

**BRILLIANCE ASSET MANAGEMENT ICAV**  
**(an open-ended umbrella Irish collective asset-management**  
**vehicle with segregated liability between sub-funds and**  
**authorised by the Central Bank of Ireland as a UCITS)**

**ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2022**

**Central Bank of Ireland Registration Number : C174278**

**ANNUAL REPORT & AUDITED FINANCIAL STATEMENTS  
for the year ended December 31, 2022**

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**ICAV INFORMATION**

**Registered Office**

32 Molesworth Street  
Dublin 2  
Ireland

**Directors**

Kyong Choi (appointed on April 29, 2022)  
Kenneth Kwan (resigned on November 21, 2022)  
John Hamrock\* (Chairman)  
Roddy Stafford\*

\* Independent non-executive Director

**Administrator**

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

**Investment Manager and Distributor**

Brilliance Asset Management Limited  
Suites 3201-3205, 32/F  
AIA Central  
1 Connaught Road Central  
Central, Hong Kong

**Manager**

MPMF Fund Management (Ireland) Limited  
32 Molesworth Street  
Dublin 2  
Ireland

**Depository**

Northern Trust Fiduciary Services  
(Ireland) Limited  
Georges Court  
54 - 62 Townsend Street  
Dublin 2  
Ireland

**Swiss Representative\***

ARM Swiss Representatives AG  
Route de Cité-Ouest 2  
1196 Gland  
Switzerland

\* Up to August 31, 2022

**Auditors**

Ernst & Young  
Block 1 Harcourt Centre  
Harcourt Street  
Dublin 2  
Ireland

**Legal Advisers**

*As to Irish law:*  
Maples and Calder (Ireland) LLP  
75 St. Stephen's Green  
Dublin 2  
Ireland

**Secretary**

MFD Secretaries Limited  
32 Molesworth Street  
Dublin 2  
Ireland

**ISDA Counterparties**

Goldman Sachs International  
Plumtree Court  
25 Shoe Lane  
London EC4A 4AU  
United Kingdom

UBS AG

5 Broadgate,  
London EC2M 2QS  
United Kingdom

**UK Facilities Agent**

Maples Fiduciary Services (UK) Limited  
11/F, 200 Aldersgate Street  
London EC1A 4HD  
United Kingdom

**Swiss Paying Agent\***

Banque Heritage S.A.  
Route de Chêne 61  
Case Postale 6600  
1211 Geneva 6  
Switzerland

\* Up to June 20, 2022

**ICAV INFORMATION (Continued)**

**German Information Agent**

GerFIS – German Fund Information Service  
GmbH  
Zum Eichhagen 4  
21382 Brietlingen  
Germany

**Luxembourg Paying Agent**

Société Générale  
11, Avenue Emile Reuter  
L- 2420 Luxembourg

**French Local Representative Agent**

Société Générale  
29, boulevard Haussmann  
75009 Paris

**ICAV INFORMATION (Continued)**

**Information for Investors in Switzerland**

The following Fund of the ICAV is compliant with Swiss law for distribution to qualified investors in Switzerland:

- Brilliance China Core Long Short Fund

Copies of the Prospectus, the Key Investor Information Documents, the Instrument of Incorporation and annual and semi-annual financial statements can be obtained free of charge from the representative in Switzerland: ARM Swiss Representatives AG, Route de Cité-Ouest 2, 1196 Gland, Switzerland\*. The place of performance is at the registered office of the representative in Switzerland. The place of jurisdiction is at the registered office of the representative in Switzerland or at the registered office or place of residence of the shareholders.

\* Up to August 31, 2022

**Information for Investors in Germany**

For investors in Germany, the following sub-fund is available:

- Brilliance China Core Long Short Fund

The Prospectus, the Key Investor Information Documents, the Instrument of Incorporation of the ICAV, the annual and semi-annual reports, a list of changes in the composition of the portfolios as well as the issue and redemption prices are available free of charge pursuant to Sec. 297(1) of the German Capital Investment Code at the office of the German Information Agent: GerFIS – German Fund Information Service GmbH, Zum Eichhagen 4, 21382 Brietlingen, Germany.

**DIRECTORS' REPORT**  
**for the year ended December 31, 2022**

The Directors present their report and audited financial statements of Brilliance Asset Management ICAV (the "ICAV") for the year ended December 31, 2022. As of December 31, 2022, the ICAV had established one sub-fund, the Brilliance China Core Long Short Fund (the "Fund"), which was approved by the Central Bank of Ireland on March 21, 2018.

**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-fund. The Directors remain optimistic about the ICAV's long term prospects. See further details on the Investment Manager's report on page 12.

**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 years are set out in these financial statements. No dividend was paid or proposed during the financial years ended December 31, 2022 or December 31, 2021.

**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 years ended December 31, 2022 or December 31, 2021.

**Risk management**

The principal risks and uncertainties faced by the Fund include market price risk and global exposure, currency risk, credit risk, liquidity risk, emerging market risk and People's Republic of China ("PRC") market related risks.

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 7 for further details.

**Directors and their interests**

The Directors at the date of this report are listed on page 2. The Directors and Secretary do not have any shareholdings in the ICAV as of December 31, 2022 or December 31, 2021. The transactions involving Directors during the year are detailed in Note 11 to the financial statements.

**DIRECTORS' REPORT (Continued)  
for the year ended December 31, 2022**

**Accounting records**

The Directors are responsible for keeping proper accounting records. The Directors have appointed experienced administrator and service providers for the year in order to ensure that these requirements are complied with. The accounting records are located at the offices of Citco Fund Services (Ireland) Limited (the "Administrator") as stated on page 2.

**Transactions with connected parties**

Statutory Instruments No. 230 of 2019 - Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations"), Part 2 Chapter 10 – "Transactions involving Connected Persons" states that any transaction carried out with a UCITS by a management company or depositary to a UCITS; and the delegates or sub delegates of such a management company or depositary (excluding any nongroup 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**

The prospectus for the ICAV was noted by the Central Bank on November 25, 2022 to reflect that the Manager does not currently consider the principal adverse impacts of their investment decisions on sustainability factors (in the manner specifically contemplated by Article 4(1)(a) of the Sustainable Finance Disclosure Regulation given the investment objective, strategy and guidelines of the Fund, and how the Investment Manager considers it best to undertake the investment opportunity selection process, and achieve the returns sought. The supplement for the Fund was noted by the Central Bank on November 30, 2022 to reflect the date of the revised prospectus.

**DIRECTORS' REPORT (Continued)  
for the year ended December 31, 2022**

**Soft commissions' arrangements**

The Investment Manager entered into soft commission arrangements with Execution Brokers during the years ended December 31, 2022 and December 31, 2021. Please refer to Note 13 of the financial statements.

**Significant events**

For details of the ICAV's significant events, please refer to Note 14 of the financial statements.

**Subsequent events**

For details of the ICAV's subsequent events, please refer to Note 18 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 which can be obtained from the Irish statute book website at [www.irishstatutebook.ie](http://www.irishstatutebook.ie) and are available for inspection at the registered office of the ICAV;
- (ii) The Instrument of Incorporation of the ICAV, which is available for inspection at the registered office of the ICAV; and
- (iii) The Central Bank in their Central Bank UCITS Regulations and Guidance Notes which can be obtained from the Central Bank website at: <http://www.centralbank.ie/regulation/industry-sectors/funds/Pages/default.aspx>;

In addition to the above, the ICAV has adopted the voluntary Irish Funds 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, 2022**

**Independent Auditors**

Ernst & Young was appointed during the year as auditor in accordance with Section 125 of the ICAV Act and have indicated their willingness to continue in office.

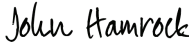
**The European Union (“EU”) Securities Financing Transactions Regulation**


The ICAV assessed the portfolio of the Fund comprising of financial assets and financial liabilities at fair value through profit or loss and has determined that no disclosure under the EU Securities Financing Transactions Regulation is required at this time.

**Periodic report disclosure pursuant to the Disclosures Regulation and the Taxonomy Regulation**

For the purposes of Article 7 of Regulation (EU) 2020/852 of the European Parliament and of the Council of June 18, 2020 on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088 (the “Taxonomy Regulation”), the investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

On behalf of the Board

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Director: John Hamrock  
Date: April 25, 2023

DocuSigned by:  
  
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Director: Roddy Stafford  
Date: April 25, 2023

**DIRECTORS' RESPONSIBILITIES STATEMENT  
for the year ended December 31, 2022**

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 year ended December 31, 2022.


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

The Directors confirm that they have complied with the above requirements when preparing the financial statements.

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 them 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 Depositary 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

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Director: John Hamrock  
Date: April 25, 2023

DocuSigned by:  
  
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Director: Roddy Stafford  
Date: April 25, 2023

**DEPOSITARY REPORT TO THE SHAREHOLDERS  
for the year ended December 31, 2022**

We, Northern Trust Fiduciary Services Ireland Limited, appointed Depositary to Brilliance Asset Management ICAV (“the ICAV”) provide this report solely in favour of the shareholders of the ICAV for the year ended 31 December 2022 (“the Accounting Period”). This report is provided in accordance with the UCITS Regulations – European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (SI No 352 of 2011), as amended, which implemented Directive 2009/65/EU into Irish Law (“the Regulations”). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depositary obligation as provided for under the Regulations, we have enquired into the conduct of the ICAV for the Accounting Period and we hereby report thereon to the shareholders of the ICAV as follows;

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

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

DocuSigned by:

*Paul Moloney*

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For and on behalf of Northern Trust Fiduciary Services (Ireland) Limited  
Georges Court  
54 - 62 Townsend Street  
Dublin 2  
Ireland  
April 25, 2023

**DEPOSITARY REPORT TO THE SHAREHOLDERS (Continued)  
for the year ended December 31, 2022**

**Credit Risk Statement:**

Northern Trust Fiduciary Services (Ireland) Limited (“NTFSIL”) is the appointed Depositary of the Fund, responsible for the safe-keeping of assets. NTFSIL has appointed The Northern Trust Company (“TNTC”) as its global sub-custodian. Both NTFSIL and TNTC are wholly owned subsidiaries of Northern Trust Corporation (“NTC”). As at year-end date 31 December 2022, NTC had a long term credit rating from Standard & Poor’s of (A+).

TNTC (as global sub-custodian of NTFSIL) does not appoint external sub-custodians within the U.S., the U.K., Ireland, Canada, Belgium, France, Germany, Netherlands and Saudi Arabia. However, in all other markets, TNTC appoints local external sub-custodians.

NTFSIL, in the discharge of its depositary duties, verifies the Fund’s ownership of Other Assets, (as defined under Other Assets, Art 22(5) of UCITS V Directive 2014/91/EU), by assessing whether the Fund holds the ownership based on information or documents provided by the Fund or where available, on external evidence.

TNTC, in the discharge of its delegated depositary duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of TNTC and (ii) all financial instruments that can be physically delivered to TNTC. TNTC ensures all financial instruments (held in a financial instruments account on the books of TNTC) are held in segregated accounts in the name of the Fund, clearly identifiable as belonging to the Fund, and distinct and separately from the proprietary assets of TNTC, NTFSIL and NTC.

In addition TNTC, as banker, holds cash of the Fund on deposit. Such cash is held on the Statement of Financial Position of TNTC. In the event of insolvency of TNTC, in accordance with standard banking practice, the Fund will rank as an unsecured creditor of TNTC in respect of any cash deposits.

Insolvency of NTFSIL and or one of its agents or affiliates may cause the Fund’s rights with respect to its assets to be delayed.

The Responsible Party manages risk by monitoring the credit quality and financial position of the Depositary and such risk is further managed by the Depositary monitoring the credit quality and financial positions of sub-custodian appointments.

**INVESTMENT MANAGER'S REPORT  
for the year ended December 31, 2022**

Brilliance China Core Long Short Fund's (The Fund) net return was -21.5% in 2022, in which the long book and short book contributed -27.0% and +6.1% respectively. As a reference, the MSCI China Index was down -23.5% over the year.

**Turning point in China's macro environment**

2022 was another eventful for China, its economy, its population, and obviously, its financial markets. During the first part of the year, the country suffered new rounds of lockdowns due to the resurgence of COVID cases. Broader market and investor sentiment have been heavily impacted, resulting in the MSCI China index being down -13.8% and the CSI300 index down -14.5% during the first quarter. The leading drivers for the corrections were the technology sector (-26% within CSI300 over the period) and the Consumption Discretionary sector (-22% within CSI300). The policy cycle bottomed, reaching a turning point with supportive monetary policies. While economic data continued to appear poorly based on lagged data from 2021, a number of investors have lost a certain level of faith in China. Brilliance was taking another view, considering COVID related headwinds as rather short-term, anticipating government's intervention to stabilize the economy. China has been going through 2 years of economic downcycle, the environment has changed but the spirit of China's entrepreneurs remained strong, as companies continued to develop their businesses, offering investment opportunities across various sectors including smart cars, consumers and semiconductors. The key to long-term success is to adjust the direction of research, adjust the direction of investments, and most importantly, adjust the pool of talents, what Brilliance has always been doing throughout 2022. The team at Brilliance is very much down to earth, and being on the ground in China, understands the drivers of the country's economy.

China's market sentiment showed signs of recovery during the second quarter of 2022 thanks to the gradual improvement of mainland's pandemic situation. While Zero-COVID was still China authorities' main goal to ensure social stability, the team at Brilliance identified strong education efforts from state media to release a series of significant relaxation measures. Against this backdrop, the market had a strong rebound in June with the MSCI China index gaining +5.7% and the CSI300 index surging by +9.6%. By ramping up the net exposure in May, the Fund successfully captured the rebound and delivered a significant outperformance in June, being up +21.2%, its highest monthly return since inception. Brilliance always believed that the focus on high-quality fundamentals coupled with a certain level of concentration will lead to outsized alpha generation in the long run. In the meantime, the Fund's short book's improved structure, dedicated to a more scientific and alpha focused methodology, was gradually adding contribution during the year. It also provided protection against the long exposure, as the stable long/short correlation improved the portfolio's hedging this year.

