

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

ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

Central Bank of Ireland Registration Number : C156056

ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS
for the year ended December 31, 2019

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ICAV INFORMATION

Registered Office

5 Georges Dock
International Financial Services Centre
Dublin 1
Ireland

Directors

David McGeough
Philip McEnroe
Hakon Haugnes

Administrator

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

Investment Manager

Andurand Capital Management Ltd
The Hedge Business Centre, Level 2
St. Julian's Terrace
Balluta Bay
St. Julian's STJ 1062
Malta

Sub-Investment Manager

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

Secretary

(Up to October 16, 2019)
Tudor Trust Limited
33 Sir John Rogerson's Quay
Dublin 2
Ireland

(From October 16, 2019)

KB Associates
5 Georges Dock
International Financial Services Centre
Dublin 1
Ireland

Depository

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

Auditor

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

Legal Advisers

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

Swiss Paying Agent

Neue Helvetische Bank AG
Seefeldstrasse 215
CH 8008
Zurich

Swiss Representative

Oligo Swiss Fund Services
Av. Villamont 17-1005 Lausanne
Switzerland

DIRECTORS' REPORT **for the year ended December 31, 2019**

The Directors present their report and audited financial statements of Andurand UCITS ICAV (the "ICAV") for the year ended December 31, 2019. As of December 31, 2019, the ICAV had established one sub-fund, the Andurand Fund (the "Fund"), which commenced operations on July 18, 2017.

Principal activities and business review

The principal activity of the ICAV is to carry on the business of an investment company in accordance with the investment objective set out in the relevant Supplement at the time of creation of the relevant sub-funds. The Fund achieved a negative return during the year, however the Directors remain optimistic about the ICAV's long-term prospects. See further details on the Investment Manager's report on page 9.

Future developments

A review of the investment activity and outlook is included in the Investment Manager's report.

Results and dividends

The financial position and results for the year are set out in these financial statements. No dividend was paid or proposed during the year (2018: Nil).

Distributions

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

There were no distributions during the financial year ended December 31, 2019 (2018: Nil).

Risk management

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

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

Directors and their interests

The Directors at the date of this report and throughout the year are listed on page 2. The Directors and Secretary do not have any shareholdings in the ICAV as of December 31, 2019 and December 31, 2018. The transactions involving Directors during the year are detailed in Note 10 to the financial statements.

Accounting records

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

DIRECTORS' REPORT (Continued)
for the year ended December 31, 2019

Transactions with connected parties

The Central Bank of Ireland (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015 (the "Central Bank UCITS Regulations"), Part 7 Chapter 10 – "Transactions involving Connected Persons" states that any transaction carried out with a UCITS by a management company or depositary to a UCITS; and the delegates or sub-delegates of such a management company or depositary (excluding any non-group company sub-custodians appointed by a depositary); and any associated or group company of such a management company, depositary, delegate or sub delegate ("connected persons") must be carried out as if negotiated at arm's length. Transactions must be in the best interests of the shareholders and evidenced by written procedures.

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

Material changes

There were no material changes to report for year ended December 31, 2019.

Soft commissions arrangements

There are no soft commission arrangements affecting the ICAV for the year ended December 31, 2019 (2018: none).

Significant events during the year

Potential implications of Brexit

In a referendum held on June 23, 2016, the electorate of the United Kingdom ("UK") resolved to leave the European Union ("EU") and the UK formally left the EU on January 31, 2020. A transition period was entered which, as of the date of these financial statements, is due to end on December 31, 2020. The future relationships and trading arrangements between the EU and the UK after this date are still uncertain at this time. The result has led to political and economic instability and volatility in the financial markets of the UK and more broadly across Europe.

It may also lead to weakening in consumer, corporate and financial confidence in such markets as the UK finalises the terms of its exit from the EU. The extent of the impact will depend in part on the nature of the arrangements that are put in place between the UK and the EU following the eventual Brexit deal and the extent to which the UK continues to apply laws that are based on EU legislation. The longer term process to implement the political, economic and legal framework that is agreed between the UK and the EU is likely to lead to continuing uncertainty and periods of exacerbated volatility in both the UK and in wider European markets.

DIRECTORS' REPORT (Continued)
for the year ended December 31, 2019

Significant events during the year (continued)

Potential implications of Brexit (continued)

The UK's exit from the EU, the anticipation of the exit, or the terms of the exit could also create significant uncertainty in the UK (and potentially global) financial markets, which may materially and adversely affect the performance of the Fund, the Fund's Net Asset Value, the Fund's earning and returns to Shareholders. It could also potentially make it more difficult to raise capital in the EU and/or increase the regulatory compliance burden which could restrict the Fund's future activities and thereby negatively affect returns. Currency volatility resulting from this uncertainty may mean that the returns of the Fund and its investments are adversely affected by market movements, potential decline in the value of the British Pound and/or Euro, and any downgrading of UK sovereign credit rating. This may also make it more difficult, or more expensive, for the Fund to execute prudent currency hedging policies.

This mid- to long-term uncertainty may have an adverse effect on the economy generally and on the ability of the Fund and its investments to execute their respective strategies and to receive attractive returns, and may also result in increased costs to the Fund.

Subsequent events

For details of the ICAV's subsequent events please refer to Note 13 of the financial statements.

Going concern

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

Corporate governance statement

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

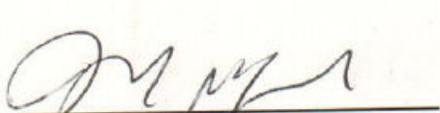
- (i) The ICAV Act,
- (ii) The Instrument of Incorporation of the ICAV, which is available for inspection at the registered office of the ICAV,
- (iii) The Central Bank UCITS Regulations, and
- (iv) The Directors have adopted the voluntary Irish Funds ("IF") Corporate Governance Code for Irish domiciled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

DIRECTORS' REPORT (Continued)
for the year ended December 31, 2019

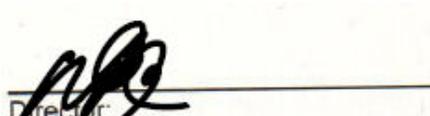
Auditors

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

On behalf of the Board



Director:
Date: April 20, 2020



Director:
Date: April 20, 2020

**DIRECTORS' RESPONSIBILITIES STATEMENT
for the year ended December 31, 2019**

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

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

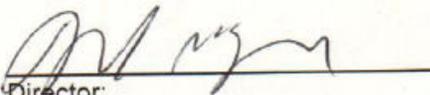
The financial statements are required to give a true and fair view of the assets, liabilities and financial position of the ICAV at the end of the financial year and of the profit or loss of the ICAV for the financial year.

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

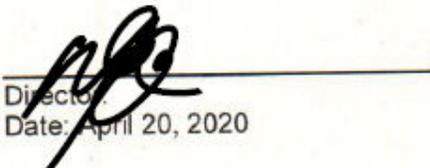
- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- assess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

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

On behalf of the Board



Director:
Date: April 20, 2020



Director:
Date: April 20, 2020

Depository's Report to the Shareholders of Andurand UCITS ICAV

We have enquired into the conduct of the ICAV for the financial period ended 31st December 2019 in our capacity as Depository to the ICAV.

