metals, among other instruments – adopted sourcing guidelines for silver, platinum and palladium during the year in their continuous effort to review metal sourcing and origins. For gold contracts traded on the exchange, responsible sourcing guidelines have existed since 2015.

Finally, as the EU Sustainable Finance Disclosure Regulation (SFDR) came into effect in March 2021, significant progress has been made, and even more work underway, in achieving compliance with the disclosure requirements and being able to report accordingly. More information can be found on our website.

## **ASSETS UNDER MANAGEMENT**

Total assets under management for Lynx Asset Management as of the end of 2021 were approximately USD 6.3 billion, compared with USD 5.4 billion at the end of 2020. The increase in assets under management is partially a result of significant inflows into the Lynx flagship program as we enjoyed the continued confidence from our clients. Assets under management in Lynx Active Balanced as of the end of 2021 were approximately EUR 40 million, compared with EUR 36 million at the end of 2020.

## **OFFICE ACCESS**

Lynx continues to follow the guidance and advice from the Public Health Agency of Sweden (Folkhälsomyndigheten) regarding working remotely. As of the writing of this letter, employees currently have the ability to either work from Lynx' office or remotely through secured connections. Prior to the emergence of the omicron variant of COVID-19, employees were encouraged to return to the office at least three days per week based on the requirements of their position and in agreement with their supervisors. As the restrictions were lifted in February 2022, we have been able to resume these principles.

## **OUTLOOK**

Global growth was exceptionally strong in 2021 fueled by a combination of increased fiscal and monetary stimulus and the positive impact of economies reopening as governments eased pandemic restrictions. Inflation also climbed reaching levels not seen in most countries in a generation or more, and central banks took note. Many initially speculated that the inflationary pressures were likely transitory, primarily due to short-term supply chain disruptions and a sudden shift in manufacturing activity. However, as inflation remained elevated throughout the year, that opinion began to change.

As the year was coming to a close, governments began announcing the end of asset purchase programs – some dating from the global financial crisis and others introduced in the midst of the COVID-19 pandemic – and central banks began tightening monetary policy. As these inflationary pressures continue into 2022, this trend towards policy normalization could persist and the tailwind created by cheap liquidity and relatively low volatility may turn. The ability to actively allocate capital opportunistically to take advantage of the changing market dynamic could become increasingly valuable in this environment.

Further, commodities were an interesting asset class in 2021 and this could continue into 2022 as energies and metals tend to be influenced by inflationary pressures. Persistent production constraints on industrial commodities, heightened geopolitical risk and increa-

sing global demand could help drive positive returns into the future.

We have discussed in prior reports that our models do not have an opinion on inflation, politics, or global climate change. Rather, they use price data and fundamental data to systematically and objectively analyze market behavior, attempting to forecast how markets will move in the future. The impact from the tremendous changes that have occurred over the past couple of years in response to the coronavirus has yet to be fully understood. We believe that the Fund is prepared to capitalize on the market opportunities that should arise as the world adapts - reallocating risk when conditions are more or less favorable – to maximize long term capital appreciation. Failing to rebalance risks – or only thinking of the portfolio in nominal terms – can result in a suboptimal asset allocation. We remain confident that our approach will outperform a traditional 60/40-portfolio in the long-term and generate superior returns with an even level of volatility.

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 in 2022 and beyond.

# DEPOSITARY'S REPORT TO THE SHAREHOLDERS

■ We, HSBC Continental Europe, appointed Depositary to Lynx Active Balanced Fund (the “Fund”) provide this report solely in favour of the Shareholders of the Fund for the year ended 31 December 2021 (“the Accounting Period”). This report is provided in accordance with the UCITS Regulations - European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, as amended (“the Regulations”). We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

In accordance with our Depositary obligation as provided for under the Regulations, we have enquired

into the conduct of the Fund for the Accounting Period and we hereby report thereon to the Shareholders of the Fund as follows;

We are of the opinion that the Fund has been managed during the Accounting Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund by the constitutional documents and the Regulations; and
- (ii) otherwise in accordance with the provisions of the constitutional documents and the Regulations.

*On behalf of*

*HSBC Continental Europe  
1 Grand Canal Square  
Grand Canal Harbour  
Dublin 2  
Ireland*

*25 April 2022*

# INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF LYNX ACTIVE BALANCED FUND

*For the period ended 31 December 2021*

## REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

### Opinion

We have audited the financial statements of Lynx Active Balanced Fund ('the Sub-Fund') for the year ended 31 December 2021 set out on pages 17 to 42, which comprise the statement of financial position, statement of comprehensive income, statement of changes in net assets attributable to holders of redeemable participating shares, statement of cash flows and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the accompanying financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Sub-Fund as at 31 December 2021 and of its increase in net assets attributable to holders of redeemable participating shares for the year then ended;
- have been properly prepared in accordance with IFRS as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Irish Collective Asset-management Vehicles Acts 2015 and 2020 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

### Basis for opinion

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

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

### Conclusions relating to going concern

In auditing the financial statements, we have concluded

that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the ICAV's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

### Other information

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report, investment manager's report, depository's report and supplemental unaudited information including schedule of investments, schedule of portfolio changes, other additional disclosures and appendix. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

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

### Opinion on other matter prescribed by the Irish Collective Asset-management Vehicles Acts 2015 and 2020

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

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

The Irish Collective Asset-management Vehicles Acts 2015 and 2020 requires us to report to you, if in our opinion, the disclosures of Directors' remuneration specified by law are not made. We have nothing to report in this regard.

## **RESPECTIVE RESPONSIBILITIES AND RESTRICTIONS ON USE**

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

As explained more fully in the directors' responsibilities statement set out on page 2, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Sub-Fund or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance,

but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A fuller description of our responsibilities is provided on IAASA's website at <http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/Description-of-the-auditor-s-responsibilities-for>.

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

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

*Darina Barrett*

*for and on behalf of*

*KPMG*

*Chartered Accountants, Statutory Audit Firm*

*1 Harbourmaster Place*

*International Financial Services Centre*

*Dublin 1*

*Ireland*

*Date: 25 April 2022*

## STATEMENT OF FINANCIAL POSITION

As at 31 December 2021

	Notes	31 December 2021 EUR	31 December 2020 EUR
<b>ASSETS</b>			
Cash and cash equivalents	2(h)	1,277,514	863,691
Due from brokers	2(m)	2,581,823	3,163,985
Subscriptions receivable	2(o)	90,354	31,658
Financial assets at fair value through profit or loss	2(e), 3,4		
-Transferable securities		35,321,884	30,600,513
-Financial derivative instruments		440,150	440,323
Cash held as collateral	2(n)	731,797	1,207,611
<b>TOTAL ASSETS</b>		<b>40,443,522</b>	<b>36,307,781</b>
<b>LIABILITIES</b>			
Financial liabilities at fair value through profit or loss	2(e), 3,4		
-Financial derivative instruments		(210,721)	(217,310)
Redemptions payable	2(o)	(36,411)	(46,937)
Other payables and accrued expenses	7	(61,588)	(28,440)
<b>LIABILITIES (EXCLUDING NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEM- ABLE PARTICIPATING SHARES)</b>		<b>(308,720)</b>	<b>(292,687)</b>
<b>NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES</b>		<b>40,134,802</b>	<b>36,015,094</b>

Share class	Shares in issue 2021	Net asset value	
		per share 2021	Net asset value 2021
Class USD I1*	1,000	\$132.73	\$132,732
Class USD I2*	44,540	\$133.93	\$5,965,238
Class USD D1*	100	\$131.55	\$13,154
Class USD D2*	100	\$133.33	\$13,333
Class USD A1*	100	\$131.55	\$13,154
Class EUR I1	1,000	€127.53	€127,534
Class EUR I2	44,460	€128.69	€5,721,329
Class EUR D1	115	€126.42	€14,579
Class EUR D2	100	€128.11	€12,811
Class EUR A2	100	€126.39	€12,639
Class SEK I1*	52,374	Kr126.87	Kr6,644,437
Class SEK I2*	837,979	Kr128.01	Kr107,270,809
Class SEK D1*	327,101	Kr125.73	Kr41,126,723
Class SEK D2*	1,104,620	Kr127.44	Kr140,769,251
Class SEK A3*	1,000	Kr125.73	Kr125,731