**INVESTMENT MANAGER'S REPORT (Continued)  
for the year ended December 31, 2022**

**Time to buy the best franchises in China**

Impacted by the overall negative sentiment on Chinese assets, valuations of the best franchises have fallen to trough levels in China. After continuous share price correction since February 2021 combined with solid earnings growth in 2021 and 2022, valuations of the best franchises have dropped to 40% of their peak level in the middle of the year. We took this opportunity to concentrate up to 85% of the long book's exposures to the best franchise companies expected to deliver great results in the next two years. As China's policymakers progressively eased the Zero-COVID policy during the second half of the year, which was identified as the biggest risk to the market, the overall policy direction and market sentiment improved leading the way to an orderly and progressive recovery. Since the summer 2022, we intensified our research into areas with long term strategic growth, expanding the Fund's investments in technology, manufacturing, components, and branded manufacturing. Since Q3, there were clear signs of earnings improvement for many of these opportunities targeted by the investment team.

While adjusting the Fund's sector exposures, we also focused the portfolio on China A-listed companies. US ADRs and Hong Kong equity markets were undergoing long-term pressures. Foreign investors kept selling these markets on the back of geopolitical concerns, whereas the valuation system in China-A was less impacted. Local investors still dominate the market and they have been fully exposed to the country risk already. This move proved particularly profitable to the Fund in September and October, while China's 20th National People Congress meeting triggered massive sell-off on Chinese assets, and more particularly US ADRs and H-listed shares, as investors all over the world have shown increasing concerns on China from a top-down perspective. Brilliance's decision to reduce the small and mid-cap positions in the portfolio and increase exposure to its China-A core assets holdings supported the Fund's performance during the rally since the early days of November.

**Lessons learnt in 2022 and outlook for 2023**

After 2 years of economic slowdown in China impacted by the Covid-0 policy, the government has engaged the country in a new cycle of its economy. After two months of progressive relaxing of these restrictive measures, equity markets in China posted a strong rally as reflected by the performance of the MSCI China index, up +35.5% from October 31st to December 31st, whereas global equity markets reported low single-digit returns (+2.2% for the MSCI World index). The country has transitioned to a new phase of its economy, where accommodative liquidity and supportive policy environment were leading investors to redirect their capital to China's financial markets, as blue-chip companies are releasing their solid fundamentals. The Fund's holdings benefited from investors' flows in the core assets of China, proving the solid founding principles of Brilliance's investment philosophy and strategy. The team's optimism on the China outlook is based on several factors:

- Firstly, the past decade confirmed that China's economy is cyclical. On top of the economic cycle, there is a capital cycle as well. During 2021 and 2022, money flows have been directed towards manufacturing industry like lithium batteries, solar energy, etc. They are now flowing back to blue-chip stocks. The trend changed, and capital flows are always running ahead of the economy's fundamentals in China, by three to six months. To better understand the capital cycle, Brilliance enhanced the team's resources, to achieve more nimble trading around the portfolio's holdings, selling before the peak while daring to buy at stock price and valuation bottom.

**INVESTMENT MANAGER'S REPORT (Continued)  
for the year ended December 31, 2022**

- Secondly, China's economic resilience is stronger than everyone thinks and now is the best time to add capital to the best franchises in China. Although the economy slowed in the past two years, the growth of Chinese residents' deposits has accelerated. We are expecting to witness the launch of a large number of mutual funds in 2024, attracting these deposits into the stock market.
- Thirdly, investors in Chinese assets are expected to be better compensated as shareholders. China companies will release profits aggressively, reducing unnecessary investments and costs, releasing their true profitability power. They will start returning capital to shareholders. There will be higher dividends pay-out ratio and more shares buy back in the market. Finally, the competition will start slowing down in some mature industries as entrepreneurs will act more rationally in the future, avoiding cutthroat competition situations.

We are excited by the current opportunity set offered by Chinese equities, as China ageing demographics and tourism and travel recovery in mainland China are bringing new investment ideas. The opportunities within China autos, semiconductors and high-end manufacturing industries are huge, as they are mostly led by China's new generation entrepreneurs. The management team of China's new generation companies are strong in terms of academic background, knowledge base as well as personal charisma.

In the past year, the Fund experienced difficulties as the team was exploring new areas, making some mistakes along the way. However, Brilliance's philosophies and strategies have always been proven correct. The long book of the portfolio keeps high investment standards and turned down several investment traps. Even under tremendous pressure, we did not blindly participate in the hot industries presented by the market. In the future, we will continue to stick to Brilliance's core investment philosophies, while at the same time properly value the policy risks and enhance trading activity around investment windows.

On the team building side, Brilliance made a lot of progress in 2022. The non-investment team has gone through a complete upgrade and the investment team is also gradually being strengthened, with the joining of new research team members in Q1 of next year, allowing Brilliance to cover a wider spectrum of diversifying industries. We will continue to improve the quality and knowledge structure of the team to ensure Brilliance can keep up with the rapid development of markets and industries.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRILLIANCE ASSET MANAGEMENT ICAV**

### **Report on the audit of the financial statements**

#### **Opinion**

We have audited the financial statements of Brilliance Asset Management ICAV ('the ICAV') for the year ended 31 December 2022, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Net Assets Attributable to Holders of Redeemable participating Shares, Statement of Cash Flows and notes to the financial statements, 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 financial statements:

- give a true and fair view of the assets, liabilities and financial position of the ICAV as at 31 December 2022 and of its loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (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, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, 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.

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the ICAV's ability to continue as a going concern.





## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRILLIANCE ASSET MANAGEMENT ICAV (continued)**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

### ***Opinions on other matters 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.

### **Respective responsibilities**

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

As explained more fully in the Directors' Responsibilities Statement set out on page 9, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for 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.

In preparing the financial statements, the directors are responsible for 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 management either intends to liquidate the ICAV or to cease operations, or has 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 further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

This description forms part of our auditor's report.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRILLIANCE ASSET MANAGEMENT ICAV (continued)**

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

Our report is made solely to the ICAV's members, as a body, in accordance with 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 members 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

A handwritten signature in black ink that reads 'Ernst &amp; Young' in a cursive script.

Ernst & Young Chartered Accountants

Dublin, Ireland

Date: 26 April 2023

**STATEMENT OF FINANCIAL POSITION**  
**as of December 31, 2022**

	<b>Note</b>	<b>2022 USD</b>	<b>2021 USD</b>
<b>Assets</b>			
Cash and cash equivalents	8	23,504,690	61,889,292
Financial assets at fair value through profit or loss			
Transferable securities	3,7	49,762,304	178,957,277
Derivative contracts	3,5,6,7	351,695	1,529,506
Amounts due from brokers	8	7,914,415	30,264,190
Interest receivable		5,778	–
Other receivables		74,440	2,793,636
<b>Total assets</b>		<b>81,613,322</b>	<b>275,433,901</b>
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss			
Derivative contracts	3,5,6,7	363,037	3,224,541
Amounts due to brokers	8	432,950	602,945
Redemptions payable	10	34,799	3,618,158
Dividends payable		–	131,539
Interest payable		38,268	101,987
Investment management fees payable	9,11	117,385	443,119
Equalisation payable	10	58,926	151,249
Depositary fees payable	9	43,236	21,669
Administration fees payable	9	41,425	22,055
Audit fees payable	9	38,478	18,758
Manager's fees payable	9	30,741	29,392
Performance fees payable	9,11	–	54,826
Other payables and accrued expenses		357,244	176,674
<b>Total liabilities</b>		<b>1,556,489</b>	<b>8,596,912</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>80,056,833</b>	<b>266,836,989</b>

*The accompanying notes on pages 25 to 69 form an integral part of these annual report & audited financial statements.*

**STATEMENT OF FINANCIAL POSITION (Continued)**  
**as of December 31, 2022**

December 31, 2022

**Net assets attributable to holders of redeemable participating shares** 80,056,833

<b>Share class</b>	<b>Note</b>	<b>Number of shares in issue</b>	<b>Net asset value per share</b>	
CLASS A EUR SHARES*	10	Nil	EUR	Nil
CLASS A USD SHARES	10	154,387.33	USD	91.6484
CLASS B EUR SHARES	10	23,680.58	EUR	71.2621
CLASS B GBP SHARES	10	1,202.38	GBP	85.7831
CLASS B USD SHARES	10	171,901.33	USD	89.8174
CLASS C EUR SHARES	10	499,461.82	EUR	69.6259
CLASS C GBP SHARES	10	1,212.66	GBP	58.8545
CLASS C USD SHARES	10	130,631.88	USD	85.9152

December 31, 2021

**Net assets attributable to holders of redeemable participating shares** 266,836,989

<b>Share class</b>	<b>Note</b>	<b>Number of shares in issue</b>	<b>Net asset value per share</b>	
CLASS A EUR SHARES	10	3,596.94	EUR	89.5297
CLASS A USD SHARES	10	544,384.33	USD	116.7737
CLASS B EUR SHARES	10	35,740.72	EUR	93.7090
CLASS B GBP SHARES**	10	Nil	GBP	Nil
CLASS B USD SHARES	10	905,211.04	USD	115.0157
CLASS C EUR SHARES	10	519,354.31	EUR	91.0978
CLASS C GBP SHARES	10	1,212.66	GBP	75.4364
CLASS C USD SHARES	10	375,105.12	USD	109.4676

\* Share class was fully redeemed in February 2022.

\*\* No share class balance as of December 31, 2021.


STATEMENT OF FINANCIAL POSITION (Continued)  
as of December 31, 2022

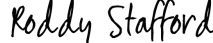
December 31, 2020

Net assets attributable to holders of redeemable participating shares 491,162,563

Share class	Note	Number of shares in issue	Net asset value per share
Class A EUR	10	104,807.98	EUR 112.4184
Class A USD	10	719,875.35	USD 145.0206
Class B EUR	10	27,781.22	EUR 118.2604
Class B GBP	10	1,884.23	GBP 105.9687
Class B USD	10	407,814.90	USD 143.5571
Class C EUR	10	841,770.74	EUR 114.3878
Class C GBP	10	3,808.53	GBP 84.6296
Class C USD	10	1,408,372.60	USD 135.9469

Signed on behalf of the Board

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Director: John Hamrock  
April 25, 2023

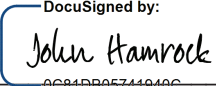
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Director: Roddy Stafford  
April 25, 2023


The accompanying notes on pages 25 to 69 form an integral part of these annual report & audited financial statements.

**STATEMENT OF COMPREHENSIVE INCOME**  
**for the year ended December 31, 2022**

	<b>Note</b>	<b>2022 USD</b>	<b>2021 USD</b>
<b>Investment income</b>			
Gross dividend income		978,940	2,646,429
Interest income		585,100	12,687
Other income	17	15,741	1,670,715
Net change in unrealised loss on financial assets and financial liabilities at fair value through profit or loss and foreign exchange	4	(17,027,937)	(70,732,696)
Net realised loss on financial assets and financial liabilities at fair value through profit or loss and foreign exchange	4	<u>(37,119,573)</u>	<u>(47,047,513)</u>
<b>Total investment loss</b>		<b><u>(52,567,729)</u></b>	<b><u>(113,450,378)</u></b>
<b>Operating expenses</b>			
Dividends on short sales		2,844,147	1,747,326
Investment management fees	9,11	2,178,324	7,516,122
Interest expense		1,034,301	1,583,471
Transaction costs		832,898	1,810,996
Legal and professional fees	9	453,166	527,390
Bank and broker fees		446,152	617,374
Depositary fees	9	137,350	277,085
Administration fees	9	135,463	349,845
Manager's fees	9	82,724	187,038
Directors' fees	9,11	45,772	73,204
Audit fees	9	20,487	23,896
Performance fees	9	–	254,592
Other expenses	9	<u>154,812</u>	<u>199,263</u>
<b>Total operating expenses</b>		<b><u>8,365,596</u></b>	<b><u>15,167,602</u></b>
<b>Net loss from operations before tax</b>		<b>(60,933,325)</b>	<b>(128,617,980)</b>
Withholding tax on dividends		<u>(52,617)</u>	<u>(313,449)</u>
<b>Decrease in net assets attributable to holders of redeemable participating shares</b>		<b><u>(60,985,942)</u></b>	<b><u>(128,931,429)</u></b>

Signed on behalf of the Board

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 Director: John Hamrock  
 April 25, 2023

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 Director: Roddy Stafford  
 April 25, 2023

*The accompanying notes on pages 25 to 69 form an integral part of these annual report & audited financial statements.*

**STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF  
REDEEMABLE PARTICIPATING SHARES**  
for the year ended December 31, 2022

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
<b>Net assets attributable to holders of redeemable participating shares at beginning of year</b>	266,836,989	491,162,563
Decrease in net assets attributable to holders of redeemable participating shares	(60,985,942)	(128,931,429)
Issuance of redeemable participating shares	10,264,938	327,587,440
Redemption of redeemable participating shares	(136,151,475)	(430,737,625)
Equalisation credit to redeemable participating shares	92,323	7,756,040
	<u>80,056,833</u>	<u>266,836,989</u>
<b>Net assets attributable to holders of redeemable participating shares at end of year</b>	<b>80,056,833</b>	<b>266,836,989</b>

*The accompanying notes on pages 25 to 69 form an integral part of these annual report & audited financial statements.*