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

Responsibilities of the Depository

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

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

Basis of Depository Opinion

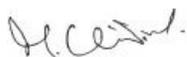
The ICAV has been managed, in all material respects, during the financial year in accordance with the provisions of its Instrument of Incorporation (IOI) and the UCITS Regulations, including specifically the provisions relating to the limitations imposed on the investment and borrowing powers of the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

Opinion

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

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

On behalf of the Depository,



Société Générale S.A. (Dublin Branch)
20th April 2020

**INVESTMENT MANAGER'S REPORT
for the year ended December 31, 2019**

Activities of the Financial Year

The Andurand Fund (the "Fund"), a sub-fund of Andurand UCITS ICAV, lost approximately -6.9% (EUR F1 Class) in 2019.

Since the start and during the year, the Fund was active in crude and distillate markets. In particular, the Fund was actively positioned for the introduction of the IMO in 2020 via gasoil and fuel oil cracks, as well as crude, and during the year, these positions, in both options and futures markets, were actively managed. The Fund risk managed actively in the period to limit losses in line with its risk framework.

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

Brexit and associated risks

In a referendum held on June 23, 2016, the electorate of the United Kingdom ("UK") resolved to leave the European Union ("EU"). The result led to political instability and economic uncertainty, volatility in the financial markets of the UK and more broadly across Europe and a decline in the value of the Sterling ("GBP"). The UK officially left the EU on January 31, 2020 but remains subject to EU regulations during an agreed transitional phase until December 31, 2020. There remains a number of uncertainties in connection with the UK's relationship with the EU after the end of the agreed transitional phase, including the terms of any possible free trade agreement and any potential regulatory alignment or equivalence. Until the terms of the UK's future relationship with the EU are clearer, it is not possible to determine the full impact that the UK's departure and/or any related matters may have on the Fund and its investments.

COVID-19 pandemic and associated risks

Due to COVID-19 pandemic the first quarter of 2020 has seen an impact to both markets and the day to day working. With regards to markets, there has been a sharp increase in volatility, the Investment Manager is actively monitoring and continues to manage the ICAV's assets within the investment and risk parameters that have been established. With regards to day to day operations, the Investment Manager and many of its service providers have invoked business continuity procedures, including remote working, to ensure the safety of staff and to enable the business to operate with minimal impact. Subsequent to the year end the ICAV had subscriptions of \$1,596,992 (2018: Nil) and redemptions of \$15,447,141 (2018: \$1,325,931). Subsequent to the year end the Net Asset Value ("NAV") of the ICAV reduced by approximately 4% year to date 2020. There has been a material increase in net assets attributable to the holders of the redeemable participating shares of approximately 20.7% year to date 2020, primarily due to unrealized gains in financial assets. The financial impact of the outbreak to date, cannot be estimated reliably.



KPMG
Audit
85 South Mall
Cork
T12 A3XN
Ireland

Independent auditor's report to the shareholders of Andurand UCITS ICAV

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Andurand UCITS ICAV ('the ICAV') for the year ended 31 December 2019 set out on pages 13 to 48, which comprise the statement of Financial Position, Statement of Comprehensive Income, Statement of Change in Net assets Attributable to Holders of Redeemable Participating Shares, Statement of Cash flow and related notes, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion, the accompanying financial statements:

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

Basis for opinion

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

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

We have nothing to report on going concern

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

Other information

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



KPMG
Audit
85 South Mall
Cork
T12 A3XN
Ireland

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

Report on the audit of the financial statements (continued)

Other information (continued)

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

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

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

Matters on which we are required to report by exception

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

Respective responsibilities and restrictions on use

Responsibilities of directors for the financial statements

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the ICAV's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the ICAV or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf.



KPMG
Audit
85 South Mall
Cork
T12 A3XN
Ireland

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

Respective responsibilities and restrictions on use (continued)

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

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

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

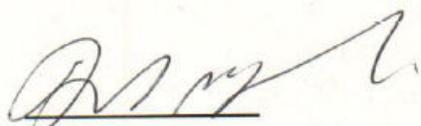
20 April 2020

ANDURAND UCITS ICAV

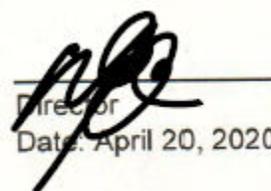
STATEMENT OF FINANCIAL POSITION
as of December 31, 2019

	<i>Note</i>	Andurand Fund 2019 US\$	Andurand Fund 2018 US\$
Assets			
Cash and cash equivalents	7	13,521,896	17,548,197
Financial assets at fair value through profit or loss:	3,5,6		
Transferable securities			
– Sovereign bonds		22,453,316	53,511,444
– Investments in listed bonds/notes		8,167,079	14,592,778
Derivative financial instruments	5	81,848	67,588
Amounts due from brokers	7	1,349,841	258,146
Interest receivable		1,013	3,449
Other receivables		69,512	103,414
Subscriptions received in advance		669,795	–
Total assets		<u>46,314,300</u>	<u>86,085,016</u>
Liabilities			
Financial liabilities at fair value through profit or loss			
Derivative financial instruments	3,5,6	258	4,120
Performance fees payable	8,10	–	21,310
Investment management fees payable	8,10	49,034	90,477
Redemptions payable		1,314,186	–
Other payables and accrued expenses		186,060	109,791
Total liabilities		<u>1,549,538</u>	<u>225,698</u>
Net assets attributable to holders of redeemable participating shares		<u>44,764,762</u>	<u>85,859,318</u>

On behalf of the Board



Director
Date: April 20, 2020



Director
Date: April 20, 2020

STATEMENT OF FINANCIAL POSITION (Continued)
as of December 31, 2019

2019	Number of shares in issue	Net asset value per share
Share class		
Class A EUR	163,184.80	EUR 90.37
Class A USD	95,088.38	USD 96.02
Class F EUR	70,773.93	EUR 91.52
Class F-1 EUR	64,590.07	EUR 91.73
Class F-1 USD	52,515.50	USD 98.88
2018	Number of shares in issue	Net asset value per share
Share class		
Class A EUR	304,625.30	EUR 97.08
Class A USD	184,055.36	USD 99.99
Class F EUR	103,480.78	EUR 97.83
Class F-1 EUR	64,590.07	EUR 97.81
Class F-1 USD	143,764.89	USD 102.19
2017	Number of shares in issue	Net asset value per share
Share class		
Class A EUR	56,150.77	EUR 109.99
Class A USD	71,109.26	USD 110.18
Class F EUR	123,137.61	EUR 110.29
Class F USD	63,000.00	USD 110.88
Class F-1 EUR	64,760.83	EUR 109.98
Class F-1 USD	230,717.04	USD 111.76