\* Hedged share class

<i>Share class</i>	<i>Shares in issue</i>	<i>Net asset value</i>	
		<i>per share</i>	<i>Net asset value</i>
	<b>2020</b>	<b>2020</b>	<b>2020</b>
Class USD I1*	1,000	\$122.53	\$122,526
Class USD I2*	44,540	\$123.26	\$5,490,077
Class USD D1*	100	\$121.80	\$12,180
Class USD D2*	100	\$122.89	\$12,289
Class USD A1*	100	\$121.80	\$12,180
Class EUR I1	1,000	€118.43	€118,431
Class EUR I2	44,460	€119.14	€5,297,020
Class EUR D1	131	€117.66	€15,414
Class EUR D2	100	€118.79	€11,879
Class EUR A2	100	€117.72	€11,772
Class SEK I1*	52,374	Kr117.80	Kr6,169,788
Class SEK I2*	803,130	Kr118.51	Kr95,179,479
Class SEK D1*	323,641	Kr118.01	Kr38,192,840
Class SEK D2*	1,026,932	Kr118.02	Kr121,197,048
Class SEK A3*	1,000	Kr117.10	Kr117,100

\* *Hedged share class*

*On behalf of Board of Directors:*

*Brian Dunleavy*

*Fiona Mulhall*

*Date 25 April 2022*



## STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2021

	<i>Notes</i>	<i>31 December 2021</i>	<i>31 December 2020</i>
		<i>EUR</i>	<i>EUR</i>
<b>INVESTMENT INCOME</b>			
Net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss and on foreign exchange	3	3,218,480	(127,269)
<b>TOTAL INVESTMENT INCOME/(LOSS)</b>		<b>3,218,480</b>	<b>(127,269)</b>
<b>OPERATING EXPENSES</b>			
Operating expenses	8	(467,004)	(409,839)
<b>TOTAL OPERATING EXPENSES</b>		<b>(467,004)</b>	<b>(409,839)</b>
<b>OPERATING GAIN/(LOSS)</b>		<b>2,751,476</b>	<b>(537,108)</b>
<b>FINANCE COSTS</b>			
Interest expense	2(j)	(56,539)	(51,323)
<b>TOTAL FINANCE COSTS</b>		<b>(56,539)</b>	<b>(51,323)</b>
<b>INCREASE/(DECREASE) IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES FROM OPERATIONS</b>		<b>2,694,937</b>	<b>(588,431)</b>

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

*For the year ended 31 December 2021*

	<i>31 December 2021</i>	<i>31 December 2020</i>
	<i>EUR</i>	<i>EUR</i>
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE BEGINNING OF THE YEAR	36,015,094	37,076,813
Issue of redeemable participating shares	4,105,098	9,519,930
Redemptions of redeemable participating shares	(2,680,327)	(9,993,218)
Increase/(decrease) in net assets attributable to holders of redeemable participating shares from operations	2,694,937	(588,431)
NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES AT THE END OF THE YEAR	<b>40,134,802</b>	<b>36,015,094</b>

## STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	<i>Notes</i>	<b>31 December 2021</b> <i>EUR</i>	<b>31 December 2020</b> <i>EUR</i>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net increase/(decrease) in net assets resulting from operations		2,694,937	(588,431)
Net (gains)/losses on financial assets and financial liabilities at fair value through profit or loss		(3,135,011)	337,512
Purchase of financial assets		(53,788,576)	(81,136,335)
Proceeds from sale of financial assets		48,852,047	83,999,512
Proceeds/(payment) on settlement of financial derivative instruments		3,343,753	(295,464)
Decrease/(increase) in due from brokers		582,162	(37,787)
Decrease/(increase) in cash held as collateral		475,814	(149,554)
Increase/(decrease) in other payables and accrued expenses		33,148	(86,997)
<b>NET CASH (USED IN)/PROVIDED BY OPERATING ACTIVITIES</b>		<b>(941,726)</b>	<b>2,042,456</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds on the issue of redeemable participating shares		4,046,402	9,720,740
Payment on redemption of redeemable participating shares		(2,690,853)	(9,947,251)
<b>NET CASH PROVIDED BY/(USED IN) FINANCING ACTIVITIES</b>		<b>1,355,549</b>	<b>(226,511)</b>
Net increase in cash and cash equivalents		413,823	1,815,945
Cash and cash equivalents at beginning of the year		863,691	(952,254)
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>2(h)</b>	<b>1,277,514</b>	<b>863,691</b>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:</b>			
Interest received		-	-
Interest paid		(56,539)	(51,323)

## NOTES TO THE FINANCIAL STATEMENTS

*For the year ended 31 December 2021*

### 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 31 December 2021, 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

The significant accounting policies adopted by the Fund in the preparation of these financial statements are set out below.

#### (a) 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 financial statements for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted for use by the European Union (“EU”) and with the requirements of the ICAV Act 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 financial statements have been prepared on a going concern basis and under the historical cost convention except for financial instruments classified at fair value through profit or loss that have been measured at fair value.

#### (b) Use of estimates, judgements and assumptions

The preparation of financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities at the date of the financial statements and, income and expense during the reporting period. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the financial year in which the estimate is revised if the revision affects only that financial period or in the financial period of the revision and future financial periods if the revision affects both current and future financial periods.

#### *Judgements*

Information about judgements made in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements of the Sub-Fund are included in - Note 2 (c) (i); and presentation currency.

#### (c) Foreign currency translation

##### *(i) Functional and presentation currency*

The Directors consider the currency of the primary economic environment in which the Fund operates to be the Euro (“EUR”) as this is the currency which, in their opinion most faithfully represents the economic effects of underlying transactions, events and conditions. The financial statements are presented in EUR which is the Fund’s functional and presentation currency.

*(ii) Foreign currency transactions*

Assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at the closing rates at each financial period end. Transactions during the financial period, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency transaction gains and losses are included in net gains or losses on financial assets and financial liabilities at fair value through profit or loss and net gains or losses on foreign currency in the Statement of Comprehensive Income.

**(d) New standards, amendments and interpretations effective for the period beginning 1 January 2021 and adopted by the Fund, and effective after 1 January 2021 and not early adopted**

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

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

**(e) Financial assets and financial liabilities at fair value through profit or loss**

*(i) Classification*

The Fund classifies all of its investments as financial assets or financial liabilities at fair value through profit or loss. In addition to this, the Fund measures assets and liabilities at amortized cost.

• **Assets**

The Fund classifies its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any securities as fair value through other comprehensive income. Derivative contracts that have a positive fair value are presented as assets at fair value through profit or loss. Consequently, all investments are measured at fair value through profit or loss.

• **Liabilities**

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

As such, the Fund classifies all of its investment portfolio as financial assets or financial liabilities as fair value through profit or loss.

The Fund's policy requires the Investment Manager and the Board of Directors to evaluate the information about these financial assets and financial liabilities on a fair value basis together with other related financial information.

*(ii) Recognition, derecognition and measurement*

Investment transactions are accounted for on a trade date basis. Investments are initially recognized at the fair value of acquisition. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Investments are derecognized when the rights to receive cash flow from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statement of Comprehensive Income within 'net gains or losses on financial assets and financial liabilities at fair value through profit or loss' in the period in which they arise.

The fair value of investments traded in active markets is based on quoted market prices at the close of trading on the reporting date. The Fund utilises the last traded market price for such investments.

*(iii) Financial derivative instruments ("FDI")*

**Future contracts**

Futures are valued at fair value based on the daily quoted settlement price on the relevant valuation date. Futures are contracts for delayed delivery of financial instruments or commodities in which the seller agrees to make delivery at a specific future date of a specific financial instrument or commodity, at a specified price or yield. Gains and losses on futures are recorded by the Fund based on market fluctuations and are recorded as realized or unrealized gains or losses dependent upon settlement terms of the contracts held in the Statement of Comprehensive Income. The Fund uses bond futures, currency futures, interest rate futures and futures on equity indices.

### ***Swaps***

Generally, a swap contract is an agreement that obligates two parties to exchange a series of cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified notional amount of the underlying assets. The payment flows are usually netted against each other, with the difference being paid by one party to the other.