**STATEMENT OF CASH FLOWS**  
**for the year ended December 31, 2022**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
<b>Cash flows from operating activities</b>		
Decrease in net assets attributable to holders of redeemable participating shares	(60,985,942)	(128,931,429)
<b>Adjustments to reconcile net decrease in net assets attributable to holders of redeemable participating shares to net cash provided by operating activities:</b>		
Payments for purchase of financial assets and financial liabilities at fair value through profit or loss	(82,401,086)	(451,217,677)
Proceeds from sale of financial assets and financial liabilities at fair value through profit or loss	156,051,515	513,261,076
Net realised loss on financial assets and financial liabilities at fair value through profit or loss and foreign exchange	36,753,515	46,648,276
Net change in unrealised loss on financial assets and financial liabilities at fair value through profit or loss and foreign exchange	17,107,336	70,202,298
Change in assets and liabilities:		
Amounts due from brokers	22,349,775	17,590,509
Dividends receivable	–	49,229
Interest receivable	(5,778)	–
Other receivables	2,719,196	(2,357,544)
Amounts due to brokers	(169,995)	(16,188,285)
Dividends payable	(131,539)	127,910
Interest payable	(63,719)	2,333
Investment management fees payable	(325,734)	(240,763)
Depositary fees payable	21,567	(16,428)
Administration fees payable	19,370	(12,280)
Audit fees payable	19,720	(5,066)
Manager's fees payable	1,349	(13,902)
Performance fees payable	(54,826)	(20,253,004)
Other payables and accrued expenses	180,570	22,639
<b>Net cash provided by operating activities</b>	<b>91,085,294</b>	<b>28,667,892</b>

*The accompanying notes on pages 25 to 69 form an integral part of these annual report & audited financial statements.*



**STATEMENT OF CASH FLOWS (Continued)**  
**for the year ended December 31, 2022**

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
<b>Cash flows from financing activities</b>		
Proceeds from issuance of redeemable participating shares	5,410,190	327,567,155
Payments for redemption of redeemable participating shares	<u>(134,880,086)</u>	<u>(427,551,090)</u>
<b>Net cash used in financing activities</b>	<b><u>(129,469,896)</u></b>	<b><u>(99,983,935)</u></b>
<b>Net decrease in cash and cash equivalents</b>	<b>(38,384,602)</b>	<b>(71,316,043)</b>
Cash and cash equivalents at beginning of year	<u>61,889,292</u>	<u>133,205,335</u>
<b>Cash and cash equivalents at end of year</b>	<b><u>23,504,690</u></b>	<b><u>61,889,292</u></b>
<b>Supplemental cash flow information:</b>		
Cash received for interest	565,288	12,690
Cash received for dividends	978,940	2,695,658
Cash paid for interest	1,098,020	1,581,138
Cash paid for dividends	2,975,686	1,619,416

*The accompanying notes on pages 25 to 69 form an integral part of these annual report & audited financial statements.*

**NOTES TO THE FINANCIAL STATEMENTS**  
**for the year ended December 31, 2022**

**1. ORGANISATION**

Brilliance Asset Management ICAV (the “ICAV”) was established on November 6, 2017 as an open ended umbrella Irish Collective Asset-management Vehicle with 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 an Undertaking for Collective Investment in Transferable Securities (“UCITS”) pursuant to the European Communities (UCITS) Regulations 2011 (as amended) (the “UCITS Regulations”) and is in accordance with the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the “Central Bank UCITS Regulations”). The ICAV was authorised by the Central Bank of Ireland on March 21, 2018.

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. The assets of each fund will be invested separately on behalf of each fund in accordance with the investment objective and policies of each fund. As of December 31, 2022, the ICAV had established one sub-fund, the Brilliance China Core Long Short Fund (the “Fund”), which commenced operations on April 16, 2018. Additional sub-funds may be established by the board of directors with the prior approval of the Central Bank of Ireland.

The ICAV has appointed MPMF Fund Management (Ireland) Limited (the “Manager”) as the Manager of the ICAV. The Manager has responsibility for the management and administration of the ICAV’s affairs. The Manager is responsible for the general management and administration of the ICAV’s affairs and for ensuring compliance with the Central Bank UCITS Regulations, including investment and reinvestment of the Fund’s assets, having regard to the investment objective and policies of the Fund. The Manager has delegated certain investment management functions in respect of the Fund to Brilliance Asset Management Limited (the “Investment Manager”).

The Manager, acting on behalf of the ICAV, has appointed Citco Fund Services (Ireland) Limited (the “Administrator”) as administrator of the ICAV with responsibility for the day to day administration of the ICAV’s affairs and transfer agency functions in respect of the Fund. The responsibilities of the administrator include share registration and transfer agency services, calculation of the ICAV’s and the Fund’s net asset value (“NAV”) and calculation of the NAV per share and the preparation of semi-annual and annual reports.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

**1. ORGANISATION (Continued)**

The Investment Manager is licensed by the Hong Kong Securities and Futures Commission for carrying out Type 9 (Asset Management) regulated activities and is also registered with the United States Securities and Exchange Commission as a registered investment advisor (under the Investment Advisors Act of 1940). The Investment Manager is responsible, subject to the overall supervision and control of the Manager, for managing the assets and investments of the ICAV in accordance with the investment objective and policies of the Fund. The Investment Manager shall also act as distributor of shares in the Fund with authority to delegate some or all of its duties as distributor to sub distributors in accordance with Central Bank UCITS Regulations and any other statutory instrument, regulations, rules, conditions, notices, requirements or guidance of the Central Bank issued from time to time applicable to the ICAV pursuant to the Regulations (“Central Bank Rules”).

The ICAV has appointed Northern Trust Fiduciary Services (Ireland) Limited (the “Depositary”) as depositary of the ICAV with responsibility for acting as depositary and trustee of the assets of the Fund. The Depositary’s main activity is the provision of custodial services to collective investment schemes.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

The financial statements are expressed in US Dollars (“USD”). The financial statements are prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”), the UCITS Regulations, Central Bank UCITS Regulations and the ICAV Act. 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 calendar year end of the ICAV is December 31, 2022, however the valuations throughout these financial statements are based upon the last valuation day of the calendar month being December 30, 2022.

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

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

In preparing these financial statements, management has made judgements, 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.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

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

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 year ended December 31, 2022 is included in Note 3 and relates to the determination of fair value of financial instruments with significant unobservable inputs.

The key judgement relates to the selection of the classification of investments and the associated valuation policies. All investments have been classified as financial assets and financial liabilities at fair value through profit or loss in line with Note 3 and are measured at fair value. Further information on the risks related to the investments is included in Note 7.

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

These financial statements are presented in USD, 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 mostly denominated in HKD and CNH and translated in USD. Investor subscriptions and redemptions are determined based on NAV, and received and paid in USD, GBP and EUR. The expenses (including investment management fees and administration fees) are denominated and paid mostly in USD. Accordingly, management has determined that the functional currency of the ICAV and the Fund is USD.

Transactions in foreign currencies are translated into USD at the spot exchange rate at the date of transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into USD 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 USD 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 gain/(loss) 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 the Fund's financial assets and financial liabilities into the following categories in accordance with IFRS 9 – *Financial Instruments* ("IFRS 9").

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

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

*(i) Classification (continued)*

In accordance with IFRS 9, the ICAV classifies the Fund's financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below. In applying that classification, a financial asset or financial liability is considered to be held for trading if:

- it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that are managed together and for which, there is evidence of a recent actual pattern of short-term profit-taking; or
- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

The ICAV classifies the Fund's financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss); and
- those to be measured at amortised cost.

The classification depends on the business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity securities that are not held for trading, this will depend on whether the Fund has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The ICAV classifies the Fund's financial assets as subsequently measured at fair value through profit or loss or measured at amortised cost. A financial asset is measured at fair value through profit or loss if:

- its contractual terms do not give rise to cash flows on specified dates that are solely payments of principal and interest on the principal amount outstanding; or
- it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell; or
- at initial recognition, it is irrevocably designated as measured at fair value through profit or loss when doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The ICAV includes transferable securities and derivative contracts in this category.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

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

*(i) Classification (continued)*

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order 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 on the principal amount outstanding. The ICAV includes cash and cash equivalents, amounts due from brokers, interest receivable and other receivables in this category.

A financial liability is measured at fair value through profit or loss if it meets the definition of held for trading. The ICAV includes derivative contracts in a liability position since they are classified as held for trading. The ICAV also includes its redeemable participating shares in this category and the ICAV's accounting policy regarding the redeemable participating shares is described in Note 2(l) below.

A financial liability measured at amortised cost includes all financial liabilities, other than those measured at fair value through profit or loss. The ICAV includes amounts due to brokers, redemptions payable, dividends payable, interest payable, investment management fees payable, equalisation payable, depositary fees payable, administration fees payable, audit fees payable, manager's fees payable, performance fees payable and other payables and accrued expenses in this category.

*(ii) Recognition/derecognition*

All purchases and sales of financial instruments are recognised on the trade date, which is the date the ICAV becomes a party to the contractual provisions of the instrument. Regular purchases or sales are purchases or sales of financial instruments that require delivery of assets within the period generally established by regulation or convention in the market place. Realised gains and losses on disposals of financial instruments are calculated using the first-in, first-out method.

The ICAV derecognises a financial asset when the contractual rights to the cash flows from the financial asset expires or it transfers the financial asset and the transfer qualifies for derecognition. The ICAV derecognises a financial liability when the obligation specified in the contract is discharged, cancelled, expired or settled.

*(iii) Initial measurement*

Financial instruments at fair value through profit or loss are recorded in the Statement of Financial Position at fair value. All transaction costs for such instruments are recognised directly in the Statement of Comprehensive Income. Transaction costs on financial assets or financial liabilities at fair value through profit or loss are expensed immediately in the statement of comprehensive income, while on other financial instruments they are amortised.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

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

*(iii) Initial measurement (continued)*

Financial instruments (other than those classified as at fair value through profit or loss) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

*(iv) Subsequent measurement*

After initial measurement, the Fund measures financial instruments which are classified as at fair value through profit or loss at their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial instruments is based on their quoted market prices on a recognised exchange or sourced from a reputable broker/counterparty, in the case of non-exchange traded instruments, at the Statement of Financial Position date without any deduction for estimated future selling costs. Financial instruments are stated at market value based on the last traded price on each valuation date.

Subsequent changes in the fair value of financial instruments through profit or loss are recognised in the Statement of Comprehensive Income.

*(v) Impairment*

At each reporting date, the ICAV shall measure the loss allowance on financial assets as at amortised cost at an amount equal to the lifetime expected credit losses (“ECL”) if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the ICAV shall measure the loss allowance at an amount equal to 12-month ECL. Significant financial difficulties of the counterparties, probability that the counterparties will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated on the gross carrying amount adjusted for the loss allowance.

The ICAV assesses on a forward looking basis the ECL associated with its financial assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For these financial statements, the ICAV applies the simplified approach permitted by IFRS 9, which requires ECL to be recognised from initial recognition of the receivables.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

**(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 currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The Fund's financial assets and liabilities subject to offsetting in Note 6 are presented by counterparty. Refer to Note 6 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 currency exchange contracts for difference ("CFDs"), index futures, and index swaps. Fair values for forward currency exchange contracts are determined using market rates and for CFDs, the fair value is based on the price of the underlying instrument. Future contracts are valued at the settlement price established each day by the board of trade or the exchange on which they are traded. Swap contracts are valued utilizing price quotes received daily by the Fund's pricing services or through brokers, which are derived using swap curves and models that incorporate a number of market data factors, such as discounted cash flows, trades, value of the underlying reference instruments, yield curves, credit curves, measures of volatility, prepayment rates and correlation of such inputs.

**(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 cash collateral positions.

**(i) Amounts due to brokers**

Amounts due to brokers include amounts payable for financial instruments purchased that have been contracted for but not yet settled or delivered on the statement of financial position date.

**(j) Income and expenses**

All bank interest income and expense is recognised in the Statement of Comprehensive Income as it accrues, using the original effective interest rate of the instrument calculated at the acquisition or origination date.



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

**(j) Income and expenses (continued)**

Dividend income relating to equity securities is recognised in profit or loss 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.

Transaction costs are incremental costs, which are separately identifiable and directly attributable to the acquisition or disposal of a financial asset. Transaction costs include fees and commissions paid to brokers and agents. These costs paid to brokers and agents are expensed as incurred and are disclosed separately in the Statement of Comprehensive Income.

**(k) Taxation**

Under current law and practice the ICAV qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, Irish tax is not chargeable to the ICAV on its income or capital gains. However, some dividend and interest income received by the ICAV may be subject to withholding tax imposed in certain countries of origin. A “chargeable event” may happen which may give rise to Irish tax if the following event occurs: any distribution to shareholders, any encashment, redemption, cancellation or transfer of shares and the holding of shares at the end of each eight year period 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).

**(l) Redeemable participating shares**

Redeemable participating shares are redeemable at the shareholder’s option, are classified as financial liabilities, and are measured at the present value of the redemption amounts. In accordance with IAS 32 Financial Instruments: Presentation (“IAS 32”) such instruments meet the definition of puttable instruments.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

**(l) Redeemable participating shares (continued)**

Redeemable participating shares are redeemable at the Shareholders' option. These redeemable participating shares are neither in the most subordinated class of instruments in the Fund nor do they have identical features. Accordingly, all share classes meet the conditions for puttable instruments and have been classified as financial liability instruments. Financial liabilities arising from the redeemable participating shares issued by the Fund are measured at the present value of the redemption amounts representing the shareholder's right to a residual interest in the Fund's assets.

The Manager reserves the right to impose an anti-dilution levy ("ADL") on a transaction basis in the case of net subscriptions and/or net redemptions as a percentage adjustment (to be communicated to the Administrator) on the value of the relevant subscription/redemption calculated for the purposes of determining a subscription price or repurchase price to cover dealing costs and to preserve the value of the underlying assets of the relevant Fund where they consider such a provision to be in the best interests of a Fund. Such amount will be added to the price at which shares will be issued in the case of net subscription requests and deducted from the price at which shares will be redeemed in the case of net redemption requests. Any such sum will be paid into the account of the relevant Fund. ADL has not been imposed on subscribing and redeeming shareholders for the current year and the prior year.

**(m) Equalisation policy**

Shares are acquired at a price based on the NAV per share. When shares are subscribed, certain adjustments will be made to reduce inequities that could otherwise result to the shareholder or to the Fund. This is done so that: (i) the performance fee paid to the Investment Manager is charged only to those shares which have appreciated in value since their acquisition, (ii) all shareholders of a class will have the same amount per share at risk, and (iii) all shares in the same class have the same NAV per share.