STATEMENT OF COMPREHENSIVE INCOME
for the year ended December 31, 2019

	<i>Note</i>	Andurand Fund 2019 US\$	Andurand Fund 2018 US\$
Investment income			
Interest income		51,651	79,925
Net realised (loss)/gain on financial assets and financial liabilities at fair value through profit or loss and foreign exchange	4	(10,101,937)	6,956,093
Net change in unrealised appreciation/(depreciation) on financial assets and financial liabilities at fair value through profit or loss and foreign exchange	4	6,611,350	(17,711,350)
Other income		<u>7</u>	<u>–</u>
Total investment loss		<u>(3,438,929)</u>	<u>(10,675,332)</u>
Operating expenses			
Performance fees	8,10	–	9,754
Investment management fees	8,10	816,575	1,008,549
Directors' fees	8,10	34,703	31,581
Administration fees	8	179,605	120,956
Professional fees		142,767	118,391
Audit fees	8	20,996	22,360
Depositary fees	8	39,693	45,189
Transaction costs		38,062	162,292
Secretary fees	8	24,759	19,336
Legal fees	8	28,727	55,142
Interest expense		3,747	3,209
Research fees		150,679	111,534
Other expenses		<u>37,284</u>	<u>59,496</u>
Total operating expenses		<u>1,517,597</u>	<u>1,767,789</u>
Decrease in net assets attributable to holders of redeemable participating shares		<u>(4,956,526)</u>	<u>(12,443,121)</u>

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES
for the year ended December 31, 2019

	Andurand Fund 2019 US\$	Andurand Fund 2018 US\$
Net assets attributable to holders of redeemable participating shares at beginning of year	85,859,318	72,874,008
Decrease in net assets attributable to holders of redeemable participating shares	(4,956,526)	(12,443,121)
Issuance of redeemable participating shares	8,416,633	47,588,467
Repurchase of redeemable participating shares	<u>(44,554,663)</u>	<u>(22,160,036)</u>
Net assets attributable to holders of redeemable participating shares at end of year	<u><u>44,764,762</u></u>	<u><u>85,859,318</u></u>

ANDURAND UCITS ICAV

STATEMENT OF CASH FLOWS
for the year ended December 31, 2019

	Andurand Fund 2019 US\$	Andurand Fund 2018 US\$
Cash flows from operating activities		
Decrease in net assets attributable to holders of redeemable participating shares	(4,956,526)	(12,443,121)
Adjustments to reconcile decrease/(increase) in net assets attributable to holders of redeemable participating shares to net cash provided by/(used in) operating activities:		
Payments to purchase of financial assets and financial liabilities at fair value through profit and loss	(118,397,580)	(255,192,613)
Proceeds from sale of financial assets and financial liabilities at fair value through profit and loss	154,868,506	237,807,785
Payments to sale of derivatives	(2,500,719)	–
Net realised loss/(gain) on financial assets and financial liabilities at fair value through profit or loss	10,116,238	(6,910,216)
Net change in unrealised (depreciation)/appreciation on financial assets and financial liabilities at fair value through profit or loss	(6,620,739)	17,645,366
Change in assets and liabilities:		
Amounts due from brokers	(1,091,695)	1,743,951
Interest receivable	2,436	5,283
Other receivables	33,901	32,326
Performance fees payable	(21,310)	(1,651,019)
Payable to the Sub-Investment Manager	–	(360,150)
Equalisation payable	–	(197,823)
Investment management fees payable	(41,443)	(17,570)
Other payables and accrued expenses	76,269	14,878
Net cash provided by/(used in) operating activities	<u>31,467,338</u>	<u>(19,522,923)</u>
Cash flows from financing activities		
Proceeds from issue of redeemable participating shares	7,746,838	47,588,467
Payments to repurchase redeemable participating shares	<u>(43,240,477)</u>	<u>(22,160,036)</u>
Net cash (used in)/provided by financing activities	<u>(35,493,639)</u>	<u>25,428,431</u>
Net (decrease)/increase in cash and cash equivalents	(4,026,301)	5,905,508
Cash and cash equivalents at beginning of year	<u>17,548,197</u>	<u>11,642,689</u>
Cash and cash equivalents at end of year	<u>13,521,896</u>	<u>17,548,197</u>
Supplemental cash flow information:		
Cash received for interest	54,087	85,208
Interest paid	(3,747)	–

NOTES TO THE FINANCIAL STATEMENTS

for the year ended December 31, 2019

1. ORGANISATION

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

The ICAV is structured as an umbrella type Irish Collective Asset-management Vehicle which may consist of different funds, each comprising one or more classes. As of December 31, 2019, the ICAV had established one sub-fund (2018: one), the Andurand Fund (the “Fund”), which commenced operations on July 18, 2017. Additional sub-funds may be established by the board of directors with the prior approval of the Central Bank.

The ICAV is an umbrella fund with segregated liability between sub-funds and under Irish law there will not be any potential for cross-liability between the sub-funds. Notwithstanding the foregoing, there can be no assurance that, should an action be brought against the Fund in the courts of another jurisdiction, the segregated nature of the sub-funds would necessarily be upheld.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Use of estimates and judgements

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

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

Information about assumptions and estimation uncertainties that have a risk of resulting in a material adjustment to the carrying amounts of assets and liabilities for the period/year is included in Note 3 and relates to the determination of fair value of financial instruments with significant unobservable inputs.

(c) Functional and presentation currency and foreign currency translation

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

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

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

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

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

(d) Financial assets and financial liabilities

(i) Classification

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial assets and financial liabilities (continued)

(i) Classification (continued)

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

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

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

Cash and cash equivalents, amounts due from broker, interest receivable, other receivables and subscriptions received in advance are measured at amortised cost.

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

Business model assessment

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

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets,
- how the performance of the portfolio is evaluated and reported to the ICAV’s management,
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed,
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected, and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial assets and financial liabilities (continued)

(i) Classification (continued)

Business model assessment (continued)

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

The ICAV has determined that it has two business models.

- *Held-to-collect business model*: this includes cash and cash equivalents, balances due from brokers and other receivables. These financial assets are held to collect contractual cash flows.
- *Other business model*: this includes debt securities, equity investments, investments in unlisted open-ended investment funds, investments in listed bonds/notes, unlisted private equities and derivatives. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

Assessment whether contractual cash flows are SPPI

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

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

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

For a reconciliation of line items in the statement of financial position to the categories of financial instruments, as defined by IFRS 9, see Note 3.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial assets and financial liabilities (continued)

(i) Classification (continued)

Reclassifications

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

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

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

(ii) Recognition/derecognition

The ICAV recognises a financial asset or a financial liability when, and only when, it becomes a party to the contractual provisions of the instrument. In accordance with the requirements of IFRS 9, which requires that financial assets and financial liabilities are derecognised when rights to receive, or obligations to make, cash flows are discharged, cancelled or expire, or the asset is transferred and the transfer otherwise qualifies for derecognition in accordance with IFRS 9. Purchases and sales of investments are accounted for at trade date. Realised gains and losses on investment disposals are calculated using the first-in, first-out (“FIFO”) method.

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial assets and financial liabilities (continued)

(ii) Recognition/derecognition (continued)

The ICAV enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

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

(iii) Initial measurement

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

(iv) Subsequent measurement

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

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

(v) Impairment

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(d) Financial assets and financial liabilities (continued)

(v) Impairment (continued)

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

(e) Offsetting financial instruments

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

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

(f) Derivative contracts

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

(g) Cash and cash equivalents

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

(h) Amounts due from brokers

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

(i) Income and expenses

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(i) Income and expenses (continued)

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

Expenses are accounted for on an accruals basis.