### ***Forward contracts***

Forward contracts entered into by the Fund represent a firm commitment to buy or sell an underlying asset, or currency at a specified value and point in time based upon an agreed or contracted quantity. Gains and losses on forward contracts are measured by the Fund based upon fair value fluctuations and are recorded as realized or unrealized gains or losses in the Statement of Comprehensive Income. The Fund values forward contracts at last settlement prices or closing prices provided by certain third party pricing sources.

### **(f) Impairment of financial assets**

The IFRS 9 expected credit losses (ECL) impairment model applies to financial assets measured at amortized cost. IFRS 9 requires the Fund to record ECLs on all of its cash and collateral, due from broker and trade receivables, either on a 12 month or lifetime basis. Given the limited exposure of the Fund to ECL, this requirement has not had a material impact on these financial statements. The Fund only holds receivables with no financing component and which have maturities of less than 12 months at amortized cost and therefore it has adopted an approach similar to the simplified approach to ECLs.

The carrying value of cash and cash equivalents, cash held as collateral, subscriptions receivable and due from broker measured at amortized cost less any expected loss, is an approximation of fair value given their short-term nature and no history of default.

### **(g) Offsetting financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position where there is a legally enforceable right to set off the recognized amounts and there is an intention to settle on a net basis, or realize the asset and settle the liability simultaneously.

### **(h) Cash and cash equivalents**

Cash, including cash denominated in foreign currencies, represents cash on hand and demand deposits held at financial institutions. Cash equivalents include short-term, highly liquid investments of sufficient credit quality that are readily convertible to known amounts of cash and have original maturities of three months or less. Cash equivalents are carried at cost, plus accrued interest, which approximates fair value. Cash equivalents are held to meet short-term liquidity requirements, rather than for investment purposes.

### **(i) Transaction costs**

Transaction costs are incremental costs which are separately identifiable and directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. The Fund's portfolio transactions include the purchase and sale of treasury bills and certificates and the derivative transactions.

### **(j) Interest income and interest expense**

Deposit interest is recognized as income on an effective interest basis. Interest expense is charged on broker balances and is recognized daily on an accrual basis using the original effective interest rate of the instrument and under the finance costs heading within the Statement of Comprehensive Income.

### **(k) Expenses**

All expenses are recognized in the Statement of Comprehensive Income on an accrual basis. Transaction costs on financial assets and financial liabilities at fair value through profit or loss, including commission fees, are presented gross under operating expenses and are expensed immediately.

### **(l) Redeemable participating shares**

All redeemable participating shares issued by the Fund provide the shareholders with the right to require redemption for cash at the value proportionate to the shareholder's share in the Fund's net assets at the redemption date. In accordance

with IAS 32, 'Financial Instruments: Presentation', such instruments are classified as financial liabilities. Subject to the terms of the Prospectus, the Fund is contractually obliged to redeem shares at the NAV per share on the valuation date.

#### **(m) Due from/to brokers**

Amounts due from/to brokers represent spot trades and margin accounts. Margin accounts represent those cash deposits with brokers which are transferred as collateral against open derivative contracts.

#### **(n) Cash held as collateral**

As at 31 December 2021, the Fund's broker Goldman Sachs held cash as collateral for the purpose of over-the-counter ("OTC") derivative contracts that is identified in the Statement of Financial Position as cash held as collateral and is not included as a component of cash and cash equivalents.

#### **(o) Subscriptions receivable and redemptions payable**

Subscriptions receivable represent amounts due from investors from subscriptions that have been contracted for but not yet received and therefore are shown as a receivable at the financial year end. Redemptions payable represent amounts due to shareholders for redemptions that have been contracted for but not yet paid and therefore are shown as a payable at the financial period end.

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

	31 December 2021	31 December 2020
	EUR	EUR
<b>Financial assets at fair value through profit or loss</b>		
Transferable securities		
- Treasury bills	28,587,098	23,888,035
- Treasury certificates	6,734,786	6,712,478
Financial derivative instruments		
- Forward contracts	105,212	295,391
- Future contracts	334,938	144,932
<b>Total financial assets at fair value through profit or loss</b>	<b>35,762,034</b>	<b>31,040,836</b>
<b>Financial liabilities at fair value through profit or loss</b>		
Financial derivative instruments		
- Forward contracts	72,886	(133,242)
- Future contracts	137,835	(55,186)
- Swaps	-	(28,882)
<b>Total financial liabilities at fair value through profit or loss</b>	<b>210,721</b>	<b>(217,310)</b>
<b>Net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss</b>		
(Losses) on treasury bills	(172,514)	(139,751)
(Losses) on treasury certificates	(42,644)	(31,796)
Gains/(losses) on future contracts	2,657,663	(492,788)
Gains/losses on swaps	952,992	(59,052)
Losses/gains on forward contracts	(260,486)	385,875
<b>Net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss</b>	<b>3,135,011</b>	<b>(337,512)</b>
<b>Net gains on foreign exchange</b>		
Net gains on foreign exchange	83,469	210,243
<b>Net gains on foreign exchange</b>	<b>83,469</b>	<b>210,243</b>
<b>Net gains/(losses) on financial assets and financial liabilities at fair value through profit or loss and on foreign exchange</b>	<b>3,218,480</b>	<b>(127,269)</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 year 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 31 December 2021.

	<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	28,587,098	28,587,098	-	-
-Treasury certificates	6,734,786	6,734,786	-	-
Financial derivative instruments				
-Forward contracts	105,212	-	105,212	-
-Future contracts	334,938	334,938	-	-
<b>Total financial assets at fair value through profit or loss</b>	<b>35,762,034</b>	<b>35,656,822</b>	<b>105,212</b>	<b>-</b>



**Financial liabilities at fair value through profit or loss**

Financial derivative instruments				
-Forward contracts	72,886	-	72,886	-
-Future contracts	137,835	137,835	-	-
<b>Total financial liabilities at fair value through profit or loss</b>	<b>210,721</b>	<b>137,835</b>	<b>72,886</b>	<b>-</b>

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

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

	<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	23,888,035	23,888,035	-	-
-Treasury certificates	6,712,478	6,712,478	-	-
Financial derivative instruments				
-Forward contracts	295,391	-	295,391	-
-Future contracts	144,932	144,932	-	-
<b>Total financial assets at fair value through profit or loss</b>	<b>31,040,836</b>	<b>30,745,445</b>	<b>295,391</b>	<b>-</b>
<b>Financial liabilities at fair value through profit or loss</b>				
Financial derivative instruments				
-Forward contracts	(133,242)	-	(133,242)	-
-Future contracts	(55,186)	(55,186)	-	-
-Swaps	(28,882)	-	(28,882)	-
<b>Total financial liabilities at fair value through profit or loss</b>	<b>(217,310)</b>	<b>(55,186)</b>	<b>(162,124)</b>	<b>-</b>

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

**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 year 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:

	31 December 2021 USD	31 December 2020 USD
<b>Financial assets at fair value through profit or loss</b>		
-Forward contracts	105,212	295,391
-Future contracts	334,938	144,932
<b>Total financial assets at fair value through profit or loss</b>	<b>440,150</b>	<b>440,323</b>
<b>Financial liabilities at fair value through profit or loss</b>		
-Forward contracts	(72,886)	(133,242)
-Future contracts	(137,835)	(55,186)
-Swaps	-	(28,882)
<b>Total financial liabilities at fair value through profit or loss</b>	<b>(210,721)</b>	<b>(217,310)</b>
<b>Net Assets</b>	<b>229,429</b>	<b>223,013</b>

Notional exposures on derivative contracts were as follows:

31 December 2021	Long exposure		Short exposure	
	Notional amounts USD	Number of contracts	Notional amounts USD	Number of contracts
<b>Primary underlying risk</b>				
<b>Interest rate</b>				
Interest rate futures	19,227,181	2	-	-
<b>Equity price</b>				
Index futures	23,349,621	15	-	-
Index swaps	1,524,576	1	-	-
<b>Bond price</b>				
Bond futures	29,840,485	11	-	-
<b>Currency price</b>				
Currency futures	5,179,737	3	(20,775,786)	1
<b>31 December 2020</b>				
	Long exposure	Short exposure		
	Notional amounts USD	Number of contracts	Notional amounts USD	Number of contracts
<b>Primary underlying risk</b>				
<b>Interest rate</b>				
Interest rate futures	47,990,085	259	-	-
<b>Equity price</b>				
Index futures	23,562,510	321	-	-
Index swaps	4,959,084	71,650	-	-
<b>Bond price</b>				
Bond futures	34,081,713	263	-	-
<b>Currency price</b>				
Currency futures	2,150,571	22	(7,912,644)	(64)

## 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
€250M1 - €500M1	0.0275% per annum
€500M1 - €750M1	0.025% per annum
€750M1 - €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.