(i) If shares are subscribed for at a time when the NAV per share is less than the high water mark per share of the relevant class, the investor will be required to pay a performance fee with respect to any subsequent appreciation in the value of those shares. With respect to any appreciation in the value of those shares from the NAV per share at the date of subscription up to the high water mark per share, the performance fee will be charged at the end of each performance period by redeeming such number of the investor's shares of the relevant class as have an aggregate NAV (after accrual for any performance fee) equal to a percentage of any such appreciation of the relevant class of shares (a "Performance Fee Redemption"). The aggregate NAV of the shares so redeemed will be paid to the Investment Manager as a performance fee. Performance Fee Redemptions are employed to ensure that the Fund maintains a uniform NAV per share of each relevant class. As regards the investor's remaining shares of the relevant class, any appreciation in the NAV per share of those shares above the high water mark per share of that class will be charged a performance fee in the normal manner.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

***(m) Equalisation policy (continued)***

- (ii) If shares are subscribed for at a time when the NAV per share is greater than the high water mark per share of the relevant class, the investor will be required to pay an amount in excess of the then current NAV per share of that class equal to a percentage of the difference between the then current NAV per share of that class (before accrual for the performance fee) and the high water mark per share of the relevant class of shares (an "Equalisation Credit"). At the date of subscription, the Equalisation Credit will equal the performance fee per share accrued with respect to the other shares of the same class in the Fund (the "Maximum Equalisation Credit"). The Equalisation Credit is payable to account for the fact that the NAV per share of that class has been reduced to reflect an accrued performance fee to be borne by existing shareholders of the same class and serves as a credit against performance fees that might otherwise be payable by the Fund but that should not, in equity, be charged against the shareholder making the subscription because, as to such shares, no favourable performance has yet occurred. The Equalisation Credit ensures that all holders of shares of the same class have the same amount of capital at risk per share. The additional amount invested as the Equalisation Credit will be at risk in the Fund and will therefore appreciate or depreciate based on the performance of the relevant class of shares subsequent to the issue of the relevant shares but will never exceed the Maximum Equalisation Credit. In the event of a decline as at any valuation point in the NAV per share of those shares, the Equalisation Credit will also be reduced by an amount equal to a percentage of the difference between the NAV per share of the relevant class of shares (before accrual for the performance fee) at the date of issue and as at that valuation point. Any subsequent appreciation in the NAV per share of the relevant class will result in the recapture of any reduction in the Equalisation Credit but only to the extent of the previously reduced Equalisation Credit up to the Maximum Equalisation Credit. At the end of each performance period, if the NAV per share (before accrual for the performance fee) exceeds the high water mark per share of the relevant class, that portion of the Equalisation Credit equal to a percentage of the relevant class of shares, of the excess, multiplied by the number of shares of that class subscribed for by the shareholder, will be applied to subscribe for additional shares of that class for the shareholder. Additional shares of that class will continue to be so subscribed for at the end of each performance period until the Equalisation Credit, as it may have appreciated or depreciated in the Fund after the original subscription for shares of that class was made, has been fully applied. If the shareholder redeems his shares of that class before the Equalisation Credit has been fully applied, the shareholder will receive additional redemption proceeds equal to the Equalisation Credit then remaining multiplied by a fraction, the numerator of which is the number of shares of that class being redeemed and the denominator of which is the number of shares of that class held by the shareholder immediately prior to such redemption in respect of which an Equalisation Credit was paid on subscription.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

**(n) Redemptions payable**

The ICAV's method of recognising redemptions during the year is consistent with its adoption of the FASB ASC 480, *Distinguishing Liabilities from Equity*. Redemptions are recognised as liabilities when the amount requested in the redemption notice becomes fixed. As a result, redemptions paid after the end of the year, but based upon year end net asset values is reflected as redemptions payable in the Statement of Financial Position at year end.

**(o) Standards, interpretations and amendments to published standards effective January 1, 2022**

The amendments to International Accounting Standards ("IAS") 37, *Onerous Contracts – Costs of Fulfilling a Contract*, was issued in May 2020 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract. The amendments had no material impact on the financial statements.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on January 1, 2022 that have a material effect on the financial statements of the ICAV.

**(p) 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, 2022, 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.

**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).

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

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.

Investments whose values may be obtained from quoted prices in active markets and are therefore classified in Level 1 include equities and index futures. The ICAV does not adjust the quoted price for such instruments.

The following table summarises the valuation of the Fund's investments by the fair value hierarchy levels as of December 31, 2022:

<b>2022</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>	<b>Level 3 USD</b>	<b>Total USD</b>
<b>Financial assets at fair value through profit or loss</b>				
<b>Transferable securities</b>				
Equities	49,762,304	–	–	49,762,304
<b>Derivative contracts</b>				
Contracts for difference	–	145,378	–	145,378
Forward currency exchange contracts	–	206,317	–	206,317
<b>Total financial assets</b>	<b>49,762,304</b>	<b>351,695</b>	<b>–</b>	<b>50,113,999</b>
<b>Financial liabilities at fair value through profit or loss</b>				
<b>Derivative contracts</b>				
Contracts for difference	–	(363,037)	–	(363,037)
<b>Total financial liabilities</b>	<b>–</b>	<b>(363,037)</b>	<b>–</b>	<b>(363,037)</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

The following table summarises the valuation of the Fund's investments by the fair value hierarchy levels as of December 31, 2021:

2021	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
<b>Financial assets at fair value through profit or loss</b>				
<b>Transferable securities</b>				
Equities	178,957,277	–	–	178,957,277
<b>Derivative contracts</b>				
Contracts for difference	–	1,082,975	–	1,082,975
Forward currency exchange contracts	–	446,531	–	446,531
<b>Total financial assets</b>	<b><u>178,957,277</u></b>	<b><u>1,529,506</u></b>	<b><u>–</u></b>	<b><u>180,486,783</u></b>
<b>Financial liabilities at fair value through profit or loss</b>				
<b>Derivative contracts</b>				
Index futures	(34,390)	–	–	(34,390)
Index swaps	–	(31,585)	–	(31,585)
Contracts for difference	–	(2,316,367)	–	(2,316,367)
Forward currency exchange contracts	–	(842,199)	–	(842,199)
<b>Total financial liabilities</b>	<b><u>(34,390)</u></b>	<b><u>(3,190,151)</u></b>	<b><u>–</u></b>	<b><u>(3,224,541)</u></b>

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

Assets and liabilities not carried at fair value but for which fair value is disclosed as at December 31, 2022 and December 31, 2021 include amounts due from/to brokers and receivable/payable amounts. These are short-term financial assets and liabilities whose carrying amounts approximate fair value because of their short-term nature and the high-credit quality of counterparties. These assets and liabilities are classified as Level 2.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

The following table identifies the net gain and loss amounts included in the Statement of Comprehensive Income with realised gain/(loss) and unrealised gain/(loss) on financial assets and financial liabilities at fair value through profit or loss and foreign exchange for the year ended December 31, 2022:

<b>2022</b>	<b>Net realised gain/(loss) USD</b>	<b>Net change in unrealised gain/(loss) USD</b>	<b>Total USD</b>
<b>Financial assets and liabilities at fair value through profit or loss</b>			
<b>Transferable securities</b>			
Equities	(23,771,938)	(18,791,030)	(42,562,968)
<b>Derivative contracts</b>			
Contracts for difference	(14,740,599)	1,015,734	(13,724,865)
Forward foreign currency exchange contracts	(1,387,228)	601,985	(785,243)
Index future	2,838,106	34,390	2,872,496
Index swap	308,144	31,585	339,729
<b>Total</b>	<b>(36,753,515)</b>	<b>(17,107,336)</b>	<b>(53,860,851)</b>
<b>Foreign exchange</b>	<b>(366,058)</b>	<b>79,399</b>	<b>(286,659)</b>
<b>Net realised loss and change in unrealised loss on financial assets and financial liabilities at fair value through profit or loss and foreign exchange</b>	<b>(37,119,573)</b>	<b>(17,027,937)</b>	<b>(54,147,510)</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

**4. NET REALISED GAIN/(LOSS) AND CHANGE IN UNREALISED GAIN/(LOSS) ON INVESTMENTS AND FOREIGN EXCHANGE (Continued)**

The following table identifies the net gain and loss amounts included in the Statement of Comprehensive Income with realised gain/(loss) and unrealised gain/(loss) on financial assets and financial liabilities at fair value through profit or loss and foreign exchange for the year ended December 31, 2021:

<b>2021</b>	<b>Net realised gain/(loss) USD</b>	<b>Net change in unrealised gain/(loss) USD</b>	<b>Total USD</b>
<b>Financial assets and liabilities at fair value through profit or loss</b>			
<b>Transferable securities</b>			
Equities	5,936,058	(71,601,525)	(65,665,467)
<b>Derivative contracts</b>			
Contracts for difference	(12,889,097)	164,215	(12,724,882)
Forward foreign currency exchange contracts	(10,942,167)	89,317	(10,852,850)
Index future	(30,235,662)	1,177,280	(29,058,382)
Index swap	1,482,592	(31,585)	1,451,007
<b>Total</b>	<b>(46,648,276)</b>	<b>(70,202,298)</b>	<b>(116,850,574)</b>
<b>Foreign exchange</b>	<b>(399,237)</b>	<b>(530,398)</b>	<b>(929,635)</b>
<b>Net realised loss and change in unrealised loss on financial assets and financial liabilities at fair value through profit or loss and foreign exchange</b>	<b>(47,047,513)</b>	<b>(70,732,696)</b>	<b>(117,780,209)</b>





**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

**5. DERIVATIVE CONTRACTS (Continued)**

***Forward currency exchange contracts***

Forward currency exchange contracts are OTC contracts entered into by the Fund and represent a firm commitment to buy or sell an underlying asset, or currency, at a specified value and point in time based upon an agreed or contracted quantity. 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/year-end date and is included in the Statement of Comprehensive Income. The net loss on forward currency exchange contracts is being recognised in the Statement of Comprehensive Income. The Fund holds open forward currency exchange contracts as of December 31, 2022 and December 31, 2021.

The Fund will use forward currency exchange contracts for removing foreign exchange exposure both at the portfolio level and also to hedge non-base currency classes in the Fund. Forward currency exchange contracts will not be used for investment purposes. Refer to the Schedule of Investments for further details on forward currency exchange contracts.

***Contracts for difference***

A CFD is an equity derivative OTC contract entered into by the Fund that bases its value on the price of a stock index or common stock, without investing in the underlying physical share. As such, the Fund has no rights or obligations relating to the underlying share. The CFD is a contract between two parties to exchange, at the close of the contract, the difference between the reset price and the closing price of the contract, multiplied by the number of shares specified within the contract. Refer to the Schedule of Investments for further details on CFDs.

***Index futures***

Index futures are traded on a regulated exchange. A future is a standardised agreement between two parties to transact in an instrument at a specific price or rate at a future date. A purchased futures contract commits the buyer to purchase the underlying instrument at the specified price on the specified date. A sold futures contract commits the seller to sell the underlying instrument at the specified price on the specified date. In practice most futures positions are closed prior to contract maturity by dealing an opposite trade which cancels out the commitment. Refer to the Schedule of Investments for further details on futures contracts.

***Index swaps***

The Fund enters into index swaps as part of its investment strategies, to generate long term capital appreciation. Generally, a swap contract is an agreement that obligates two parties to exchange a series of cash flows at specified intervals based on or calculated by reference to changes in specified prices or rates for a specified notional amount of the underlying assets. The payment flows are usually netted against each other, with the difference paid by one party to the other. Swap agreements may also be centrally cleared through a clearing house, where initial margins are posted and daily changes in the fair value result in variation margin receivable or payable with the clearing house.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

**5. DERIVATIVE CONTRACTS (Continued)**

***Index swaps (continued)***

The fair value of open swaps reported in the Statement of Financial Position may differ from that which would be realised if the Fund terminated its position in the contract. Risks may arise as a result of the failure of the counterparty to the swap contract to comply with the terms of the swap contract. The loss incurred by the failure of a counterparty is generally limited to the aggregate fair value of swap contracts in an unrealised gain position and collateral posted with the counterparty. The risk is mitigated by having a master netting arrangement between the Fund and the counterparty and by the counterparty posting collateral to the Fund to cover the Fund's exposure to the counterparty. The Fund considers the creditworthiness of each counterparty to a swap contract in evaluating potential credit risk. Additionally, risks may arise from unanticipated movements in the fair value of the underlying investments.

The following derivative contracts were included in the Statement of Financial Position at fair value through profit or loss as of December 31, 2022 and December 31, 2021:

<b>2022</b>	<b>Assets USD</b>	<b>Liabilities USD</b>	<b>Net amount USD</b>
Index futures	–	–	–
Index swaps	–	–	–
Contracts for difference	145,378	(363,037)	(217,659)
Forward currency exchange contracts	206,317	–	206,317
<b>Total</b>	<b>351,695</b>	<b>(363,037)</b>	<b>(11,342)</b>
<b>2021</b>	<b>Assets USD</b>	<b>Liabilities USD</b>	<b>Net amount USD</b>
Index futures	–	(34,390)	(34,390)
Index swaps	–	(31,585)	(31,585)
Contracts for difference	1,082,975	(2,316,367)	(1,233,392)
Forward currency exchange contracts	446,531	(842,199)	(395,668)
<b>Total</b>	<b>1,529,506</b>	<b>(3,224,541)</b>	<b>(1,695,035)</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

**5. DERIVATIVE CONTRACTS (Continued)**

Notional exposures on derivative contracts were as follows as of December 31, 2022:

<b>2022</b>	<b>Year-end notional-long exposure amounts USD</b>	<b>Year-end notional-short exposure amounts USD</b>	<b>Net amount USD</b>
<b>Derivative type</b>			
Contracts for difference	18,779,915	(19,526,913)	(746,998)
Forward currency exchange contracts	39,619,584	–	39,619,584
<b>Total</b>	<b>58,399,499</b>	<b>(19,526,913)</b>	<b>38,872,586</b>

Notional exposures on derivative contracts were as follows as of December 31, 2021:

<b>2021</b>	<b>Year-end notional-long exposure amounts USD</b>	<b>Year-end notional-short exposure amounts USD</b>	<b>Net amount USD</b>
<b>Derivative type</b>			
Index futures	–	(15,667,920)	(15,667,920)
Index swaps	–	(10,114,672)	(10,114,672)
Contracts for difference	72,351,894	(65,729,360)	6,622,534
Forward currency exchange contracts	57,567,615	(113,842,205)	(56,274,590)
<b>Total</b>	<b>129,919,509</b>	<b>(205,354,157)</b>	<b>(75,434,648)</b>

**6. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES**

The ICAV is required to disclose the impact of offsetting financial assets and financial liabilities represented in the Statement of Financial Position, according to the criteria description in Note 2(e) 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.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

**6. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Continued)**

As of December 31, 2022, no financial assets and financial liabilities met the eligibility criteria and none were presented net on the Statement of Financial Position.