(j) Taxation

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

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

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

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

(k) Redeemable participating shares

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(l) Standards, interpretations and amendments to published standards effective for annual periods beginning after January 1, 2019

IFRIC 23 “*Uncertainty over Income Tax Treatments*” was issued in June 2017 and became effective for annual periods beginning on or after 1 January 2019. It clarifies the accounting for uncertainties in income taxes which is applied to the determination of taxable profits (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments in accordance with IAS 12. It clarifies whether tax treatments should be considered independently or collectively, whether the relevant tax authority will or will not accept each tax treatment and, the requirement to reassess its judgments and estimates if facts and circumstances change. The application of IFRIC 23 has not had a significant effect on the ICAV’s financial position, performance or disclosures in its financial statements.

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

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after January 1, 2020, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the ICAV.

(n) Comparative figures

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

3. FAIR VALUE MEASUREMENT

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

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

3. FAIR VALUE MEASUREMENT (Continued)

The following tables summarise the valuation of the Fund's investments by the fair value hierarchy levels as of December 31, 2019 and 2018:

2019	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<i>Financial assets</i>				
Sovereign bonds	22,453,316	–	–	22,453,316
Investments in listed bonds/notes	–	8,167,079	–	8,167,079
Forward foreign currency exchange contracts	–	81,848	–	81,848
Total financial assets	22,453,316	8,248,927	–	30,702,243
<i>Financial liabilities</i>				
Forward foreign currency exchange contracts	–	(258)	–	(258)
Total financial liabilities	–	(258)	–	(258)
2018				
	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
<i>Financial assets</i>				
Sovereign bonds	53,511,444	–	–	53,511,444
Investments in listed bonds/notes	–	14,592,778	–	14,592,778
Forward foreign currency exchange contracts	–	67,588	–	67,588
Total financial assets	53,511,444	14,660,366	–	68,171,810
<i>Financial liabilities</i>				
Forward foreign currency exchange contracts	–	(4,120)	–	(4,120)
Total financial liabilities	–	(4,120)	–	(4,120)

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

3. FAIR VALUE MEASUREMENT (Continued)

In relation to other assets and liabilities not carried at fair value but for which fair value is disclosed, these assets and liabilities have been classified at Level 2 of the fair value hierarchy. The table below sets out the classifications of the carrying amounts of the Fund's financial assets and financial liabilities into categories of financial instruments.

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

The following table identifies the net gain and loss amounts included in the statement of comprehensive income within realised gain and unrealised appreciation on investments for the year ended December 31, 2019 and 2018:

2019	Net realised gain/(loss) US\$	Net change in unrealised appreciation/ (depreciation) US\$	Total US\$
Financial assets and financial liabilities held at fair value through profit or loss	(10,116,238)	6,620,739	(3,495,499)
Foreign exchange	14,301	(9,389)	4,912
Net realised gain and change in unrealised appreciation on financial assets and financial liabilities at fair value through profit or loss and foreign exchange	<u>(10,101,937)</u>	<u>6,611,350</u>	<u>(3,490,587)</u>
2018			
	Net realised gain/(loss) US\$	Net change in unrealised appreciation/ (depreciation) US\$	Total US\$
Financial assets and financial liabilities held at fair value through profit or loss	6,910,216	(17,645,366)	(10,735,150)
Foreign exchange	45,877	(65,984)	(20,107)
Net realised gain and change in unrealised appreciation on financial assets and financial liabilities at fair value through profit or loss and foreign exchange	<u>6,956,093</u>	<u>(17,711,350)</u>	<u>(10,755,257)</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

5. DERIVATIVE CONTRACTS

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

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

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

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

Forward foreign currency exchange contracts

Forward foreign currency exchange contracts are OTC contracts entered into by the ICAV and represent a firm commitment to buy or sell an underlying currency, at a specified value and point in time based upon an agreed or contracted quantity. The realised/unrealised gain or loss is equal to the difference between the value of the contract at the onset and the value of the contract at settlement date/period end date and is included in the statement of comprehensive income. The net loss on forward foreign currency exchange contracts recognised in the Statement of Comprehensive Income was US\$(2,482,598) (2018: loss US\$(3,757,098)).

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

Volume of derivative activity

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

2019	Long exposure US\$	Short exposure US\$
Foreign currency exchange risk		
Forward foreign currency exchange contracts	40,698,099	168,098
	<u>40,698,099</u>	<u>168,098</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

5. DERIVATIVE CONTRACTS (Continued)

Forward foreign currency exchange contracts (continued)

Volume of derivative activity (continued)

2018	Long exposure US\$	Short exposure US\$
Foreign currency exchange risk		
Forward foreign currency exchange contracts	<u>46,518,066</u>	<u>214,992</u>
	<u>46,518,066</u>	<u>214,992</u>

As of December 31, 2019 and 2018, the following forward foreign currency exchange contracts were included in the ICAV's statement of financial position as financial assets at fair value through profit or loss:

2019					
Settlement date	Purchase currency	Purchase amount	Sale currency	Sale amount	Fair value US\$
January 31, 2020	EUR	27,216,514	USD	30,488,029	81,587
January 7, 2020	USD	<u>(599,530)</u>	EUR	<u>(672,652)</u>	261
Total		<u>26,616,984</u>		<u>29,815,377</u>	<u>81,848</u>
2018					
Settlement date	Purchase currency	Purchase amount	Sale currency	Sale amount	Fair value US\$
January 31, 2019	EUR	53,174,048	USD	46,324,910	<u>67,588</u>
Total					<u>67,588</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

5. DERIVATIVE CONTRACTS (Continued)

Forward foreign currency exchange contracts (continued)

Volume of derivative activity (continued)

As of December 31, 2019 and 2018, the following forward foreign currency exchange contracts were included in the ICAV's statement of financial position as financial liabilities at fair value through profit or loss:

2019					
Settlement date	Purchase currency	Purchase amount	Sale currency	Sale amount	Fair value US\$
January 3, 2020	EUR	574,119	USD	643,989	<u>(258)</u>
Total					<u><u>(258)</u></u>
2018					
Settlement date	Purchase currency	Purchase amount	Sale currency	Sale amount	Fair value US\$
January 2, 2019	USD	855,849	EUR	750,044	<u>(4,120)</u>
Total					<u><u>(4,120)</u></u>

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

Impact of derivative financial instruments on the statement of financial position

The ICAV is required to disclose the impact of offsetting assets and liabilities represented in the statement of financial position to enable users of the financial statements to evaluate the effect or potential effect of netting arrangements on its financial position for recognised assets and liabilities. These recognised assets and liabilities are derivative instruments that are either subject to an enforceable master netting arrangement or similar agreement or meet the following right of set-off criteria: the amounts owed by the ICAV to another party are determinable, the ICAV has the right to set-off the amounts owed with the amounts owed by the other party, the ICAV intends to set-off on a net basis, and the ICAV's right of set-off is enforceable at law. As of December 31, 2019, the ICAV has not presented these net on the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

5. DERIVATIVE CONTRACTS (Continued)

Forward foreign currency exchange contracts (continued)

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

The below tables provide information on the potential financial impact of netting recognised assets and liabilities presented in the statement of financial position subject to an enforceable master netting arrangement or similar agreement as of December 31, 2019:

2019	Gross amounts of recognised assets US\$	Gross amounts offset in the statement of financial position US\$	Net amounts of recognised assets presented in the statement of financial position US\$	Gross amounts not offset in the statement of financial position	Net amount US\$
				Financial instruments US\$(i)	
Derivative contracts					
Citco Bank Nederland N.V.	81,848	—	81,848	(258)	81,590
Total	81,848	—	81,848	(258)	81,590