## (f) Audit fees

The remuneration for all work carried out by the statutory audit firm in respect of the year is as follows:

	31 December 2021	31 December 2020
	EUR	EUR
Statutory audit (exclusive of VAT and out-of-pocket expenses)	12,400	12,372
Assurance	-	-
Tax Services	-	-
Other non-audit services	-	-
<b>Total</b>	<b>12,400</b>	<b>12,372</b>

## 7. OTHER PAYABLES AND ACCRUED EXPENSES

	31 December 2021	31 December 2020
	EUR	EUR
Audit fees payable	22,817	10,417
Administration fees payable	2,466	1,749
Directors' fees payable	634	765
Depository fees payable	1,601	1,558
Investment management fees payable	23,458	7,638
Manager fees payable*	2,312	-
Other payables	8,300	6,313
	<b>61,588</b>	<b>28,440</b>

\* For the financial year ended 31 December 2020, the Investment Manager paid the manager fees out of its own fees, and EUR 2,940 was payable at year end.

## 8. OPERATING EXPENSES

	31 December 2021	31 December 2020
	EUR	EUR
Transaction costs	28,813	23,647
Audit fees	12,400	12,372
Administration fees	30,000	30,206
Depository fees	24,618	22,326
Investment management fees	275,353	266,634
Directors' fees	18,936	17,924
Manager fees*	28,101	-
Other expenses	48,783	36,730
	<b>467,004</b>	<b>409,839</b>

\* For the financial year ended 31 December 2020, the Investment Manager paid the manager fees of EUR 32,373 out of its own fees.

## 9. 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 redeemable participating shares during the year ended 31 December 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 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	131	7	(23)	115
Class EUR D2	100	-	-	100
Class EUR A2	100	-	-	100
Class SEK I1*	52,374	-	-	52,374
Class SEK I2*	803,130	44,001	(9,152)	837,979
Class SEK D1*	323,641	54,878	(51,418)	327,101
Class SEK D2*	1,026,932	235,865	(158,177)	1,104,620
Class SEK A3*	1,000	-	-	1,000

\* Hedged share class

The amounts for the redeemable participating shares movements during the year ended 31 December 2021 was as follows:

Share class	Beginning net assets EUR	Amounts subscribed EUR	Amounts redeemed during the year EUR	Amount of Profit/loss EUR	Ending net assets EUR
Class USD I1*	99,777	-	-	17,503	117,280
Class USD I2*	4,470,747	-	-	800,062	5,270,809
Class USD D1*	9,918	-	-	1,705	11,623
Class USD D2*	10,008	-	-	1,773	11,781
Class USD A1*	9,918	-	-	1,705	11,623
Class EUR I1	118,431	-	-	9,103	127,534
Class EUR I2	5,297,020	-	-	424,309	5,721,329
Class EUR D1	15,414	900	(2,848)	1,113	14,579
Class EUR D2	11,879	-	-	932	12,811
Class EUR A2	11,772	-	-	867	12,639
Class SEK I1*	614,374	-	-	32,761	647,135
Class SEK I2*	9,477,762	520,392	(109,487)	558,979	10,447,646
Class SEK D1*	3,773,839	666,816	(624,143)	189,027	4,005,539
Class SEK D2*	12,082,574	2,916,990	(1,943,849)	654,513	13,710,228
Class SEK A3*	11,661	-	-	585	12,246
	<b>36,015,094</b>	<b>4,105,098</b>	<b>(2,680,327)</b>	<b>2,694,937</b>	<b>40,134,802</b>

\* Hedged share class

The movement in the number of redeemable participating shares during the year ended 31 December 2020 were 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	100	46	(15)	131
Class EUR D2	100	-	-	100
Class EUR A2	100	-	-	100
Class SEK I1*	52,374	-	-	52,374
Class SEK I2*	816,443	-	(13,313)	803,130
Class SEK D1*	487,618	226,879	(390,856)	323,641
Class SEK D2*	917,576	640,413	(531,057)	1,026,932
Class SEK A3*	1,000	-	-	1,000

\*Hedged share class

The amount for Investor share movements during the year ended 31 December 2020 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*	111,137	-	-	(11,360)	99,777
Class USD I2*	4,964,849	-	-	(494,102)	4,470,747
Class USD D1*	11,081	-	-	(1,163)	9,918
Class USD D2*	11,130	-	-	(1,122)	10,008
Class USD A1*	11,081	-	-	(1,163)	9,918
Class EUR I1	121,556	-	-	(3,125)	118,431
Class EUR I2	5,420,524	-	-	(123,504)	5,297,020
Class EUR D1	12,119	5,294	(1,692)	(307)	15,414
Class EUR D2	12,174	-	-	(295)	11,879
Class EUR A2	12,119	-	-	(347)	11,772
Class SEK I1*	606,882	-	-	7,492	614,374
Class SEK I2*	9,488,875	-	(139,059)	127,946	9,477,762
Class SEK D1*	5,633,438	2,534,922	(4,201,349)	(193,172)	3,773,839
Class SEK D2*	10,648,295	6,979,714	(5,651,118)	105,683	12,082,574
Class SEK A3*	11,553	-	-	108	11,661
	<b>37,076,813</b>	<b>9,519,930</b>	<b>(9,993,218)</b>	<b>(588,431)</b>	<b>36,015,094</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. RISKS ASSOCIATED WITH FINANCIAL INSTRUMENTS

The Fund's risks are those set out in the Prospectus and the Supplement and any consideration of risk here should be viewed in the context of the Prospectus and the Supplement which is the primary documentation governing the operations of the Fund.

The Fund's activities expose it to a variety of financial risks: market risk (including foreign currency risk, interest rate risk and market price risk), credit risk and liquidity risk. The ICAV's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Fund's financial performance. The Fund may use derivative financial instruments to moderate certain risk exposures.

The Investment Manager assesses the risk profile of the Fund on the basis of the investment policy, strategy and the use made of financial derivative instruments. The Investment Manager operates risk management controls over all of the Fund's positions, which may include risk attribution and exposure analysis by liquidity and size and may utilize a number of multi-factor simulations including the value-at-risk simulation and stress-testing, where appropriate.

### (a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Investment Manager moderates market risk through careful selection of securities and other financial instruments within specified limits. The Fund has exposure to some of the above risks to generate investment returns on its portfolios, although these risks can also potentially result in a reduction in the Fund's assets. The Fund's overall market position is monitored on a daily basis by the Fund's Investment Manager and is reviewed on a regular basis by the Manager.

As at 31 December 2021, the Fund's market risk is affected by three components:

- (i) *foreign currency movements ("currency risk");*
- (ii) *interest rate movements ("interest rate risk"); and*
- (iii) *changes in actual equity prices and commodity prices ("market price risk").*

#### (i) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Fund may invest in securities and financial instruments denominated in currencies other than its functional currency. Consequently, the Fund may be exposed to risks that the exchange rate of its currency relative to other currencies may change in a manner which may have a favourable or unfavourable effect on the value of that portion of the Fund's assets which are denominated in currencies other than its own currency. However, the Fund may seek to hedge this currency risk through foreign exchange ("FX") transactions in the spot, forward, currency swaps or futures markets.

Any financial instruments used to implement strategies for hedging one or more share classes denominated in a currency other than EUR from unwanted exposure to fluctuations in the currency versus EUR shall be assets/liabilities of the Fund as a whole but will be attributable to the relevant class. The gains/losses of financial instruments and the costs of the relevant financial instruments will accrue solely to the relevant class.

The table below outlines the net foreign currency risk exposure of the Fund as at 31 December 2021.