2022	Gross amount of financial instruments recognised on the Statement of Financial Position USD	Gross amount of financial instruments offset in the Statement of Financial Position USD	Net amounts in the Statement of Financial Position USD	Related amounts not offset in the Statement of Financial Position		Net amount USD
				Financial instruments (including non-cash collateral) USD)	Cash collateral received USD	
<b>Assets</b>						
<b>Counterparty</b>						
Goldman Sachs International	45,917	–	45,917	–	–	45,917
Northern Trust Company	206,317	–	206,317	–	–	206,317
UBS AG	99,461	–	99,461	–	–	99,461
<b>Total</b>	<b>351,695</b>	<b>–</b>	<b>351,695</b>	<b>–</b>	<b>–</b>	<b>351,695</b>

2022	Gross amount of financial instruments recognised on the Statement of Financial Position USD	Gross amount of financial instruments offset in the Statement of Financial Position USD	Net amounts in the Statement of Financial Position USD	Related amounts not offset in the Statement of Financial Position		Net amount USD
				Financial instruments (including non-cash collateral) USD)	Cash collateral pledged USD	
<b>Liabilities</b>						
<b>Counterparty</b>						
Goldman Sachs International	(306,743)	–	(306,743)	–	306,743	–
UBS AG	(56,294)	–	(56,294)	–	56,294	–
<b>Total</b>	<b>(363,037)</b>	<b>–</b>	<b>(363,037)</b>	<b>–</b>	<b>363,037</b>	<b>–</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

**6. OFFSETTING FINANCIAL ASSETS AND FINANCIAL LIABILITIES (Continued)**

As of December 31, 2021, no financial assets and financial liabilities met the eligibility criteria and none were presented net on the Statement of Financial Position.

2021	Gross amount of financial instruments recognised on the Statement of Financial Position USD	Gross amount of financial instruments offset in the Statement of Financial Position USD	Net amounts in the Statement of Financial Position USD	Related amounts not offset in the Statement of Financial Position		Net amount USD
				Financial instruments (including non-cash collateral) USD)	Cash collateral received USD	
<b>Assets</b>						
<b>Counterparty</b>						
Goldman Sachs International	74,138	–	74,138	–	–	74,138
Northern Trust Company	446,531	–	446,531	–	–	446,531
UBS AG	1,008,837	–	1,008,837	–	–	1,008,837
<b>Total</b>	<b>1,529,506</b>	<b>–</b>	<b>1,529,506</b>	<b>–</b>	<b>–</b>	<b>1,529,506</b>

2021	Gross amount of financial instruments recognised on the Statement of Financial Position USD	Gross amount of financial instruments offset in the Statement of Financial Position USD	Net amounts in the Statement of Financial Position USD	Related amounts not offset in the Statement of Financial Position		Net amount USD
				Financial instruments (including non-cash collateral) USD)	Cash collateral pledged USD	
<b>Liabilities</b>						
<b>Counterparty</b>						
Goldman Sachs International	(371,441)	–	(371,441)	–	371,441	–
Northern Trust Company	(842,199)	–	(842,199)	–	842,199	–
UBS AG	(2,010,901)	–	(2,010,901)	–	2,010,901	–
<b>Total</b>	<b>(3,224,541)</b>	<b>–</b>	<b>(3,224,541)</b>	<b>–</b>	<b>3,224,541</b>	<b>–</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

**7. 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 investments in listed equities 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 has advised the Directors of the ICAV that it considers that the VaR methodology is an appropriate methodology to calculate the Fund’s global exposure and leverage, taking into account the investment objectives and policies of the Fund and the complexity of the FDI used.

The Fund’s global exposure shall be calculated on each business day using VaR. VaR is used to assess the Fund’s market risk volatility with the goal of ensuring that the “leverage effect” of utilising FDI is not significant enough to cause disproportionate losses to the Fund’s total value. The VaR approach measures the maximum potential loss at a given confidence level (probability) over a specific time period (holding period) under normal market conditions. The absolute VaR model is considered appropriate as the Fund does not define the investment target in relation to a benchmark. The Fund will use the absolute VaR model whereby VaR shall not exceed 20% of the NAV of the Fund.

In order to measure and control the relevant risks for the Fund, the Investment Manager uses its own internal model to track the margin to equity and its value is confirmed by the broker’s statements on a daily basis.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

*Market price risk and global exposure (continued)*

Absolute VaR is calculated using a historical methodology. VaR is calculated at the 99% confidence interval with a 1 month time horizon. The historical methodology uses a replication sampling method to draw observations directly from historical market data. This data consists of up to three full years of values for all the risk factors. Actual variable shifts and “shocks” are applied to the historical data and a relative one day change is calculated for each risk factor. The investment horizon for the scenario is set to one month (making it a one month holding period). The return is calculated by comparing the current day values to previous day values found in the historical sample and applying changes one day at a time to re-value the portfolio holdings.

This means that, under normal market conditions, the Investment Manager can be 99% confident that a change in the value of the Fund’s portfolio would not result in a decrease of more than the VaR over a 1 month period.

The Investment Manager, on behalf of the ICAV, monitors the accuracy and performance of its VaR model (i.e. prediction capacity of risk estimates) by conducting a back testing program. The back testing program provides, for each business day, a comparison between the Fund’s end of day value and, assuming unchanged positions, its value at the end of the subsequent day.

The Investment Manager, on behalf of the ICAV, conducts a rigorous, comprehensive and risk-adequate stress testing program in accordance with the qualitative and quantitative requirements set out in Regulation 21 of the Central Bank UCITS Regulations. Stress tests are carried out on a regular basis and in any event, at least once a month. The stress testing program is designed to measure any potential major depreciation of a Fund’s value as a result of unexpected changes in the relevant market parameters and correlation factors. Conversely, where appropriate, it also measures changes in the relevant market parameters and correlation factors, which could result in major depreciation of a Fund’s value.



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

*Market price risk and global exposure (continued)*

A summary of the absolute VaR position of the Fund's portfolio and the average level of leverage employed as of December 31, 2022 and during the year is as follows:

	<b>December 31, 2022</b>	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Limit</b>	<b>Leverage</b>
Total overall utilisation	17.89%	16.46%	19.25%	13.26%	20.00%	121.10%

A summary of the absolute VaR position of the Fund's portfolio and the average level of leverage employed as of December 31, 2021 and during the year is as follows:

	<b>December 31, 2021</b>	<b>Average</b>	<b>Maximum</b>	<b>Minimum</b>	<b>Limit</b>	<b>Leverage</b>
Total overall utilisation	13.93%	11.14%	17.94%	6.97%	20.00%	131.08%

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

*Geographical concentration risk*

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

<b>2022</b>	<b>Fair value USD</b>	<b>% of net assets</b>
<b>Assets</b>		
<b>Equities</b>		
China	28,017,926	35.00 %
Hong Kong	9,054,971	11.31 %
United States	12,689,407	15.85 %
<b>Contracts for difference</b>		
China	76,890	0.10 %
Hong Kong	62,176	0.07 %
Taiwan	6,312	0.01 %
<b>Forward currency exchange contracts</b>		
United States	206,317	0.26 %
<b>Total</b>	<b>50,113,999</b>	<b>62.60 %</b>
<b>Liabilities</b>		
<b>Contracts for difference</b>		
China	(231,440)	(0.28)%
Hong Kong	(54,265)	(0.07)%
Taiwan	(55,820)	(0.07)%
United States	(21,512)	(0.03)%
<b>Total</b>	<b>(363,037)</b>	<b>(0.45)%</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

*Geographical concentration risk (continued)*

<b>2021</b>	<b>Fair value USD</b>	<b>% of net assets</b>
<b>Assets</b>		
<b>Equities</b>		
China	90,408,412	33.90 %
Hong Kong	60,508,072	22.68 %
United States	28,040,793	10.49 %
<b>Contracts for difference</b>		
China	103,422	0.04 %
Germany	2,825	0.00 %
Hong Kong	606,183	0.22 %
Taiwan	6,655	0.00 %
United States	363,890	0.14 %
<b>Forward currency exchange contracts</b>		
United States	446,531	0.17 %
<b>Total</b>	<b>180,486,783</b>	<b>67.64 %</b>
<b>Liabilities</b>		
<b>Index future</b>		
United States	(34,390)	(0.01)%
<b>Index swaps</b>		
South Korea	(31,585)	(0.01)%
<b>Contracts for difference</b>		
China	(67,154)	(0.02)%
Hong Kong	(552,399)	(0.21)%
Japan	(1,660,241)	(0.63)%
Taiwan	(23,970)	(0.01)%
United States	(12,603)	(0.00)%
<b>Forward foreign currency exchange contracts</b>		
United States	(842,199)	(0.32)%
<b>Total</b>	<b>(3,224,541)</b>	<b>(1.21)%</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

*Currency risk*

Currency risk arises because some of the assets of the ICAV are denominated in non USD 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 currency exchange contracts to hedge back to Euro and British Pound those proportions of the main investment portfolio which relate to the Euro and British Pound denominated classes of shares.

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

<b>2022</b>	<b>Assets 2022 USD</b>	<b>Liabilities 2022 USD</b>	<b>Net exposure as % of net assets</b>
<b>Currency</b>			
Chinese Yuan Offshore	28,017,926	–	35.00 %
Hong Kong Dollar	10,117,403	(393)	12.64 %
Euro	1,020,137	(343,288)	0.85 %
Japanese Yen	71,255	(1)	0.09 %
British Pound	2,834	–	0.00 %
<b>Total</b>	<b>39,229,555</b>	<b>(343,682)</b>	<b>48.58 %</b>
<b>2021</b>			
	<b>Assets 2021 USD</b>	<b>Liabilities 2021 USD</b>	<b>Net exposure as % of net assets</b>
<b>Currency</b>			
Chinese Yuan Offshore	90,408,413	(842,199)	33.57 %
Hong Kong Dollar	63,332,776	(739,973)	23.46 %
Euro	7,095,774	(3,558,040)	1.33 %
Japanese Yen	164,845	(4,355)	0.06 %
British Pound	123,711	–	0.05 %
<b>Total</b>	<b>161,125,519</b>	<b>(5,144,567)</b>	<b>58.47 %</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

*Currency risk (continued)*

The following exchange rates as of December 31, 2022 and December 31, 2021 have been used to translate assets and liabilities into the functional currency of the ICAV:

<b>Currency</b>	<b>2022 Rate</b>	<b>2021 Rate</b>
AUD	0.6813	0.7262
CNH	0.1445	0.1573
CNY	0.1450	0.1573
EUR	1.0705	1.1370
GBP	1.2083	1.3532
HKD	0.1282	0.1283
JPY	0.0076	0.0087
KRW	0.0008	0.0008
SEK	0.0959	0.1104
TWD	0.0325	0.0361

*Interest rate risk*

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

The majority of the ICAV's financial assets and financial liabilities are investments in listed equities and CFDs which neither pay interest, pay minimal amounts of interest nor have a maturity date. The interest bearing assets and liabilities of the ICAV comprise cash and cash equivalents, money market funds, amounts due from brokers and amounts due to brokers. 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.

*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.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**
**7. RISK MANAGEMENT AND FINANCIAL DERIVATIVES (Continued)**
*Credit risk (continued)*

The ICAV's securities are maintained by the Depositary in segregated accounts. Thus in the event of insolvency or bankruptcy of the Depositary, the ICAV's assets are segregated and protected and this further reduces the counterparty risk. The ICAV will, however, be exposed to the credit risk of the Depositary, or any depositary used by the Depositary, in relation to the ICAV's cash held by the Depositary, or any depositary used by the Depositary. In event of the insolvency or bankruptcy of the Depositary, the ICAV will be treated as a general creditor of the Depositary in relation to cash holdings of the ICAV.

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, is the carrying amount of those assets as indicated in the Statement of Financial Position and shown in the below table. As at December 31, 2021, there were cash received under Citco Bank Nederland N.V. in relation to payments for redemptions but only settled at post year end and none as at December 31, 2022.

The maximum exposure to credit risk is as follows:

<b>2022</b>	<b>S&amp;P credit rating</b>	<b>Financial assets at fair value through profit and loss USD</b>	<b>Financial liabilities at fair value through profit and loss USD</b>	<b>Broker balance USD</b>	<b>Cash and cash equivalents USD</b>	<b>Total USD</b>	<b>% of net assets</b>
<b>Counterparty</b>							
Citco Bank Nederland N.V.	NR	–	–	–	4,666,839	4,666,839	5.83 %
Goldman Sachs International*	BBB+	45,917	(306,743)	2,766,355	–	2,505,529	3.13 %
Northern Trust Company**	A+	49,968,621	–	(394,765)	18,837,851	68,411,707	85.45 %
UBS AG***	A-	99,461	(56,294)	5,109,875	–	5,153,042	6.44 %
<b>Total</b>		<u>50,113,999</u>	<u>(363,037)</u>	<u>7,481,465</u>	<u>23,504,690</u>	<u>80,737,117</u>	<u>100.85 %</u>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

*Credit risk (continued)*

2021	S&P credit rating	Financial assets at fair value through profit and loss USD	Financial liabilities at fair value through profit and loss USD	Broker balance USD	Cash and cash equivalents USD	Total USD	% of net assets
<b>Counterparty</b>							
Citco Bank							
Nederland N.V.	NR	–	–	–	(1,333,619)	(1,333,619)	(0.50) %
Goldman Sachs International*	BBB+	74,137	(371,441)	6,771,759	–	6,474,455	2.43 %
Northern Trust Company**	A+	179,403,809	(842,199)	11,488	63,222,911	241,796,009	90.62 %
UBS AG***	A-	<u>1,008,837</u>	<u>(2,010,901)</u>	<u>22,877,998</u>	<u>–</u>	<u>21,875,934</u>	<u>8.20 %</u>
<b>Total</b>		<u>180,486,783</u>	<u>(3,224,541)</u>	<u>29,661,245</u>	<u>61,889,292</u>	<u>268,812,779</u>	<u>100.75 %</u>

\* S&P credit rating of Goldman Sachs Group Inc.