2019	Gross amounts of recognised liabilities US\$	Gross amounts offset in the statement of financial position US\$	Net amounts of recognised assets presented in the statement of financial position US\$	Gross amounts not offset in the statement of financial position	Net amount US\$
				Financial instruments US\$(i)	
Derivative contracts					
Citco Bank Nederland N.V.	(258)	—	(258)	—	(258)
Total	(258)	—	(258)	—	(258)

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

5. DERIVATIVE CONTRACTS (Continued)

Forward foreign currency exchange contracts (continued)

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

The below tables provide information on the potential financial impact of netting recognised assets and liabilities presented in the statement of financial position subject to an enforceable master netting arrangement or similar agreement as of December 31, 2018:

2018	Gross amounts of recognised assets US\$	Gross amounts offset in the statement of financial position US\$	Net amounts of recognised assets presented in the statement of financial position US\$	Gross amounts not offset in the statement of financial position	Net amount US\$
				Financial instruments US\$(i)	
Derivative contracts					
Citco Bank Nederland N.V.	67,588	–	67,588	(4,120)	63,468
Total	67,588	–	67,588	(4,120)	63,468

2018	Gross amounts of recognised liabilities US\$	Gross amounts offset in the statement of financial position US\$	Net amounts of recognised assets presented in the statement of financial position US\$	Gross amounts not offset in the statement of financial position	Net amount US\$
				Financial instruments US\$(i)	
Derivative contracts					
Citco Bank Nederland N.V.	(4,120)	–	(4,120)	4,120	–
Total	(4,120)	–	(4,120)	4,120	–

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

5. DERIVATIVE CONTRACTS (Continued)

Forward foreign currency exchange contracts (continued)

Impact of derivative contracts on the statement of comprehensive income

The following tables identify the net gain and loss amounts included in the statement of comprehensive income within realised gain and unrealised appreciation on derivative contracts, categorised by primary underlying risk, for the year ended December 31, 2019 and 2018:

2019	Net realised gain/(loss) US\$	Net change in unrealised appreciation/ (depreciation) US\$	Total US\$
Foreign currency exchange risk			
Forward foreign currency exchange contracts	(2,500,719)	18,121	(2,482,598)
Total	<u>(2,500,719)</u>	<u>18,121</u>	<u>(2,482,598)</u>
 2018			
Foreign currency exchange risk			
Forward foreign currency exchange contracts	(3,586,631)	(170,467)	(3,757,098)
Total	<u>(3,586,631)</u>	<u>(170,467)</u>	<u>(3,757,098)</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

6. RISK MANAGEMENT AND FINANCIAL DERIVATIVES

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

Market price risk and global exposure

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

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

The ICAV is using various VaR models – one VaR model used by the ICAV is based on a 95% confidence level and assumes a 1-day holding period, another based on 99% confidence interval and assumes a monthly holding period. All VaR models used are based on simulations using both actual historical data (“historical VaR”) and simulated market paths using historical volatility (“Monte Carlo VaR”). Taking account of market data from the previous year (if available) and observed relationships between different markets and prices, the model generates a wide range of plausible future scenarios for market price movements.

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

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

The VaR calculation is performed using RiskMetrics software, a service provided by MSCI. MSCI is a leading provider of investment decision support tools to around 6,200 clients worldwide, ranging from large pension plans to boutique hedge funds.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

6. RISK MANAGEMENT AND FINANCIAL DERIVATIVES (Continued)

Market price risk and global exposure (continued)

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

- A 1 day (or 1 month) holding period assumes that it is possible to hedge or dispose of positions within that period. This may not be the case for certain highly illiquid assets or in situations in which there is severe general market illiquidity.
- A 95% (or 99%) confidence level does not reflect losses that may occur beyond this level, meaning that within the model used there is a 5% (or 1%) probability that losses could exceed the VaR (Tail Risk).
- Official VaR readings are taken at the end of month, and hence the intra-month VaR might be different. Nonetheless the Investment Manager has tools available at his disposal to calculate VaR intra-day or intra-month. The use of historical data as a basis for determining the possible range of future outcomes may not always cover all possible scenarios, especially those of an exceptional nature.
- The VaR measure is dependent on the ICAV's position and the volatility of market prices.
- The VaR of an unchanged position reduces if market price volatility declines, and vice versa.

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

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

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

6. RISK MANAGEMENT AND FINANCIAL DERIVATIVES (Continued)

Market price risk and global exposure (continued)

Throughout 2019, the board of directors of the ICAV managed risk according to its framework. The ICAV was launched in July 2017 with a modest risk exposure. Managing the risk through a period of some range bound prices caused losses and recovery. Furthermore, the risk was increased later in the year as positive returns grew.

A summary of the VaR position of the Fund's portfolio as of December 31, 2019 and 2018 and during the year is as follows:

	December 31, 2019	Average	Maximum	Minimum
Total/Overall	0.54 %	0.50 %	1.33 %	0.07 %
	December 31, 2018	Average	Maximum	Minimum
Total/Overall	0.09 %	1.67 %	3.70 %	0.08 %

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

Geographical concentration risk

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

2019	Fair value US\$	% of net assets
Assets		
United States	22,453,316	50.15 %
Luxembourg	8,167,079	18.24 %
Netherlands	81,848	0.18 %
Total	30,702,243	68.57 %
Liabilities		
Netherlands	(258)	0.00 %
Total	(258)	0.00 %

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

6. RISK MANAGEMENT AND FINANCIAL DERIVATIVES (Continued)

Geographical concentration risk (continued)

2018	Fair value US\$	% of net assets
Assets		
United States	53,511,444	62.32 %
Luxembourg	14,592,778	17.00 %
Netherlands	67,588	0.08 %
Total	68,171,810	79.40 %
Liabilities		
Netherlands	(4,120)	0.00 %
Total	(4,120)	0.00 %

Currency risk

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

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

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

2019	Fair value US\$	% of net assets
Currency		
Euro	310,438	0.69 %
2018	Fair value US\$	% of net assets
Currency		
Euro	889,992	1.04 %

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

6. RISK MANAGEMENT AND FINANCIAL DERIVATIVES (Continued)

Interest rate risk

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

The majority of the ICAV's financial assets and liabilities are bonds and other instruments which either pay interest, pay minimal amounts of interest or have a maturity date. The interest bearing assets and liabilities of the ICAV comprise cash, amounts due to brokers and investments in money market instruments. These balances are all payable on demand and have variable interest rates which are based on market rates. Other payables will generally be payable within 3 months. Therefore the ICAV does not have a material sensitivity to changes in interest rates.