	<b>Net monetary assets and monetary liabilities investments and other assets/ liabilities</b>	<b>Hedged share class exposure</b>	<b>Forwards</b>	<b>Net exposure</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Australian Dollar	(302,663)	-	-	(302,663)
Canadian Dollar	284,942	-	-	284,942
Hong Kong Dollar	101,342	-	-	101,342
Japanese Yen	73,971	-	-	73,971
Pound Sterling	(34,271)	-	-	(34,271)
Swedish Krona	(28,410,643)	(28,822,794)	57,412,444	179,007
United States Dollar	(5,486,833)	(5,423,116)	10,847,064	(62,885)
	<b>(33,774,155)</b>	<b>(34,245,910)</b>	<b>68,259,508</b>	<b>239,443</b>

The table below outlines the net foreign currency risk exposure of the Fund as at 31 December 2020.

	<b>Net monetary assets and monetary liabilities investments and other assets/ liabilities</b>	<b>Hedged share class exposure</b>	<b>Forwards</b>	<b>Net exposure</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
Australian Dollar	198,866	-	(14,364)	184,502
Canadian Dollar	212,003	-	1,351	213,354
Hong Kong Dollar	77,074	-	30,468	107,542
Japanese Yen	388,490	-	(1,184)	387,306
Pound Sterling	13,965	-	(6,261)	7,704
Swedish Krona	18,092	(25,960,211)	26,070,842	128,723
United States Dollar	(141,484)	(4,600,368)	4,607,071	(134,781)
	<b>767,006</b>	<b>(30,560,579)</b>	<b>30,687,923</b>	<b>894,350</b>

*(ii) Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

*(iii) Market price risk*

Market price risk is the risk that the value of instruments will fluctuate as a result of changes in market prices (other than those arising from currency risk or interest rate risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

The Fund's investments are susceptible to market price risk arising from uncertainties about future prices of the instruments. The Fund seeks to balance risk across asset classes to minimize the negative effect of market downturns that may result from e.g. economic recessions or inflationary environments. The Fund uses quantitative models for asset allocation and portfolio construction purposes. The models are proprietary developed by the Investment Manager and aim to forecast, among other things, market trends and volatility.

The Fund may shift its allocation across markets, sectors and asset classes more frequently than traditional balanced funds and FDI may comprise a substantial part of the investment universe.



### **Value-at-risk**

Under the Central Bank UCITS Regulations, the ICAV is required to employ a risk management process (“RMP”) which enables it to accurately monitor and manage the global exposure of the ICAV from derivatives. The market risks generated by the Fund are measured by the Investment Manager through the use of an Absolute Value-at-Risk (“VaR”) measure. Global exposure for the Fund is calculated using a VaR model. VaR is monitored in terms of absolute VaR defined as the VaR of the Fund as a percentage of NAV. The absolute VaR of the Fund should not be greater than 20%. VaR is measured over a holding period of 20 business days with a 99% confidence level and a historical observation period of not less than one year. The simulated returns are calculated using equally-weighted historical simulation.

The market risks of the Fund’s positions are monitored by the Investment Manager on a daily basis. VaR analysis represents the interdependencies between risk variables, unlike a traditional sensitivity analysis. VaR represents a statistical estimate of the potential losses from adverse changes in market factors for a specified time period and confidence level.

VaR enables a comparison of risks across asset classes and serves as an indicator to the Investment Manager of the investment risk in a portfolio. If used in this way, and considering the limitations of VaR methods and the particular model chosen, it can act as a signal to the Investment Manager of an increase in the general level of risk in a portfolio and as a trigger for corrective action by the Investment Manager.

### **VaR analysis**

The Portfolio manager monitors the Value at Risk on a daily basis using three different VaR-models

- a) historical simulation over 18 months equally weighted historical data,
- b) a co-variance model based on 18 months exponentially weighted historical data with a half-life of 11 days and
- c) a co-variance model based on 18 months exponentially weighted historical data with a half-life of 90 days.

The figures represented in the table shows data for the model which has shown the largest Value at Risk on a single day during the period.

The below table shows the minimum, maximum and average VaR level as a percentage of the NAV and VaR limit utilization percentage over the reporting year ended 31 December 2021:

<b>31 December 2021</b>	<b>Leverage Employed*</b>	<b>Limit Utilisation (VaR as % of Limit)</b>
Maximum	11.92%	59.60%
Minimum	3.22%	16.10%
Average	7.95%	39.75%
31 December 2021	5.35%	26.74%

The below table shows minimum, maximum and average VaR level as a percentage of the NAV and VaR limit utilization percentage over the reporting year ended 31 December 2020:

<b>31 December 2020</b>	<b>Leverage Employed*</b>	<b>Limit Utilisation (VaR as % of Limit)</b>
Maximum	10.23%	51.15%
Minimum	3.85%	34.62%
Average	5.21%	26.07%
31 December 2020	4.92%	24.62%

\* Leverage-figures are calculated using a 20 days holding period with a 99% confidence level.

### **(b) Credit risk**

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund. It arises principally from investment in treasury bills and certificates held and due from brokers. For risk management reporting purposes, the Fund considers and consolidates all elements of credit risk exposure (such as individual obligor default risk, country risk and sector risk).

The carrying amounts of financial assets represent the maximum credit risk exposure at 31 December 2021:

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>EUR</b>	<b>EUR</b>
Financial assets at fair value through profit or loss	35,762,034	31,040,836
Cash and cash equivalents	1,277,514	863,691
Cash held as collateral	731,797	1,207,611
Subscriptions receivable	90,354	31,658
Due from brokers	2,581,823	3,163,985
<b>Total financial assets</b>	<b>40,443,522</b>	<b>36,307,781</b>

Credit risk relating to unsettled transactions is considered small due to the short-term settlement period. As at 31 December 2021, the Fund had exposure to the following counterparties and their Standard & Poor's long-term credit ratings are as follows:

<b>Financial assets</b>	<b>Counterparty</b>	<b>Credit rating</b>	<b>EUR</b>
Cash and cash equivalents	HSBC Continental Europe	A+	1,277,514
Cash held as collateral	Goldman Sachs	A+	731,797
Due from broker	Goldman Sachs	A+	2,581,823
Forward contracts	Goldman Sachs	A+	105,212
Future contracts	Goldman Sachs	A+	334,938

As at 31 December 2020, the Fund had exposure to the following counterparties and their Standard & Poor's long-term credit ratings are as follows:

<b>Financial assets</b>	<b>Counterparty</b>	<b>Credit rating</b>	<b>EUR</b>
Cash and cash equivalents	HSBC Continental Europe	A+	863,691
Cash held as collateral	Goldman Sachs	A+	1,207,611
Due from broker	Goldman Sachs	A+	3,163,985
Forward contracts	Goldman Sachs	A+	295,391
Future contracts	Goldman Sachs	A+	144,932

The Fund's Investment Manager is responsible for identifying and controlling risks. The Board of Directors supervises the Investment Manager and is ultimately responsible for the overall risk management approach within the Fund. All the cash and cash equivalents and due from broker balances are held with counterparties with minimum ratings of A+. The Fund did not recognize any impairment during the year ended 31 December 2021 and year ended 31 December 2020. The ICAV will also be exposed to a credit risk in relation to the counterparties with whom it transacts or places margin or collateral in respect of transactions in financial derivative instruments and may bear the risk of counterparty default.

The Fund's credit risk is monitored on a quarterly basis by the Board of Directors.

### **(c) Liquidity risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Fund is exposed to daily cash redemptions of redeemable participating shares and monitors this activity to ensure that funds are available to meet the redemption requirements.

The Fund's actively traded securities are considered to be readily realizable as they are actively traded on recognized stock exchanges.

The Fund's financial instruments also comprise investments in OTC derivative contracts, which are not traded in an organized public market and which generally may be illiquid. As a result, the Fund may not be able to liquidate quickly some of its investments in these instruments at an amount close to their fair value in order to meet its liquidity requirements, or to respond to specific events such as a deterioration in the credit worthiness of any particular issuer.

The table below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. Balances due within 12 months equal their carrying balances, as the impact of discounting is not significant.