\*\* Depository of the ICAV. S&P credit rating of Northern Trust Corp.

\*\*\* S&P credit rating of UBS Group AG.

As at December 31, 2022, all amounts due from brokers and cash and cash equivalents are held with counterparties with a credit rating of BBB+ or higher (2021: BBB+ or higher) with the exception of Citco Bank Nederland N.V. which is not rated, and are due to be settled within 1 week. The Investment Manager considers Citco Bank Nederland N.V. to be a reputable counterparty with no credit risk.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

**7. 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 listed equities are listed on stock exchange and the FDI have short-term maturity. As of December 31, 2022, 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 30 days trading volume, was 1 day (2021: 2 days).

<b>2022</b>	<b>Less than 1 month to 6 months USD</b>	<b>More than 6 months USD</b>	<b>Total USD</b>
Financial liabilities at fair value through profit or loss	363,037	–	363,037
Amounts due to brokers	432,950	–	432,950
Redemptions payable	34,799	–	34,799
Interest payable	38,268	–	38,268
Investment management fees payable	117,385	–	117,385
Equalisation payable	58,926	–	58,926
Depositary fees payable	43,236	–	43,236
Administration fees payable	41,425	–	41,425
Audit fees payable	38,478	–	38,478
Manager's fees payable	30,741	–	30,741
Other payables and accrued expenses	357,244	–	357,244
Net assets attributable to holders of redeemable participating shares	<u>80,056,833</u>	–	<u>80,056,833</u>
<b>Total</b>	<b><u>81,613,322</u></b>	<b>–</b>	<b><u>81,613,322</u></b>



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

*Liquidity risk (continued)*

<b>2021</b>	<b>Less than 1 month to 6 months USD</b>	<b>More than 6 months USD</b>	<b>Total USD</b>
Financial liabilities at fair value through profit or loss	3,224,541	–	3,224,541
Amounts due to brokers	602,945	–	602,945
Redemptions payable	3,618,158	–	3,618,158
Dividends payable	131,539	–	131,539
Interest payable	101,987	–	101,987
Investment management fees payable	443,119	–	443,119
Equalisation payable	151,249	–	151,249
Performance fees payable	54,826	–	54,826
Manager’s fees payable	29,392	–	29,392
Administration fees payable	22,055	–	22,055
Depositary fees payable	21,669	–	21,669
Audit fees payable	18,758	–	18,758
Other payables and accrued expenses	176,674	–	176,674
Net assets attributable to holders of redeemable participating shares	<u>266,836,989</u>	–	<u>266,836,989</u>
<b>Total</b>	<b><u>275,433,901</u></b>	<b>–</b>	<b><u>275,433,901</u></b>

*Operational Risk*

The ICAV is exposed to operational risks such as depositary risk. Depositary risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the Depositary. Although an appropriate legal framework is in place that reduces the risk of loss of value of the securities held by the Depositary, in the event of the Depositary’s failure, the ability of the ICAV to transfer the securities held by the Depositary might be temporarily impaired.

*Emerging market risk*

Investments in the People’s Republic of China (“PRC”) and other emerging countries in the Asia-Pacific region involve certain risks and special considerations not typically associated with developed markets, such as greater government control over the economy, political and legal uncertainty, currency fluctuations or blockage, confiscatory taxation, armed conflict, the risk that the PRC government may decide not to continue to support economic reform programs, the risk of nationalization or expropriation of assets, lack of uniform auditing and accounting standards, less publicly available financial and other information, fewer hedging instruments available, potential difficulties in enforcing contractual obligations, potentially fewer opportunities for capital appreciation than other emerging market and limitations on the ability to pay dividends due to currency exchange issues, which may result in the risk of the loss of favourable tax treatment.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

*Emerging market risk (continued)*

The securities markets of emerging countries may have substantially less trading volume, resulting in a lack of liquidity and high price volatility. There may be a high concentration of market capitalisation and trading volume in a small number of issuers representing a limited number of industries as well as a high concentration of investors and financial intermediaries. These factors may adversely affect the timing and pricing of the relevant Fund's acquisition or disposal of securities.

*PRC related market risks*

Investing in the PRC market is subject to the risks of investing in emerging markets generally and the risks specific to the PRC market which involves a greater risk of loss than investment in more developed countries due to higher economic, political, social and regulatory uncertainty and risks linked to volatility and market liquidity. The PRC's legal and tax systems are less predictable than most legal and tax systems in countries with fully developed capital markets. Chinese stock markets may be more volatile and unstable due to governmental intervention. Securities exchanges in China typically have the right to suspend or limit trading in any security traded on the relevant exchange; a suspension will render it impossible for the Investment Manager to liquidate positions and can thereby expose the Fund to losses. Around 45% of the Fund's gross portfolio has an exposure in the PRC market.

**8. CASH AND CASH EQUIVALENTS AND AMOUNTS DUE FROM/TO BROKERS**

Cash and cash equivalents include amounts due from the Depositary and other counterparties on demand and interest bearing deposits with original maturities of less than 3 months. As of December 31, 2022, the ICAV had foreign cash balances with USD equivalent of USD590,319 (2021: USD3,142,806) included in cash and cash equivalents.

In 2021, the Fund reclassified the money market funds previously classified as transferable securities under 'Financial assets held at fair value through profit or loss' to 'Cash and cash equivalents'. The money market funds are held only for meeting short-term commitments, have no legal maturity date and no roll-over is needed, are very liquid and subscriptions/redemptions can be made on a T+0 basis, and the shares are always trading at par value USD1/share. As such, the accounts should be classified as cash in line with the accounting policy.

Amounts due from/to brokers include amounts receivable/payable for trades pending settlement and cash collateral which may be restricted for margin and collateral positions as of December 31, 2022 and December 31, 2021.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

**8. CASH AND CASH EQUIVALENTS AND AMOUNTS DUE FROM/TO BROKERS (Continued)**

Collateral received from a counterparty for the benefit of the Fund may be in the form of cash or non-cash assets (taking the form of Transferable Securities and other eligible assets under the Central Bank UCITS Regulations such as Chinese equities traded on regulated markets in Hong Kong, the US and China) and must, at all times, meet with the specific criteria in relation to liquidity, valuation, issuer credit quality, correlation, diversification and immediate availability outlined in the Central Bank UCITS Regulations.

<b>2022</b>	<b>Cash and cash equivalents USD</b>	<b>Amounts due from brokers USD</b>	<b>Amounts due to brokers USD</b>	<b>Net counterparty position USD</b>
Citco Bank Nederland N.V.	4,666,839	–	–	4,666,839
Goldman Sachs International	–	2,766,355	–	2,766,355
Northern Trust Company	18,837,851	38,185	(432,950)	18,443,086
UBS AG	–	5,109,875	–	5,109,875
<b>Total</b>	<b>23,504,690</b>	<b>7,914,415</b>	<b>(432,950)</b>	<b>30,986,155</b>
<b>2021</b>	<b>Cash and cash equivalents USD</b>	<b>Amounts due from brokers USD</b>	<b>Amounts due to brokers USD</b>	<b>Net counterparty position USD</b>
Citco Bank Nederland N.V.	(1,333,619)	–	–	(1,333,619)
Goldman Sachs International	–	6,771,759	–	6,771,759
Northern Trust Company	63,222,911	614,433	(602,945)	63,234,399
UBS AG	–	22,877,998	–	22,877,998
<b>Total</b>	<b>61,889,292</b>	<b>30,264,190</b>	<b>(602,945)</b>	<b>91,550,537</b>

**9. FEES AND EXPENSES**

***Administration fees***

The Administrator shall be paid an annual fee out of the assets of the ICAV on behalf of the Fund, calculated and accrued at each valuation point and payable monthly in arrears at a rate which shall not exceed a certain basis point per annum of the NAV of the Fund plus value added tax (“VAT”), if any, thereon subject to a minimum monthly fee in respect of the Fund of USD10,000. The Administrator shall also be entitled to be repaid out of the assets of the ICAV all of its reasonable out-of-pocket expenses incurred on behalf of the ICAV.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

***Administration fees (continued)***

Administration fees for the year ended December 31, 2022 amounted to USD135,463 (2021: USD349,845) of which USD41,425 (2021: USD22,055) was payable as of December 31, 2022.

***Depositary fees***

The Depositary shall be paid an annual fee out of the assets of the ICAV on behalf of the Fund, calculated and accrued daily and payable monthly in arrears which shall not exceed 0.045% of the NAV per annum of the Fund plus VAT, if any, thereon, subject to a minimum annual fee in respect of the Fund of USD72,000.

The Depositary shall also be entitled to be repaid all of its disbursements out of the assets of the Fund, including all custody fees, sub-custodian fees, expenses and transaction charges which shall be at normal commercial rates together with VAT, if any, thereon. The Fund will bear its proportion of the fees and expenses of the Depositary.

Depositary fees for the year ended December 31, 2022 amounted to USD137,350 (2021: USD277,085), of which USD43,236 (2021: USD21,669) was payable as of December 31, 2022.

***Secretary fees***

MFD Secretaries Limited has been appointed as secretary to the ICAV.

Secretary fees for the year ended December 31, 2022 amounted to USD41,879 (2021: USD40,713), of which USD21,279 (2021: USD34,389) was payable as of December 31, 2022. Secretary fees are included in legal and professional fees in the Statement of Comprehensive Income. Secretary fees payable is included in other payables and accrued expenses in the Statement of Financial Position.

***Investment management fees***

The Investment Manager shall be entitled to a maximum annual investment management fee equal to a percentage of the NAV of the relevant class, using the investment management fee rate of 1.50% for Class A shares, 2.00% for Class B shares and 1.50% for Class C shares. The investment management fees shall be calculated and accrued at each valuation point and payable monthly in arrears.

Investment management fees for the year ended December 31, 2022 amounted to USD2,178,324 (2021: USD7,516,122), of which USD117,385 (2021: USD443,119) was payable as of December 31, 2022.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

***Performance fees***

The Investment Manager shall be entitled to receive a performance-based fee out of the assets of the Fund, being a percentage of the appreciation of the NAV of the shares, equal to 20% of the relevant class, subject to a high water mark as outlined below, and calculated and accrued at the last valuation point of each calendar year (the “Performance Period”) and paid annually in arrears at the end of each calendar year or, if earlier, (i) as of each dealing day with respect to the shares redeemed by redeeming shareholders, (ii) in the Manager’s sole discretion, as of the effective date of a transfer of shares with respect to the shares transferred, or (iii) as of the date of the termination of the appointment of the Investment Manager, in each case with respect to the period ending on such date.

The performance fees will be calculated on a cumulative basis by utilising a high water mark and will not be payable until the NAV per share exceeds the previous highest NAV per share on which the performance fee was paid/accrued (or the initial issue price, if higher). The high water mark per share will be the NAV per share of the relevant share class on the last dealing day of any Performance Period in respect of which a performance fee was charged. The performance fee is only payable on the increase over the high water mark. The performance fee shall be calculated by the Administrator on the last dealing day in a calendar year and verified by the Depositary following each calendar year-end.

Performance fees for the year ended December 31, 2022 amounted to USDNil (2021: USD254,592), none of which (2021: USD54,826) was payable as of December 31, 2022. There was no performance fee redemption included in the performance fees payable as of December 31, 2022 (2021: USDNil).

***Manager’s fees***

The Manager shall be paid a fee out of the assets of the ICAV on behalf of the Fund, calculated and accrued daily and payable quarterly in arrears out of the NAV of the Fund plus VAT, if any, thereon subject to a minimum annual fee in respect of the Fund of EUR55,000.

Where the assets under management of the Fund are under EUR150 million a fee of 5 basis points will be charged, where the assets under management are between EUR150 million and EUR300 million a fee of 4 basis points will be charged and where the assets under management exceed EUR300 million a fee of 3 basis points will be charged.

The Manager shall also be entitled to its reasonable out of pocket fees and expenses payable out of the assets of the Fund.

Manager’s fees for the year ended December 31, 2022 amounted to USD82,724 (2021: USD187,038), of which USD30,741 (2021: USD29,392) was payable as of December 31, 2022.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

***Directors' fees***

Each director shall receive fees for their services up to a maximum fee of EUR20,000 (2021: EUR20,000) (subject to PAYE deduction), if any, per annum, payable semi-annually in arrears and shall be apportioned equally among the funds.

Directors who are employees of the Investment Manager shall not be entitled to a fee.

All directors will be entitled to reimbursement by the ICAV of expenses properly incurred in connection with the business of the ICAV or the discharge of their duties.

Directors' fees for the year ended December 31, 2022 amounted to USD45,772 (2021: USD73,204), none of which (2021: USDNil) was payable as of December 31, 2022.

***Audit fees***

Ernst & Young has been appointed as the auditor to the ICAV.

Audit fees for the year ended December 31, 2022 amounted to USD20,487 (2021: USD23,896), and USD38,478 (2021: USD18,758) was payable as of December 31, 2022. Audit fees payable includes outstanding balance from prior year that are still payable as of December 31, 2022.