Credit risk

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

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

The maximum exposure to credit risk is as follows:

2019	S&P credit rating	Financial assets at fair value through profit or loss US\$	Financial liabilities at fair value through profit or loss US\$	Cash and broker balance US\$	Total US\$	% of net assets
Société Générale S.A* A		81,848	(258)	39,838	121,428	0.27 %
Citco Bank Nederland N.V.	NR	30,620,395	–	6,831,899	37,452,294	83.66 %
BNY Mellon	AA-	–	–	8,000,000	8,000,000	17.87 %
Total		30,702,243	(258)	14,871,737	45,573,722	101.80 %

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

6. RISK MANAGEMENT AND FINANCIAL DERIVATIVES (Continued)

Credit risk (continued)

2018	S&P credit rating	Financial assets at fair value through profit or loss US\$	Financial liabilities at fair value through profit or loss US\$	Cash and broker balance US\$	Total US\$	% of net assets
Société Générale S.A.*A		68,104,222	–	208,146	271,614	0.32 %
Citco Bank Nederland N.V.	NR	67,588	(4,120)	8,098,197	76,202,419	88.75 %
BNY Mellon	AA-	–	–	9,500,000	9,500,000	11.06 %
Total		<u>68,171,810</u>	<u>(4,120)</u>	<u>17,806,343</u>	<u>85,974,033</u>	<u>100.13 %</u>

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

The financial assets included within the Société Générale S.A. balance include US\$22,453,316 of US Treasury Bills (2018: US\$53,511,444) which are credit rated as AA+ by S&P (2018: AA+). The financial assets at fair value through profit or loss are investments held with sub-depositaries of the depositary Société Générale S.A. as summarised below:

2019	Total US\$	% of net assets
Sub Depositary		
Euroclear	8,167,079	18.24 %
BHH	<u>22,453,316</u>	<u>50.15 %</u>
Total financial assets at fair value through profit or loss held with sub-depositaries	<u>30,620,395</u>	<u>68.39 %</u>
2018	Total US\$	% of net assets
Sub Depositary		
Euroclear	14,592,778	17.00 %
BHH	<u>53,511,444</u>	<u>62.32 %</u>
Total financial assets at fair value through profit or loss held with sub-depositaries	<u>68,104,222</u>	<u>79.32 %</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

6. RISK MANAGEMENT AND FINANCIAL DERIVATIVES (Continued)

Liquidity risk

Liquidity risk is the risk that the ICAV will encounter difficulty in meeting obligations associated with financial liabilities. The ICAV is exposed to redemptions of redeemable participating shares. The Investment Manager manages the liquidity of the ICAV's portfolio to ensure it is appropriate given the capital structure and investment strategy. The Investment Manager considers the ICAV's investments to be realisable within reasonable time periods as the investments in bonds/notes are listed on stock exchange and the investments in money market instruments and FDI have short-term maturity. As of December 31, 2019, the liquidity of the ICAV's portfolio, calculated in days to realise and as the weighted average of the liquidity of individual positions based on the average of 90 days trading volume, was 2 days (2018: 2 days).

2019	0 to 6 months US\$	More than 6 months US\$	Total US\$
Financial liabilities at fair value through profit or loss			
Derivative financial instruments	(258)	–	(258)
Investment management fees payable	(49,034)	–	(49,034)
Other payables and accrued expenses	(186,060)	–	(186,060)
Redemptions payable	(672,780)	–	(672,780)
Net assets attributable to holders of redeemable participating shares	<u>(44,736,373)</u>	–	<u>(44,736,373)</u>
Total	<u>(45,644,505)</u>	–	<u>(45,644,505)</u>
2018	0 to 6 months US\$	More than 6 months US\$	Total US\$
Financial liabilities at fair value through profit or loss			
Derivative financial instruments	(4,120)	–	(4,120)
Performance fees payable	(21,310)	–	(21,310)
Payable to the Sub-Investment Manager	–	–	–
Equalisation payable	–	–	–
Investment management fees payable	(90,477)	–	(90,477)
Other payables and accrued expenses	(109,791)	–	(109,791)
Net assets attributable to holders of redeemable participating shares	<u>(85,859,318)</u>	–	<u>(85,859,318)</u>
Total	<u>(86,085,016)</u>	–	<u>(86,085,016)</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

7. CASH AND CASH EQUIVALENTS AND AMOUNTS DUE FROM BROKERS

Cash and cash equivalents include amounts due from the ICAV's depository and other counterparties on demand and interest bearing deposits with original maturities of less than 3 months. As of December 31, 2019, the ICAV had foreign cash balances of US\$ equivalent of US\$310,438 (2018: US\$889,992) included in cash and cash equivalents.

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

2019	Cash and cash equivalents US\$	Amounts due from brokers US\$	Net Counterparty position US\$
Société Générale S.A.	–	39,838	39,838
Citco Bank Nederland N.V.	5,521,896	1,310,003	6,831,899
BNY Mellon	8,000,000	–	8,000,000
Total	13,521,896	1,349,841	14,871,737
2018	Cash and cash equivalents US\$	Amounts due from brokers US\$	Net Counterparty position US\$
Société Générale S.A.	–	208,146	208,146
Citco Bank Nederland N.V.	8,048,197	50,000	8,098,197
BNY Mellon	9,500,000	–	9,500,000
Total	17,548,197	258,146	17,806,343

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

8. FEES AND EXPENSES

Administration fees

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

Period	Minimums per month
0 - 6 months	US\$5,000 per month per Fund
6 - 18 months	US\$10,000 per month per Fund
18 months onwards	US\$15,000 per month per Fund
Month-end net assets	Basis Points per annum
Up to US\$1 billion	10 basis points (0.10%)
In excess of US\$1 billion	9 basis points (0.19%)

Administration fees for the year totalled to US\$179,605 (2018: US\$120,956), of which US\$14,917 (2018: US\$9,808) was payable as of December 31, 2019.

Depositary fees

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

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

Depositary fees for the year totalled to US\$39,693 (2018: US\$45,189), of which US\$9,884 (2018: US\$10,846) was payable as of December 31, 2019.

Secretary fees

Tudor Trust Limited was secretary to the ICAV up to October 16 2019 was replaced by the appointment of KB Associates as secretary to the ICAV from October 16 2019.

Secretary fees for the year totalled to US\$24,759 (2018: US\$19,336), of which US\$6,383 (2018: US\$1,909) was payable as of December 31, 2019.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

8. FEES AND EXPENSES (Continued)

Investment management fees

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

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

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

Investment management fees for the year totalled to US\$816,575 (2018: US\$1,008,549), of which US\$49,034 (2018: US\$90,477) was payable as of December 31, 2019.

Performance fees

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

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

The total performance fee charged to the statement of comprehensive income was US\$Nil (2018: US\$9,754) and the performance fee payable as of December 31, 2019 was US\$Nil (2018: US\$21,310). In the prior year ended December 31, 2018, the performance fee of US\$9,754 was charged to the statement of comprehensive income and the remaining US\$11,556 was payable as a redemption liability through the statement of financial position.

Directors' fees

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

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

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

Directors' fees for the year totalled to US\$34,703 (2018: US\$31,581), none of which was payable as of December 31, 2019 (2018: US\$Nil).

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

8. FEES AND EXPENSES (Continued)

Audit fees

Audit fees for the year totalled to US\$20,996 (2018: US\$22,360), exclusive of VAT, of which US\$20,996 was payable as of December 31, 2019 (2018: US\$22,360). There were no other assurance services, tax advisory services, or non-audit services provided by the auditor of the ICAV.

Legal fees

Legal fees for the year totalled to US\$28,727 (2018: US\$55,142), none of which were payable as of December 31, 2019.