The following table sets out the Fund's total exposure to liquidity risk as at 31 December 2021:

<b>As at 31 December 2021</b>	<b>Less than 1 month EUR</b>	<b>1-3 month EUR</b>	<b>3-6 months EUR</b>	<b>More than 6 months EUR</b>	<b>Total EUR</b>
<b>Liabilities</b>					
Financial liabilities at fair value through profit or loss	16,847	188,324	5,550	-	210,721
Redemptions payable	36,411	-	-	-	36,411
Other payables and accrued expense	30,515	7,622	23,451	-	61,588
Net assets attributable to holders of redeemable participating share	40,134,802	-	-	-	40,134,802
<b>Total liabilities and redeemable participating shares</b>	<b>40,218,575</b>	<b>195,946</b>	<b>29,001</b>	<b>-</b>	<b>40,443,522</b>

The following tables set out the Fund's total exposure to liquidity risk as at 31 December 2020:

<b>As at 31 December 2020</b>	<b>Less than 1 month EUR</b>	<b>1-3 month EUR</b>	<b>3-6 months EUR</b>	<b>More than 6 months EUR</b>	<b>Total EUR</b>
<b>Liabilities</b>					
Financial liabilities at fair value through profit or loss	133,939	53,736	-	29,635	217,310
Redemptions payable	46,937	-	-	-	46,937
Other payables and accrued expense	11,615	5,643	11,182	-	28,440
Net assets attributable to holders of redeemable participating share	36,015,094	-	-	-	36,015,094
<b>Total liabilities and redeemable participating shares</b>	<b>36,207,585</b>	<b>59,379</b>	<b>11,182</b>	<b>29,635</b>	<b>36,307,781</b>

The table below analyse each of the Funds with derivative exposures at 31 December 2021 and 2020 that will be settled on a gross basis into relevant maturity groupings based on the remaining period at the Statement of Financial Position date to the contractual maturity date.

**As at 31 December 2021**

	<b>Currency</b>	<b>Less than 3 months</b>	<b>More than 3 months</b>	<b>Total</b>
Inflow	EUR	39,962,286	-	39,962,286
Outflow	EUR	(40,167,457)	(5,550)	(40,173,007)
<b>Total</b>		<b>(205,171)</b>	<b>(5,550)</b>	<b>(210,721)</b>

**As at 31 December 2020**

	<b>Currency</b>	<b>Less than 3 months</b>	<b>More than 3 months</b>	<b>Total</b>
Inflow	EUR	4,567,387	-	4,567,387
Outflow	EUR	(4,754,231)	(30,466)	(4,784,697)
<b>Total</b>		<b>(186,844)</b>	<b>(30,466)</b>	<b>(217,310)</b>

The principal investment strategies that involve foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk.

The Investment Manager monitors the Fund's liquidity position on a daily basis, focusing on both the requirements for liquidity and that suitable assets are able to meet such requirements.

#### (d) Concentration Risk

Concentration risk arises when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentration indicates the relative sensitivity of the Fund's performance to developments affecting a particular issuer, manager, asset class or geographical location of risk. In order to avoid excessive concentration of risk, the Fund's policies and procedures include specific guidelines to monitor the relevant risk concentrations on a periodic basis.

Concentration of risk is disclosed in the Schedule of Investments.

The Investment Manager reviews the concentration of financial instruments held based on geographical location of risk and industry.

## 12. OFFSETTING FINANCIAL INSTRUMENTS

None of the financial assets or financial liabilities are offset in the Statement of Financial Position. The disclosures set out in the table below include financial assets and financial liabilities that are subject to an enforceable master netting arrangement or similar agreement that covers similar financial instruments.

The International Swaps and Derivatives Association ("ISDA") and similar master netting arrangements do not meet the criteria for offsetting in the Statement of Financial Position. This is because they create a right of set-off of recognized amounts that is enforceable only following an event of default, insolvency or bankruptcy of the Fund or the counterparties. In addition, the Fund and its counterparties do not intend to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

The following table provides disclosure regarding the potential effects of netting arrangements on recognized assets and liabilities presented in the Statement of Financial Position as at 31 December 2021.

#### *Offsetting Financial Assets*

Counterparty	Gross amount of recognised financial assets EUR	Gross amounts of financial liabilities offset in the Statements of Financial Position EUR	Net amount of financial assets presented in the Statements of Financial Position EUR	Gross amounts not offset in the Statements of Financial Position		
				Financial instrument (including non-cash collateral) EUR	Cash collateral received EUR	Net amount EUR
Goldman Sachs	440,150	-	440,150	(210,721)	-	229,429
<b>Total</b>	<b>440,150</b>	<b>-</b>	<b>440,150</b>	<b>(210,721)</b>	<b>-</b>	<b>229,429</b>

#### *Offsetting Financial liabilities*

Financial assets	Gross amount of recognised financial liabilities EUR	Gross amounts of financial liabilities offset in the Statements of Financial Position EUR	Net amount of financial liabilities presented in the Statements of Financial Position EUR	Gross amounts not offset in the Statements of Financial Position		
				Financial instrument (including non-cash collateral) EUR	Cash collateral pledged EUR	Net amount EUR
Goldman Sachs	(210,721)	-	(210,721)	210,721	-	-
<b>Total</b>	<b>(210,721)</b>	<b>-</b>	<b>(210,721)</b>	<b>210,721</b>	<b>-</b>	<b>-</b>

The following table provides disclosure regarding the potential effects of netting arrangements on recognized assets and liabilities presented in the Statement of Financial Position as at 31 December 2020.

#### *Offsetting Financial Assets*

	Gross amount of recognised financial assets EUR	Gross amounts of financial liabilities offset in the Statements of Financial Position EUR	Net amount of financial assets presented in the Statements of Financial Position EUR	Gross amounts not offset in the Statements of Financial Position		Net amount EUR
				Financial instrument (including non-cash collateral) EUR	Cash collateral received EUR	
Financial assets						
Goldman Sachs	440,323	-	440,323	(217,310)	-	223,013
<b>Total</b>	<b>440,323</b>	<b>-</b>	<b>440,323</b>	<b>(217,310)</b>	<b>-</b>	<b>223,013</b>

#### *Offsetting Financial liabilities*

	Gross amount of recognised financial liabilities EUR	Gross amounts of financial liabilities offset in the Statements of Financial Position EUR	Net amount of financial liabilities presented in the Statements of Financial Position EUR	Gross amounts not offset in the Statements of Financial Position		Net amount EUR
				Financial instrument (including non-cash collateral) EUR	Cash collateral pledged EUR	
Financial assets						
Goldman Sachs	(217,310)	-	(217,310)	217,310	-	-
<b>Total</b>	<b>(217,310)</b>	<b>-</b>	<b>(217,310)</b>	<b>217,310</b>	<b>-</b>	<b>-</b>

### 13. 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 31 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

The following table discloses the dealing NAV, the shares in issue and NAV 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 USD I1*	1,000	\$122,526	\$122.53
Class USD I2*	44,540	\$5,490,077	\$123.26
Class USD D1*	100	\$12,180	\$121.80
Class USD D2*	100	\$12,289	\$122.89
Class USD A1*	100	\$12,180	\$121.80
Class EUR I1	1,000	€118,431	€118.43
Class EUR I2	44,460	€5,297,020	€119.14
Class EUR D1	131	€15,414	€117.66
Class EUR D2	100	€11,879	€118.79
Class EUR A2	100	€11,772	€117.72
Class SEK I1*	52,374	Kr6,169,788	Kr117.80
Class SEK I2*	803,130	Kr95,179,479	Kr118.51
Class SEK D1*	323,641	Kr38,192,840	Kr118.01
Class SEK D2*	1,026,932	Kr121,197,048	Kr118.02
Class SEK A3*	1,000	Kr117,100	Kr117.10

\* 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 31 December 2019:

Share class	Shares in issue	Net asset value	Net asset value per share
Class USD I1*	1,000	\$124,407	\$124.41
Class USD I2*	44,540	\$5,557,652	\$124.78
Class USD D1*	100	\$12,404	\$124.04
Class USD D2*	100	\$12,459	\$124.59
Class USD A1*	100	\$12,404	\$124.04
Class EUR I1	1,000	€121,556	€121.56
Class EUR I2	44,460	€5,420,524	€121.92
Class EUR D1	100	€12,119	€121.19
Class EUR D2	100	€12,174	€121.74
Class EUR A2	100	€12,119	€121.19
Class SEK I1*	52,374	Kr 6,348,329	Kr121.21
Class SEK I2*	816,443	Kr99,259,033	Kr121.57
Class SEK D1*	487,618	Kr58,928,966	Kr120.85
Class SEK D2*	917,576	Kr111,387,228	Kr121.39
Class SEK A3*	1,000	Kr120,851	Kr120.85

\* Hedged share class

#### 14. 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 year.

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 year ended 31 December 2021, MLRO fees amounting to EUR 4,869 (2020: EUR 7,036) were charged to the Fund of which EUR 789 (2020: EUR 1,958) was outstanding at the year end. Secretary fees amounting to EUR 4,869 (2020: EUR 7,036) were charged to the Fund of which EUR 789 (2020: EUR 1,958) was outstanding at the year end.