***Legal fees***

Maples and Calder (Ireland) LLP has been appointed as the legal adviser to the ICAV. Legal fees related to the legal adviser amounted to USD316,933 for the year ended December 31, 2022 (2021: USD394,340).

Legal fees for the year ended December 31, 2022 amounted to USD331,710 (2021: USD394,340), of which USD204,120 (2021: USDNil) was payable as of December 31, 2022. Legal fees are included in legal and professional fees in the Statement of Comprehensive Income.

***Other expenses***

The Fund pays certain other costs and expenses incurred in its operation, including, without limitation, corporate expenses, consulting, regulatory fees, insurance, research fees, taxes, and other miscellaneous expenses. These expenses in the Fund are accounted for on an accrual basis. Other expenses for the year ended December 31, 2022 amounted to USD154,812 (2021: USD199,263). There were no tax advisory services for the year ended December 31, 2022 (2021: USDNil). There were no other assurance services or non-audit services provided by the auditor of the ICAV.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

**10. SHARE CAPITAL**

The authorised share capital of the ICAV is 300,000 redeemable non-participating shares of no par value and 500,000,000,000 participating shares of no par value. Non-participating shares do not entitle the holders thereof to any dividend and on a winding up entitle the holders thereof to receive the consideration paid therefor but do not otherwise entitle them to participate in the assets of the ICAV.

During the initial offer period, shares shall be issued at the initial issue price. Thereafter, shares shall be issued at the NAV per Share (plus any preliminary charge and duties and charges) on any dealing day.

The minimum initial investment amount, the minimum additional investment amount and the minimum shareholding of shares of each Class of a Fund may vary and are set out in the supplement for the relevant Fund. The directors reserve the right from time to time to waive any requirements relating to these as and when they determine at their reasonable discretion.

Class A shares are available in USD and EUR. Class B shares and Class C shares are available in the following currencies: USD, EUR and GBP. Class A USD shares and Class A EUR shares are only available for subscription by existing investors in these share classes making follow-on investments. These share classes are no longer available for subscription by new investors.

The ICAV shall enter into certain currency related transactions in order to hedge the currency exposure of the classes denominated in a currency other than the base currency.

Shareholders may redeem their shares on a dealing day at the repurchase price which shall be the NAV per share, less repurchase charge, if any and any applicable duties and charges (except during any period when the calculation of the NAV is suspended).

Applications for subscription and requests for redemption of shares may be made through the Administrator or through a duly appointed distributor for onward transmission to the Administrator. Applications and requests received by the Administrator or duly appointed distributor prior to the dealing deadline for any dealing day will be processed on that dealing day. Any applications and requests received after the dealing deadline for a particular dealing day will be processed on the following dealing day unless the directors in their absolute discretion, in exceptional circumstances, otherwise determine to accept one or more applications and requests received after the dealing deadline for processing on that dealing day provided that such application(s) and request(s) have been received prior to the valuation point for the particular dealing day.

As of December 31, 2022, there were redemptions payable of USD34,799 (2021: USD3,618,158).

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**
**10. SHARE CAPITAL (Continued)**

Transactions in participating shares for years ended December 31, 2022 and December 31, 2021 were as follows:

2022	Number of shares outstanding			Switch in	Switch out	Number of shares outstanding
	December 31, 2021	Shares subscribed	Shares redeemed			
Class A EUR	3,596.94	–	(3,596.94)	–	–	–
Class A USD	544,384.33	2,148.50	(445,667.82)	53,522.32	–	154,387.33
CLASS B EUR	35,740.72	972.10	(13,032.24)	–	–	23,680.58
CLASS B GBP	–	1,202.38	–	–	–	1,202.38
CLASS B USD	905,211.04	11,138.12	(689,980.89)	–	(54,466.94)	171,901.33
CLASS C EUR	519,354.31	58,552.02	(78,444.51)	–	–	499,461.82
CLASS C GBP	1,212.66	–	–	–	–	1,212.66
CLASS C USD	375,105.12	–	(244,473.24)	–	–	130,631.88
<b>2021</b>	<b>Number of shares outstanding</b>	<b>Shares subscribed</b>	<b>Shares redeemed</b>	<b>Switch in</b>	<b>Switch out</b>	<b>Number of shares outstanding</b>
	<b>December 31, 2021</b>					<b>December 31, 2022</b>
Class A EUR	104,807.98	343.34	(101,554.38)	–	–	3,596.94
Class A USD	719,875.35	205,721.17	(381,343.60)	131.41	–	544,384.33
CLASS B EUR	27,781.22	20,522.21	(12,562.71)	–	–	35,740.72
CLASS B GBP	1,884.23	14.92	(1,899.15)	–	–	–
CLASS B USD	407,814.90	1,481,526.64	(983,997.70)	–	(132.80)	905,211.04
CLASS C EUR	841,770.74	256,999.75	(579,416.18)	–	–	519,354.31
CLASS C GBP	3,808.53	1,212.66	(3,808.53)	–	–	1,212.66
CLASS C USD	1,408,372.60	432,136.52	(1,465,404.00)	–	–	375,105.12



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

**10. SHARE CAPITAL (Continued)**

***Equalisation (charge)/credit***

The ICAV ensures that an equalisation (charge)/credit is calculated when the NAV per share of shares subscribed is (less)/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 (charge)/credit is calculated as the amount in (deficit)/excess of the current NAV per share equal to a percentage of the difference between the NAV of the share and the high water mark per share of the relevant class. As of December 31, 2022, there is equalisation payable of USD58,926 (2021: USD151,249).

***Capital risk management***

The capital of the Fund is represented by the net assets at the end of the current financial year. The amount of net assets can change significantly on a daily basis as the Fund is subject to daily subscriptions and redemptions at the discretion of shareholders. In order to safeguard the Fund's ability to continue as a going concern and to maintain a strong capital base, redeemable participating shares are issued and redeemed in accordance with the prospectus of the ICAV (the "Prospectus") and the Fund's supplement which include the ability to restrict redemptions and the requirement for certain minimum holdings and subscription amounts.

**11. RELATED PARTIES**

As per Note 9, the ICAV pays investment management fees to the Investment Manager. During the year, investment management fees of USD2,178,324 (2021: USD7,516,122) were charged to the Fund, of which USD117,385 (2021: USD443,119) was payable as of December 31, 2022.

The total performance fees charged during the year was USDNil (2021: USD254,592), none of which (2021: USD54,826) was payable as of December 31, 2022. There was no performance fee redemption included in the performance fees payable as of December 31, 2022 (2021: USDNil).

As per Note 9, maximum directors' fees of EUR20,000 (2021: EUR20,000) per annum are payable each to John Hamrock and Roddy Stafford at the ICAV level. During the year, directors' fees of USD45,772 (2021: USD73,204) were charged to the Fund, none of which (2021: USDNil) was payable as of December 31, 2022.

None of the affiliate companies of Mr. Lin Shi, owner of the Investment Manager, held any shares of the Fund as of December 31, 2022 (2021: two affiliate companies held 354,537.25 shares of Class A USD). 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 statements or in any contracts or arrangements of the ICAV subsisting at the date hereof other than Mr. Kyong Choi who is director of the ICAV and are also employees of the Investment Manager.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

**12. RECONCILIATION BETWEEN NAV PER THE FINANCIAL STATEMENTS AND NAV PREPARED IN ACCORDANCE WITH THE MEMORANDUM**

As of December 31, 2022, the NAV prepared in accordance with the Memorandum differs from the NAV calculated in accordance with IFRS. This difference arises as organisation costs amounting to USD136 (2021: USD53,331) are amortised over 5 years as part of calculating the shareholder dealing price but must be expensed as incurred according to IFRS. The table below shows the impact of this difference:

	<b>2022</b>	<b>2021</b>
	<b>USD</b>	<b>USD</b>
NAV calculated in accordance with the Memorandum	80,056,969	266,890,320
Adjustment for organisation costs not amortised	(136)	(53,331)
	<u>80,056,833</u>	<u>266,836,989</u>
<b>NAV per audited financial statements</b>	<b>80,056,833</b>	<b>266,836,989</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

**12. RECONCILIATION BETWEEN NAV PER THE FINANCIAL STATEMENTS AND NAV PREPARED IN ACCORDANCE WITH THE MEMORANDUM (Continued)**

<b>2022</b>	<b>Class A* EUR</b>	<b>Class A USD</b>	<b>Class B EUR</b>	<b>Class B GBP</b>	<b>Class B USD</b>	<b>Class C EUR</b>	<b>Class C GBP</b>	<b>Class C USD</b>
NAV per redeemable participating shares in accordance with the Memorandum	–	91.6485	71.2622	85.7836	89.8175	69.6260	58.8546	85.9154
Adjustment for organisation costs not amortised	–	(0.0001)	(0.0001)	(0.0005)	(0.0001)	(0.0001)	(0.0001)	(0.0002)
<b>NAV per redeemable participating shares per audited financial statements</b>	<b>–</b>	<b>91.6484</b>	<b>71.2621</b>	<b>85.7831</b>	<b>89.8174</b>	<b>69.6259</b>	<b>58.8545</b>	<b>85.9152</b>
<b>2021</b>	<b>Class A EUR</b>	<b>Class A USD</b>	<b>Class B EUR</b>	<b>Class B GBP**</b>	<b>Class B USD</b>	<b>Class C EUR</b>	<b>Class C GBP</b>	<b>Class C USD</b>
NAV per redeemable participating shares in accordance with the Memorandum	89.5492	116.7961	93.7287	–	115.0381	91.1175	75.4529	109.4900
Adjustment for organisation costs not amortised	(0.0195)	(0.0224)	(0.0197)	–	(0.0224)	(0.0197)	(0.0165)	(0.0224)
<b>NAV per redeemable participating shares per audited financial statements</b>	<b>89.5297</b>	<b>116.7737</b>	<b>93.7090</b>	<b>–</b>	<b>115.0157</b>	<b>91.0978</b>	<b>75.4364</b>	<b>109.4676</b>

\* Share class was fully redeemed in February 2022.

\*\* No share class balance as of December 31, 2021.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

**13. SOFT COMMISSIONS ARRANGEMENTS**

The Investment Manager entered into soft commission arrangements with Execution Brokers during the years ended December 31, 2022 and December 31, 2021.

**14. SIGNIFICANT EVENTS DURING THE YEAR**

In February 2022, Russia entered into a large-scale military invasion of Ukraine. The extent, duration and resulting impact of the conflict is difficult to predict and may be significant. As a result of the invasion, the U.S., the UK, the EU and other nations have imposed economic sanctions against Russia. The conflict and its consequences have precipitated declines in the Russian financial markets and in the value of the ruble against the U.S. dollar and other currencies and volatility in commodities, oil and natural gas markets. The actual and threatened responses to the military incursion may include financial restrictions, boycotts, changes in consumer or purchaser preferences, sanctions, tariffs or cyberattacks on or from Russian entities or individuals. The adverse effect of such actions on the global economy, including geographies where the Fund invests, is uncertain and could have a significant impact on the performance of the Fund.

The appointment of the Swiss Representative, ARM Swiss Representatives AG was terminated effective August 31, 2022.

The appointment of the Swiss Paying Agent, Banque Heritage S.A. was terminated effective June 20, 2022.

The Prospectus of the ICAV was updated during the course of the financial year and effective on November 25, 2022, alongside the update of the Supplement of Brilliance China Core Long Short Fund effective on November 30, 2022. The Country supplements of the ICAV were also updated during the course of the financial year, the updated Country Supplements includes the following:

- EEA Country Supplement dated December 6, 2022;
- UK Country Supplement dated December 6, 2022;
- Japan Country Supplement dated December 6, 2022;
- Hong Kong Country Supplement dated December 6, 2022 and
- Singapore Country dated December 6, 2022.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

**15. EFFICIENT PORTFOLIO MANAGEMENT**

The Fund does not actively pursue foreign exchange as an active return component of its investment policy and will only seek to use currency derivatives for the purposes of hedging any foreign exchange risk to the Fund's base currency. The Investment Manager will aim to hedge non-base currency exchange exposure back into the Fund's base currency and thereby actively minimise the foreign exchange risk.

During the current financial year, forward currency transactions were entered into in order to hedge currency exposure. Details of all open forward currency transactions at the financial year end are detailed in the Schedule of Investments. Realised gains and losses and changes in unrealised gains and losses on forward currency contracts are included in "net gain on financial assets and financial liabilities at fair value through profit or loss" in the Statement of Comprehensive Income.

In accordance with the Fund's investment policy, the Fund shall not engage in any securities lending or use repurchase agreements/reverse repurchase agreements.

The use of forward currency exchange contracts for removing foreign currency exposure, as described in Note 5, is the only Efficient Portfolio Management technique currently undertaken by the Fund. The Fund holds open forward currency exchange contracts amounting to USD206,317 (2021: USD395,668) as of December 31, 2022.

**16. DIRECTED BROKERAGE SERVICES**

There were no directed brokerage services during the year or 2021.

**17. OTHER INCOME**

The Fund has income generated primarily from early redemption charges due to redemptions that occur before the maturity period. These charges are recognised in the Statement of Comprehensive Income as other income. Other income for the year ended December 31, 2022 amounted to USD15,741 (2021: USD1,670,715).

**18. SUBSEQUENT EVENTS**

Subsequent to December 31, 2022, the Fund has subscriptions of USD10,950,467 and redemptions of USD26,751,757 up to the date the financial statements were available to be issued.

There were no significant events subsequent to the year end affecting the ICAV which require adjustment to or disclosure in the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**for the year ended December 31, 2022**

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

The financial statements were approved by the board of directors on April 25, 2023.