9. SHARE CAPITAL

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

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

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

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

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

The ICAV’s capital currently exceeds EUR300,000 being the capital required to establish a self-regulated investment company under the current UCITS Regulations.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

9. SHARE CAPITAL (Continued)

Transactions in participating shares for the year ended as of December 31, 2019 and 2018 were as follows:

	<i>Number of shares outstanding December 31, 2018</i>	<i>Shares subscribed</i>	<i>Shares repurchased</i>	<i>Shares transferred</i>	<i>Number of shares outstanding December 31, 2019</i>	<i>NAV per share as of December 31, 2019</i>
Class A EUR	304,625	53,559	(194,999)	–	163,185	EUR90.37
Class A USD	184,055	27,305	(116,272)	–	95,088	US\$96.02
Class F EUR	103,481	–	(32,707)	–	70,774	EUR91.52
Class F-1 EUR	64,590	–	–	–	64,590	EUR91.73
Class F-1 USD	143,765	–	(91,249)	–	52,516	US\$98.88
	<u>800,516</u>	<u>80,864</u>	<u>(435,227)</u>	<u>–</u>	<u>446,153</u>	
	<i>Number of shares outstanding December 31, 2017</i>	<i>Shares subscribed</i>	<i>Shares repurchased</i>	<i>Shares transferred</i>	<i>Number of shares outstanding December 31, 2018</i>	<i>NAV per share as of December 31, 2018</i>
Class A EUR	56,151	258,713	(10,238)	–	304,625	EUR97.08
Class A USD	71,109	123,609	(10,663)	–	184,055	US\$99.99
Class F EUR	123,138	81	(19,738)	–	103,481	EUR97.83
Class F USD	63,000	–	(63,000)	–	–	US\$–
Class F-1 EUR	64,761	–	(171)	–	64,590	EUR97.81
Class F-1 USD	230,717	9,794	(96,746)	–	143,765	US\$102.19
	<u>608,876</u>	<u>392,197</u>	<u>(200,556)</u>	<u>–</u>	<u>800,516</u>	

Equalisation credit

The ICAV ensures that an equalisation credit is calculated when the NAV per share of shares subscribed is greater than the high water mark of their class, in order to reduce certain inequities that could result for the Fund's shareholders. The equalisation credit is calculated as the amount in excess of the current NAV per share equal to twenty percent of the difference between the NAV of the share and the high water mark per share of the relevant class. As of December 31, 2019, there is equalisation payable of US\$Nil (2018: US\$Nil).

10. RELATED PARTIES

As per Note 8, the ICAV pays investment management fees to the Investment Manager. During the year, investment management fees of US\$816,575 (2018: US\$1,008,549) were charged to the Fund, of which US\$49,034 (2018: US\$90,477) remained payable as of December 31, 2019.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

10. RELATED PARTIES (Continued)

The total performance fee charged during the year was US\$Nil (2018: US\$9,754) and the performance fee payable as of December 31, 2019 was US\$Nil (2018: US\$21,310). In the prior year ended December 31, 2018, the performance fee of US\$9,754 was charged to the statement of comprehensive income and the remaining US\$11,556 was payable as a redemption liability through the statement of financial position.

As per Note 8, the ICAV pays the board of directors a maximum aggregate amount of EUR100,000 per annum. During the year, directors' fees of US\$34,703 (2018: US\$31,581) were charged to the Fund, none of which were payable as of December 31, 2019.

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

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

11. SIGNIFICANT EVENTS DURING THE YEAR

There were no significant events during the year.

12. EFFICIENT PORTFOLIO MANAGEMENT

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

13. SUBSEQUENT EVENTS

Due to COVID-19 pandemic the first quarter of 2020 has seen an impact to both markets and the day to day working. With regards to markets, there has been a sharp increase in volatility, the Investment Manager is actively monitoring and continues to manage the ICAV's assets within the investment and risk parameters that have been established. With regards to day to day operations, the Investment Manager and many of its service providers have invoked business continuity procedures, including remote working, to ensure the safety of staff and to enable the business to operate with minimal impact.

NOTES TO THE FINANCIAL STATEMENTS (Continued)
for the year ended December 31, 2019

13. SUBSEQUENT EVENTS (Continued)

Subsequent to the year end the ICAV had subscriptions of \$1,596,992 (2018: Nil) and redemptions of \$15,447,141 (2018: \$1,325,931). Subsequent to the year end the Net Asset Value (“NAV”) of the ICAV reduced by approximately 4% year to date 2020. There has been a material increase in net assets attributable to the holders of the redeemable participating shares of approximately 20.7% year to date 2020, primarily due to unrealized gains in financial assets. The financial impact of the outbreak to date, cannot be estimated reliably.

14. APPROVAL OF ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS

The financial statements were approved by the board of directors on April 20, 2020.

PORTFOLIO CHANGES (UNAUDITED)
as of December 31, 2019

	Cost US\$
Material changes - purchases at cost	
US Treasury Bill 0.0000% 2020-03-05	8,953,205
US Treasury Bill 0.0000% 2019-06-06	8,414,564
US Treasury Bill 0.0000% 2019-11-14	6,154,456
US Treasury Bill 0.0000% 2019-07-05	6,153,900
US Treasury Bill 0.0000% 2019-04-18	5,980,604
US Treasury Bill 0.0000% 2019-05-23	5,966,540
US Treasury Bill 0.0000% 2020-02-20	5,964,800
US Treasury Bill 0.0000% 2020-02-06	5,961,920
US Treasury Bill 0.0000% 2020-01-16	5,959,630
US Treasury Bill 0.0000% 2019-10-31	5,955,670
US Treasury Bill 0.0000% 2019-10-10	5,954,375
US Treasury Bill 0.0000% 2019-09-05	5,953,586
US Treasury Bill 0.0000% 2019-09-26	5,952,083
US Treasury Bill 0.0000% 2019-06-20	5,947,243
US Treasury Bill 0.0000% 2019-12-19	4,965,075
US Treasury Bill 0.0000% 2019-07-25	4,963,694
US Treasury Bill 0.0000% 2019-08-08	4,963,211
US Treasury Bill 0.0000% 2019-12-05	4,962,967
US Treasury Bill 0.0000% 2020-03-26	2,986,000
US Treasury Bill 0.0000% 2020-04-09	2,985,907
SGISSULU 14937 ZCP 23/10/20	1,649,075
SGPAR 14937 ZCP 23/10/20	1,649,075

PORTFOLIO CHANGES (UNAUDITED) (Continued)
as of December 31, 2019

	Proceeds US\$
Material changes - sales proceeds	
US Treasury Bill 0.0000% 2019-02-28	11,000,000
US Treasury Bill 0.0000% 2019-01-03	8,500,000
US Treasury Bill 0.0000% 2019-06-06	8,500,000
US Treasury Bill 0.0000% 2019-02-07	8,000,000
US Treasury Bill 0.0000% 2019-04-04	7,000,000
US Treasury Bill 0.0000% 2019-01-17	6,996,883
US Treasury Bill 0.0000% 2019-03-14	6,200,000
US Treasury Bill 0.0000% 2019-07-05	6,200,000
US Treasury Bill 0.0000% 2019-11-14	6,200,000
US Treasury Bill 0.0000% 2019-04-18	6,000,000
US Treasury Bill 0.0000% 2019-05-09	6,000,000
US Treasury Bill 0.0000% 2019-05-23	6,000,000
US Treasury Bill 0.0000% 2019-06-20	6,000,000
US Treasury Bill 0.0000% 2019-09-05	6,000,000
US Treasury Bill 0.0000% 2019-09-26	6,000,000
US Treasury Bill 0.0000% 2019-10-10	6,000,000
US Treasury Bill 0.0000% 2019-10-31	6,000,000
US Treasury Bill 0.0000% 2020-03-05	5,969,195
US Treasury Bill 0.0000% 2019-07-25	5,000,000
US Treasury Bill 0.0000% 2019-08-08	5,000,000
US Treasury Bill 0.0000% 2019-12-05	5,000,000
US Treasury Bill 0.0000% 2019-12-19	5,000,000
SGISSULU 14937 ZCP 23/10/20	3,909,119
SGPAR 14937 ZCP 23/10/20	3,909,119
US Treasury Bill 0.0000% 2020-02-06	2,991,030
US Treasury Bill 0.0000% 2020-02-20	1,493,160