KB Associates also provides VAT and payroll services to the Fund. VAT services fees amounting to EUR 1,703 (2020: EUR 2,571) were charged to the Fund and EUR 1,014 (2020: EUR 940) was outstanding at the year end and

payroll services fees amounting to EUR 1,217 (2020: EUR 1,481) were charged to the Fund of which EUR 424 (2020: EUR 387) was outstanding at the year 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 year ended 31 December 2021:

Share class	31 December 2021	31 December 2020
	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

Marcus Andersson was a director of the ICAV until 17 May 2021 and is a principal and a director of the Investment Manager. He is a director of Lynx Vinstandelsstiftelse. Lynx Vinstandelsstiftelse is a trust for the benefit of employees of Lynx Asset Management AB. As at 31 December 2021, Lynx Vinstandelsstiftelse held 37,321 (2020: 43,065) shares in Class I2 SEK of the Fund.

Henrik Landén is a Director of the ICAV and is an employee of the Investment Manager. As on 31 December 2021 he held 2,129 shares in Class D2 SEK of the Fund.

Lynx Asset Management AB and Lynx Vinstandelsstiftelse jointly holds 13.99% (2020: 14.95%) of the Fund's shares.

None of the remaining Directors of the ICAV hold or held shares in the Fund during the year ended 31 December 2021 (2020: Nil)

There are no other related party transactions.

## 15. SIGNIFICANT EVENTS DURING THE YEAR

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 have established procedures to address and mitigate the potential harm to people and the management of the Fund. The Directors are still following 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 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 (the "Sustainable Finance Disclosure Regulation").

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.

An updated Prospectus of the ICAV and Supplement of the Fund was filed with the Central Bank of Ireland on 26 November 2021. This was to reflect the requirements of Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the "Taxonomy Regulation").

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

## **16. SUBSEQUENT EVENTS**

The Directors of the Fund acknowledge the situation in Ukraine and are monitoring the developments closely. The Lynx Active Balanced Program has never held any positions with exposures directly to Russia or Ukraine. While volatility remains elevated given the ongoing conflict, the Lynx Active Balanced Program is designed to adapt to changing market conditions. Neither the Directors nor the Investment Manager foresee any impact due to the situation other than market reactions to future developments.

On 25 January 2022, KBA announced that, subject to regulatory approval, it will become a member of the Waystone Group.

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

## **17. COMMITMENTS AND CONTINGENTS**

The Fund does not have any commitments or contingents as at 31 December 2021.

## **18. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Board of Directors on 25 April 2022.



## SCHEDULE OF INVESTMENTS (UNAUDITED)

As at 31 December 2021

Holdings	Description	Fair Value EUR	% of Net Asset Value
FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS			
<i>Fixed Income Securities</i>			
<b>Bermuda</b>			
2,300,000	Treasury Certificates 0% 14/07/2022	2,308,952	5.75
4,400,000	Treasury Certificates 0% 10/11/2022	4,425,834	11.03
		<b>6,734,786</b>	<b>16.78</b>
<b>France</b>			
3,300,000	French Discount Treasury Bill 0% 26/01/2022	3,301,452	8.23
2,500,000	French Discount Treasury Bill 0% 09/02/2022	2,501,875	6.23
2,100,000	French Discount Treasury Bill 0% 23/02/2022	2,102,184	5.24
2,000,000	French Discount Treasury Bill 0% 06/04/2022	2,003,730	4.99
1,000,000	French Discount Treasury Bill 0% 21/04/2022	1,002,210	2.50
3,700,000	French Discount Treasury Bill 0% 18/05/2022	3,709,786	9.24
2,000,000	French Discount Treasury Bill 0% 15/06/2022	2,006,930	5.00
4,000,000	French Discount Treasury Bill 0% 10/08/2022	4,016,820	10.01
2,600,000	French Discount Treasury Bill 0% 07/09/2022	2,612,883	6.51
3,500,000	French Discount Treasury Bill 0% 05/10/2022	3,518,392	8.77
1,300,000	French Discount Treasury Bill 0% 02/11/2022	1,307,768	3.26
500,000	French Discount Treasury Bill 0% 30/11/2022	503,068	1.25
		<b>28,587,098</b>	<b>71.23</b>
	<b>Total Fixed Income Securities</b>	<b>35,321,884</b>	<b>88.01</b>
<i>Future Contracts</i>			
<b>Australia</b>			
33	Australia 10 Yr Bond future 15/03/2022	532	-
8	SPI 200 Index future 17/03/2022	17,648	0.04
		<b>18,180</b>	<b>0.04</b>
<b>Canada</b>			
4	S&P/TSX 60 Index future 17/03/2022	11,910	0.03
		<b>11,910</b>	<b>0.03</b>
<b>Germany</b>			
1	DAX Index future 18/03/2022	8,425	0.02
71	STOXX EURO ESG Index future 18/03/2022	40,440	0.10
		<b>48,865</b>	<b>0.12</b>
<b>Italy</b>			
2	FTSE/MIB Index future 18/03/2022	6,800	0.02
		<b>6,800</b>	<b>0.02</b>
<b>Singapore</b>			
19	MSCI Taiwan Index future 27/01/2022	9,861	0.02
24	Nikkei 225 Index future 10/03/2022	48,210	0.12
		<b>58,071</b>	<b>0.14</b>

<b>Holdings</b>	<b>Description</b>	<b>Fair Value EUR</b>	<b>% of Net Asset Value</b>
	<b>Singapore</b>		
2	OMXS30 ESG Index future 21/01/2022	2,357	0.01
		<b>2,357</b>	<b>0.01</b>
	<b>United Kingdom</b>		
22	FTSE 100 Index future 18/03/2022	41,917	0.10
		<b>41,917</b>	<b>0.10</b>
	<b>United States</b>		
25	GBP Currency future 14/03/2022	30,895	0.08
29	Mini MSCI Emerging Markets future 18/03/2022	4,833	0.01
12	Nasdaq 100 E-Mini future 18/03/2022	78,976	0.20
20	Russell 2000 E-Mini Index future 18/03/2022	42,055	0.11
22	S&P 500 E-Mini future 18/03/2022	109,178	0.27
8	S&P MID 400 E-Mini Index future 18/03/2022	61,758	0.15
		<b>327,695</b>	<b>0.82</b>
	<b>Total Future Contracts</b>	<b>515,795</b>	<b>1.28</b>
	Variation margin paid on futures contracts	(180,857)	(0.45)
	<b>Total Future Contracts</b>	<b>334,938</b>	<b>0.83</b>
	<b>Forward Contracts<sup>1</sup></b>		
	Buy SEK290,550,528 / Sell EUR28,192,010 04/01/2022	105,212	0.26
	<b>Total Forward Contracts</b>	<b>105,212</b>	<b>0.26</b>
	<b>Total Financial Assets at Fair Value Through Profit or Loss</b>	<b>35,762,034</b>	<b>89.10</b>