ANDURAND UCITS ICAV

SCHEDULE OF INVESTMENTS (UNAUDITED)
as of December 31, 2019

	Quantity	Fair value US\$	% of net assets
Financial assets at fair value through profit or loss			
Transferable securities admitted to an official stock exchange listed or traded in a regulated market			
Sovereign bonds			
US Treasury Bill 0.0000% 2020-01-16	6,000,000	5,996,736	13.40 %
US Treasury Bill 0.0000% 2020-02-06	3,000,000	2,995,794	6.69 %
US Treasury Bill 0.0000% 2020-02-20	4,500,000	4,491,014	10.03 %
US Treasury Bill 0.0000% 2020-03-05	3,000,000	2,992,335	6.68 %
US Treasury Bill 0.0000% 2020-03-26	3,000,000	2,989,605	6.68 %
US Treasury Bill 0.0000% 2020-04-09	3,000,000	2,987,832	6.67 %
		<u>22,453,316</u>	<u>50.15 %</u>
Total sovereign bonds		<u>22,453,316</u>	<u>50.15 %</u>
Investments in listed bonds/notes			
Financials			
SGISSULU 14937 ZCP 23/10/20	10,237,000	4,083,539	9.12 %
SGPAR 14937 ZCP 23/10/20	10,237,000	4,083,540	9.12 %
		<u>8,167,079</u>	<u>18.24 %</u>
Total investments in listed bonds/notes		<u>8,167,079</u>	<u>18.24 %</u>
Total transferable securities admitted to an official stock exchange listed or traded in a regulated market		<u>30,620,395</u>	<u>68.39 %</u>

ANDURAND UCITS ICAV

SCHEDULE OF INVESTMENTS (UNAUDITED) (Continued)
as of December 31, 2019

	Currency buys	Currency sells	Currency rate	Maturity date	Fair value US\$	% of net assets
Financial assets at fair value through profit or loss (continued)						
Over-the-counter financial derivatives						
Forward foreign currency exchange contracts						
Citco Bank Nederland N.V.	EUR 27,216,514	USD 30,488,029	1.1213	1/31/2020	81,587	0.18 %
Citco Bank Nederland N.V.	USD (599,530)	EUR (672,652)	1.0000	1/7/2020	261	0.00 %
					<u>81,848</u>	<u>0.18 %</u>
Total forward foreign currency exchange contracts					<u>81,848</u>	<u>0.18 %</u>
Total financial assets at fair value through profit or loss					<u>30,702,243</u>	<u>68.57 %</u>
	Currency buys	Currency sells	Currency rate	Maturity date	Fair value US\$	% of net assets
Financial liabilities at fair value through profit or loss						
Over-the-counter financial derivatives						
Citco Bank Nederland N.V.	EUR 574,119	USD 643,989	1.1213	1/3/2020	(258)	0.00 %
					<u>(258)</u>	<u>0.00 %</u>
Total forward foreign currency exchange contracts					<u>(258)</u>	<u>0.00 %</u>
Total financial liabilities at fair value through profit or loss					<u>(258)</u>	<u>0.00 %</u>
Analysis of total gross assets					Fair value US\$	% of gross assets
Transferable securities admitted to an official stock exchange listed or traded in a regulated market					30,620,395	67.08 %
Money market instruments					–	– %
Over-the-counter financial derivatives					81,848	0.18 %
Other assets					<u>14,942,262</u>	<u>32.74 %</u>
Total					<u>45,644,505</u>	<u>100.00 %</u>

**ADDITIONAL INFORMATION (UNAUDITED)
for the year ended December 31, 2019**

The following exchange rates as of December 31, 2019 have been used to translate assets and liabilities into the functional currency of the ICAV:

Currency	Rate
EUR	0.8918

Average total expense ratio

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

	Class A EUR shares	Class A USD shares	Class F EUR shares	Class F USD1 shares	Class F- EUR1 shares	Class F- USD shares
TER with performance fee	(2.81) %	(2.52) %	(2.25) %	0.00 %	(1.96) %	(1.76) %
Share of performance fee	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %	0.00 %

Further documents for distribution/marketing in Switzerland/financial reports

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

**REPORT ON REMUNERATION POLICY (UNAUDITED)
for the year ended December 31, 2019**

Regulation 89(3A) of the Central Bank UCITS Regulations (as introduced pursuant to the UCITS V Regulations on March 21, 2016) requires that the annual report of the ICAV contains certain disclosures on remuneration paid by the ICAV to its staff during the financial year and details of any material changes to the ICAV's remuneration policy made during the year. In this regard, the following points are to be noted:

- The ICAV has prepared a remuneration policy outlining how it adheres to the remuneration requirements set out in the Central Bank UCITS Regulations. This policy was adopted in principal with effect from September 9, 2016.
- This disclosure includes all staff whose professional activities have a material impact on the risk profile of the ICAV at either fund or sub-fund level ("Identified Staff"). The ICAV has deemed Identified Staff to include:
 - The Directors of the ICAV. The ICAV has no employees or staff that it employs and pays directly. The ICAV has a Board of Directors, one of whom is an employee of Andurand Capital Management Ltd (the "Investment Manager") and its affiliates and receive no remuneration from the ICAV. The remaining two directors, both of whom are independent, receive a fixed fee only (for the year ended December 31, 2019; EUR30,000 (2018: EUR30,000) in aggregate) and do not receive variable remuneration. These fees are set at a level that reflects the qualifications and contribution required taking into account the ICAV's size, internal organisation and the nature, scope and complexity of its activities.
 - The Designated Persons. The services of two designated persons are also provided to the ICAV pursuant to a management services agreement between the ICAV and Clifton Fund Consulting Limited trading as KB Associates, in respect of which a fixed fee only is paid and such designated persons do not receive any variable remuneration.
 - Details of the Investment Managers remuneration arrangements, including a description of how remuneration and benefits are calculated and the identities of the persons responsible for awarding such remuneration/benefits can be accessed from the following website www.andurandcapital.com. A paper copy will be made available free of charge from the Investment Manager upon request.

No material changes have been made to the Remuneration Policy since the Board adopted the policy.

REPORT ON REMUNERATION POLICY (UNAUDITED) (Continued)
for the year ended December 31, 2019

Total remuneration paid to Identified Staff during the financial year to December 31, 2019

	EUR
Fixed remuneration	
- Non-executive directors	30,000
- Other identified staff	30,000
Variable remuneration	
- Non-executive directors	–
- Other identified staff	–
Total remuneration paid	<u>60,000</u>
Number of beneficiaries	5