Holdings	Description	Fair Value EUR	% of Net Asset Value
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS			
<i>Future Contracts<sup>1</sup></i>			
<b>Canada</b>			
4	Canada 10 Yr Bond future 22/03/2022	(2,826)	(0.01)
		<b>(2,826)</b>	<b>(0.01)</b>
<b>Germany</b>			
13	Euro Bobl future 08/03/2022	(10,710)	(0.03)
5	Euro Bund future 08/03/2022	(12,910)	(0.03)
6	Euro Buxl future 08/03/2022	(56,500)	(0.14)
15	Euro OAT future 08/03/2022	(42,040)	(0.10)
105	Euro Schatz future 08/03/2022	(16,615)	(0.04)
		<b>(138,775)</b>	<b>(0.34)</b>
<b>Singapore</b>			
56	FTSE China A50 Index future 28/01/2022	(6,640)	(0.02)
		<b>(6,640)</b>	<b>(0.02)</b>
<b>United Kingdom</b>			
74	3MO Euro Euribor future 19/12/2022	(15,725)	(0.04)
		<b>(15,725)</b>	<b>(0.04)</b>
<b>United States</b>			
3	90 Day Eurodollar future 18/09/2023	(630)	-
9	CAD Currency future 15/03/2022	(4,771)	(0.01)
(166)	EUR Currency future 14/03/2022	(4,465)	(0.01)
28	JPY Currency future 14/03/2022	(35,842)	(0.09)
2	US 10 Yr Note future 22/03/2022	(1,450)	(0.01)
22	US 2 Yr Note future 31/03/2022	(4,266)	(0.01)
13	US Long Bond future 22/03/2022	(36,917)	(0.09)
11	US Ultra Bond future 22/03/2022	(55,528)	(0.14)
		<b>(143,869)</b>	<b>(0.36)</b>
<b>Total Future Contracts</b>		<b>(307,835)</b>	<b>(0.77)</b>
Variation margin paid on futures contracts		170,000	0.43
<b>Total Future Contracts</b>		<b>(137,835)</b>	<b>(0.34)</b>
<i>Forward Contracts<sup>1</sup></i>			
Buy SEK296,430,329 / Sell EUR28,909,484 01/02/2022		(50,326)	(0.12)
Buy USD6,156,507 / Sell EUR5,451,391 01/02/2022		(15,114)	(0.04)
Buy USD6,124,040 / Sell EUR5,417,702 04/01/2022		(6,915)	(0.02)
Buy SEK2,629,219 / Sell EUR256,595 04/01/2022		(531)	-
<b>Total Forward Contracts</b> <b>(Notional Amount: EUR 68,227,182)</b>		<b>(72,886)</b>	<b>(0.18)</b>

Holdings	Description	Fair Value EUR	% of Net Asset Value
	<i>Swaps<sup>1</sup></i>		
	<b>United States</b>		
15,231	Modified Strategy and Livestock Index Swap 17/07/2019	-	-
	<b>Total Swaps (Notional Amount: EUR 1,524,576)</b>	-	-
	<b>Total Financial Liabilities at Fair Value Through Profit or Loss</b>	<b>(210,721)</b>	<b>(0.52)</b>
	<b>Total Financial Assets and Liabilities at Fair Through Profit or Loss</b>	<b>35,551,313</b>	<b>88.58</b>
	<b>Other net assets</b>	<b>4,583,489</b>	<b>11.42</b>
	<b>Net Assets Attributable to Holders of Redeemable Participating Shares</b>	<b>40,134,802</b>	<b>100.00</b>

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

	Amount EUR	% of Total Asset
<b>Analysis of Total Assets</b>		
Transferable securities admitted to an official stock exchange	28,587,098	70.68
Transferable securities traded on a regulated market	6,734,786	16.65
Financial derivative instruments traded over-the-counter	105,212	0.26
Financial derivative instruments traded on a regulated market	334,938	0.83
Cash and cash equivalents	1,277,514	3.16
Other assets	3,403,974	8.42
<b>Total Asset</b>	<b>40,443,522</b>	<b>100.00</b>

## SCHEDULE OF PORTFOLIO CHANGES (UNAUDITED)

For the year ended 31 December 2020

<b>Material Purchases</b>	<b>Cost in EUR</b>
French Discount Treasury Bill 0% 26/01/2022	3,320,802
French Discount Treasury Bill 0% 09/02/2022	2,507,075
French Discount Treasury Bill 0% 23/02/2022	2,112,260
French Discount Treasury Bill 0% 06/04/2022	2,006,242
French Discount Treasury Bill 0% 21/04/2022	1,006,037
French Discount Treasury Bill 0% 18/05/2022	3,722,401
French Discount Treasury Bill 0% 15/06/2022	2,012,372
French Discount Treasury Bill 0% 30/06/2021	3,008,080
French Discount Treasury Bill 0% 28/07/2021	1,504,185
French Discount Treasury Bill 0% 10/08/2022	4,025,955
French Discount Treasury Bill 0% 07/09/2022	2,616,177
French Discount Treasury Bill 0% 22/09/2021	2,125,673
French Discount Treasury Bill 0% 05/10/2022	3,521,446
French Discount Treasury Bill 0% 06/10/2021	2,508,598
French Discount Treasury Bill 0% 02/11/2022	1,309,860
French Discount Treasury Bill 0% 01/12/2021	1,503,803
Treasury Certificates 0% 09/09/2021	2,305,266
Treasury Certificates 0% 13/01/2022	4,424,132
Treasury Certificates 0% 14/07/2022	2,313,683
Treasury Certificates 0% 10/11/2022	4,425,600

<b>All Sales</b>	<b>Proceeds in EUR</b>
French Discount Treasury Bill 0% 10/02/2021	2,500,551
French Discount Treasury Bill 0% 24/02/2021	3,000,705
French Discount Treasury Bill 0% 03/03/2021	1,000,200
French Discount Treasury Bill 0% 24/03/2021	2,200,579
French Discount Treasury Bill 0% 08/04/2021	3,000,492
French Discount Treasury Bill 0% 05/05/2021	2,120,452
French Discount Treasury Bill 0% 19/05/2021	1,000,210
French Discount Treasury Bill 0% 30/06/2021	3,000,732
French Discount Treasury Bill 0% 14/07/2021	2,000,488
French Discount Treasury Bill 0% 28/07/2021	1,500,345
French Discount Treasury Bill 0% 08/09/2021	3,500,839
French Discount Treasury Bill 0% 22/09/2021	2,120,508
French Discount Treasury Bill 0% 06/10/2021	2,500,665
French Discount Treasury Bill 0% 04/11/2021	3,500,817
French Discount Treasury Bill 0% 01/12/2021	1,500,427
French Discount Treasury Bill 0% 15/12/2021	1,000,309
Treasury Certificates 0% 11/03/2021	4,400,733
Treasury Certificates 0% 13/05/2021	2,300,518
Treasury Certificates 0% 09/09/2021	2,300,713
Treasury Certificates 0% 13/01/2022	4,401,764

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 year. At a minimum the largest 20 purchases and largest 20 sales must be given. The full listing of the portfolio changes for the year is available, upon request at no extra cost from the Administrator.

## OTHER ADDITIONAL DISCLOSURES (UNAUDITED)

For the year ended 31 December 2021

### Exchange Rates

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

	31 December 2021	31 December 2020
Australian Dollar	0.6417	0.6248
Canadian Dollar	0.6908	0.6372
Hong Kong Dollar	0.1133	0.1050
Japanese Yen	0.0077	0.0079
Pound Sterling	1.1913	1.1081
Swedish Krona	0.0974	0.0996
United States Dollar	0.8836	0.8143

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

	31 December 2021	31 December 2020
	EUR	EUR
Published net asset value	40,080,859	36,030,373
Adjustment for subscriptions receivable	90,354	31,658
Adjustment for redemptions payable	(36,411)	(46,937)
<b>Net assets attributable to the holders of redeemable participating shares (in accordance with IFRS)</b>	<b>40,134,802</b>	<b>36,015,094</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 (UNAUDITED)

### TOTAL EXPENSE RATIO

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

AF (= average fund assets)

	%	%
	31 December 2021	31 December 2020
Total Expense Ratio	1.14	1.06

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

### UCITS V REMUNERATION DISCLOSURES

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

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

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



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

	<b>31 December 2021</b>
	<b>EUR</b>
<b>Fixed remuneration</b>	
Senior management	1,232,664
Other identified staffs	-
<b>Variable remuneration</b>	
Senior management	110,724
Other identified staffs	-
<b>Total remuneration paid</b>	<b>1,343,388</b>

Number of identified staff: 16

Neither the Manager nor the ICAV pays any fixed or variable remuneration to identified staff of the Investment Manager.

#### **SUSTAINABLE FINANCE DISCLOSURE REGULATION AND TAXONOMY REGULATION**

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





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