**PORTFOLIO CHANGES (UNAUDITED)**  
**as of December 31, 2022**

	<b>Cost USD</b>
<b>Material changes - purchases at cost</b>	
Kanzhun Ltd	10,849,241
Sea Ltd	6,138,324
East Money Information Co Ltd	6,123,083
China Tourism Group Duty Free Corp Ltd	5,258,207
Meituan	5,190,748
Innovent Biologics Inc	5,028,963
Taiwan Semiconductor Manufacturing Co Ltd	4,944,780
CRRC Corporation Ltd	3,210,915
Akeso Inc	3,129,819
Midea Group Co Ltd	2,496,104
Alibaba Group Holding Ltd	2,297,709
Gree Electric Appliances Inc	1,789,139
Anhui Kouzi Distillery Co Ltd	1,767,421
Galaxy Entertainment Group Ltd	1,596,305
Guangzhou Kingmed Diagnostics Group Co Ltd	1,516,597
Yijiahe Technology Co Ltd	1,511,134
Shanghai International Airport Co Ltd	1,418,161
DiDi Global Inc	1,263,466
Pindoudou Inc	1,245,758
Bilibili Inc	1,228,469

**PORTFOLIO CHANGES (UNAUDITED) (Continued)**  
**as of December 31, 2022**

	<b>Proceeds USD</b>
<b>Material changes - sales proceeds</b>	
Kweichow Moutai Co Ltd	13,573,520
Galaxy Entertainment Group Ltd	12,893,541
Meituan	11,370,327
East Money Information Co Ltd	10,998,977
Yadea Group Holdings Ltd	10,153,463
China Tourism Group Duty Free Corp Ltd	9,696,492
Chongqing Brewery Co Ltd	8,768,886
ANTA Sport Products Ltd	7,375,422
Sea Ltd	6,571,972
Kanzhun Ltd	5,831,111
Zijin Mining Group Co Ltd	5,779,458
Innovent Biologics Inc	5,299,470
Taiwan Semiconductor Manufacturing Co Ltd	5,099,229
SJM Holdings Ltd	4,671,362
Zai Lab Ltd	4,290,554
LianChuang Electronic Technology Co Ltd	4,047,559
Wolfspeed Inc	3,262,844
China Feihe Ltd	3,113,457
Jiangsu King's Luck Brewery JSC Ltd	3,024,888
Akeso Inc	3,021,334

The Central Bank requires a schedule of material changes in the composition of the portfolio during the year. These are defined as the aggregate purchases of security exceeding one percent of the total value of purchased for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum, the largest twenty purchases and twenty sales must be given or all purchases and sales if less than twenty.



## SCHEDULE OF INVESTMENTS

as of December 31, 2022

	Fair value USD	% of net assets
<b>Financial assets at fair value through profit or loss</b>		
<b>Transferable securities admitted to an official stock exchange listed or traded in a regulated market</b>		
<b>Equities</b>		
<b>China</b>		
<b>Consumer discretionary</b>		
China Tourism Group Duty Free Corp Ltd	3,629,629	4.53 %
Ecovacs Robotics Co Ltd	2,107	0.00 %
Gree Electric Appliances Inc	1,839,186	2.30 %
Midea Group Co Ltd	2,862,021	3.58 %
<b>Total consumer discretionary</b>	<b>8,332,943</b>	<b>10.41 %</b>
<b>Consumer staples</b>		
Chongqing Brewery Co Ltd	990,866	1.24 %
Kweichow Moutai Co Ltd	6,705,910	8.38 %
Wuliangye Yibin Co Ltd	5,551,976	6.93 %
<b>Total consumer staples</b>	<b>13,248,752</b>	<b>16.55 %</b>
<b>Financials</b>		
East Money Information Co Ltd	3,852,988	4.81 %
<b>Total financials</b>	<b>3,852,988</b>	<b>4.81 %</b>
<b>Information technology</b>		
Shanghai Bright Power Semiconductor Co Ltd	216,752	0.27 %
Will Semiconductor Co Ltd	2,366,491	2.96 %
<b>Total information technology</b>	<b>2,583,243</b>	<b>3.23 %</b>
<b>Total China</b>	<b>28,017,926</b>	<b>35.00 %</b>
<b>Hong Kong</b>		
<b>Communication services</b>		
Tencent Holdings Ltd	1,220,134	1.52 %
<b>Total Communication Services</b>	<b>1,220,134</b>	<b>1.52 %</b>
<b>Consumer Discretionary</b>		
Meituan	3,385,798	4.23 %
Yadea Group Holdings Ltd	328,107	0.41 %
<b>Total Consumer Discretionary</b>	<b>3,713,905</b>	<b>4.64 %</b>

**BRILLIANCE ASSET MANAGEMENT ICAV**

**SCHEDULE OF INVESTMENTS (Continued)**  
**as of December 31, 2022**

Financial assets at fair value through profit or loss (Continued)	Fair value USD	% of net assets
<b>Transferable securities admitted to an official stock exchange listed or traded in a regulated market (Continued)</b>		
<b>Equities (Continued)</b>		
<b>Hong Kong (Continued)</b>		
<b>Health Care</b>		
China Isotope Radiation Corporation	385,196	0.48 %
Hansoh Pharmaceutical Group Company Ltd	426,087	0.53 %
<b>Total Health Care</b>	<b>811,283</b>	<b>1.01 %</b>
<b>Industrials</b>		
CRRC Corporation Ltd	3,309,649	4.14 %
<b>Total Industrials</b>	<b>3,309,649</b>	<b>4.14 %</b>
<b>Total Hong Kong</b>	<b>9,054,971</b>	<b>11.31 %</b>
<b>United States</b>		
<b>Communication Services</b>		
Kanzhun Ltd	6,456,986	8.06 %
Sea Ltd	430,964	0.54 %
<b>Total Communication Services</b>	<b>6,887,950</b>	<b>8.60 %</b>
<b>Consumer Discretionary</b>		
Alibaba Group Holding Ltd	1,512,241	1.89 %
Li Auto Inc	3,465,266	4.33 %
Trip.com Group Ltd	367,598	0.46 %
<b>Total Consumer Discretionary</b>	<b>5,345,105</b>	<b>6.68 %</b>
<b>Real Estate</b>		
KE Holdings Inc	456,352	0.57 %
<b>Total Real Estate</b>	<b>456,352</b>	<b>0.57 %</b>
<b>Total United States</b>	<b>12,689,407</b>	<b>15.85 %</b>
<b>Total Equities</b>	<b>49,762,304</b>	<b>62.16 %</b>
<b>Total transferable securities admitted to an official stock exchange listed or traded in a regulated market</b>	<b>49,762,304</b>	<b>62.16 %</b>

**SCHEDULE OF INVESTMENTS (Continued)**  
**as of December 31, 2022**

	Counterparty*	Fair value USD	% of net assets
<b>Financial assets at fair value through profit or loss (Continued)</b>			
<b>Over-the-counter financial derivatives</b>			
<b>Contracts for difference</b>			
<b>China</b>			
Consumer discretionary	GS	3,043	0.00 %
	UBS	16,104	0.02 %
		<u>19,147</u>	<u>0.02 %</u>
Consumer staples	UBS	4,780	0.01%%
Financials	GS	215	0.00 %
	UBS	16,420	0.02 %
		<u>16,635</u>	<u>0.02 %</u>
Information technology	UBS	13,879	0.02 %
Industrials	UBS	22,449	0.03 %
<b>Total China</b>		<u>76,890</u>	<u>0.10 %</u>
<b>Hong Kong</b>			
Consumer discretionary	GS	5,230	0.01 %
	UBS	1,327	0.00 %
		<u>6,557</u>	<u>0.01 %</u>
Consumer staples	GS	31,117	0.04 %
	UBS	20,866	0.02 %
		<u>51,983</u>	<u>0.06 %</u>
Information technology	UBS	3,636	0.00 %
<b>Total Hong Kong</b>		<u>62,176</u>	<u>0.07 %</u>

**BRILLIANCE ASSET MANAGEMENT ICAV**

**SCHEDULE OF INVESTMENTS (Continued)**  
**as of December 31, 2022**

	Counterparty*	Fair value USD	% of net assets
<b>Financial assets at fair value through profit or loss (Continued)</b>			
<b>Over-the-counter financial derivatives (Continued)</b>			
<b>Contracts for difference (Continued)</b>			
<b>Taiwan</b>			
Information technology	GS	6,312	0.01 %
<b>Total Taiwan</b>		<u>6,312</u>	<u>0.01 %</u>
<b>Total contracts for difference</b>		<u>145,378</u>	<u>0.18 %</u>

\* GS - Goldman Sachs International  
 UBS - UBS AG

	<i>Currency buys</i>	<i>Currency sells</i>	<i>Currency rate</i>	<i>Maturity date</i>	Fair value USD	% of net assets
<b>Forward currency exchange contracts</b>						
<b>United States</b>						
Northern Trust Company	EUR36,750,000	USD39,201,960	1.0705	1/27/2023	205,318	0.26 %
	GBP175,600	USD211,307	1.2083	1/27/2023	999	0.00 %
<b>Total United States</b>					<u>206,317</u>	<u>0.26 %</u>
<b>Total forward currency exchange contracts</b>					<u>206,317</u>	<u>0.26 %</u>
<b>Total over-the-counter financial derivatives</b>					<u>351,695</u>	<u>0.44 %</u>
<b>Total financial assets at fair value through profit or loss</b>					<u>50,113,999</u>	<u>62.60 %</u>

**BRILLIANCE ASSET MANAGEMENT ICAV**
**SCHEDULE OF INVESTMENTS (Continued)**  
**as of December 31, 2022**

	Counterparty*	Fair value USD	% of net assets
<b>Financial liabilities at fair value through profit or loss</b>			
<b>Over-The-Counter Financial Derivatives</b>			
<b>Contracts for difference</b>			
<b>China</b>			
Consumer discretionary	UBS	(1,051)	(0.00) %
Consumer staples	GS	(2,215)	(0.00) %
	UBS	(963)	(0.00) %
		<u>(3,178)</u>	<u>(0.00) %</u>
Health care	UBS	(1,214)	(0.00) %
Information technology	GS	(143,361)	(0.18) %
	UBS	(2,504)	(0.00) %
		<u>(145,865)</u>	<u>(0.18) %</u>
Industrials	GS	(80,132)	(0.10) %
<b>Total China</b>		<u>(231,440)</u>	<u>(0.28) %</u>
<b>Hong Kong</b>			
Consumer discretionary	GS	(3,930)	(0.00) %
	UBS	(38,875)	(0.06) %
		<u>(42,805)</u>	<u>(0.06) %</u>
Consumer staples	GS	(128)	(0.00) %
	UBS	(2,128)	(0.00) %
		<u>(2,256)</u>	<u>(0.00) %</u>
Information technology	UBS	(9,204)	(0.01) %
<b>Total Hong Kong</b>		<u>(54,265)</u>	<u>(0.07) %</u>

**BRILLIANCE ASSET MANAGEMENT ICAV**
**SCHEDULE OF INVESTMENTS (Continued)**  
**as of December 31, 2022**

	Counterparty*	Fair value USD	% of net assets
<b>Financial liabilities at fair value through profit or loss (Continued)</b>			
<b>Over-the-counter financial derivatives (Continued)</b>			
<b>Contracts for difference (Continued)</b>			
<b>Taiwan</b>			
Information technology	GS	(55,466)	(0.07) %
	UBS	(354)	(0.00) %
		<u>(55,820)</u>	<u>(0.07) %</u>
<b>Total Taiwan</b>		<u>(55,820)</u>	<u>(0.07) %</u>
<b>United States</b>			
Financials	GS	(656)	(0.00) %
Information technology	GS	(20,856)	(0.03) %
<b>Total United States</b>		<u>(21,512)</u>	<u>(0.03) %</u>
<b>Total contracts for difference</b>		<u>(363,037)</u>	<u>(0.45) %</u>
<b>Total over-the-counter financial derivatives</b>		<u>(363,037)</u>	<u>(0.45) %</u>
<b>Total financial liabilities at fair value through profit or loss</b>		<u>(363,037)</u>	<u>(0.45) %</u>

\* GS - Goldman Sachs International  
 UBS - UBS AG

	Fair value USD	% of total assets
<b>Analysis of total gross assets</b>		
Transferable securities listed on an official stock exchange	49,762,304	60.97 %
Transferable securities dealt on another regulated market	Nil	0.00 %
Exchange traded financial derivatives	Nil	0.00 %
Over-the-counter financial derivatives	351,695	0.43 %
Other current assets	31,499,323	38.60 %
	<u>81,613,322</u>	<u>100.00 %</u>

**ADDITIONAL INFORMATION (UNAUDITED)  
for the year ended December 31, 2022**

**Average total expense ratio**

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

	<b>Class A EUR shares</b>	<b>Class A USD shares</b>	<b>Class B EUR shares</b>	<b>Class B GBP shares</b>	<b>Class B USD shares</b>	<b>Class C EUR shares</b>	<b>Class C GBP shares</b>	<b>Class C USD shares</b>
<b>December 31, 2022</b>								
TER with performance fees*	(0.24) %	(2.28) %	(2.77) %	(2.09) %	(2.73) %	(2.29) %	(2.29) %	(2.25) %
Share of performance fees	(0.00) %	(0.00) %	(0.00) %	(0.00) %	(0.00) %	(0.00) %	(0.00) %	(0.00) %
Share of investment management fees**	(0.17) %	(1.50) %	(1.99) %	(1.46) %	(1.99) %	(1.50) %	(1.50) %	(1.50) %
	<b>Class A EUR shares</b>	<b>Class A USD shares</b>	<b>Class B EUR shares</b>	<b>Class B GBP shares</b>	<b>Class B USD shares</b>	<b>Class C EUR shares</b>	<b>Class C GBP shares</b>	<b>Class C USD shares</b>
<b>December 31, 2021</b>								
TER with performance fees*	(1.77) %	(1.87) %	(2.41) %	(2.19) %	(2.40) %	(1.91) %	(1.38) %	(2.00) %
Share of performance fees	(0.00) %	(0.00) %	(0.04) %	(0.00) %	(0.01) %	(0.05) %	(0.34) %	(0.16) %
Share of investment management fees**	(1.51) %	(1.50) %	(2.00) %	(1.85) %	(2.00) %	(1.50) %	(0.87) %	(1.50) %

\* The calculation is based on the operating expenses and average net assets per relevant share class. The calculation across different classes may vary.

\*\* Percentages were calculated based on the average net assets and not by the net asset value of the relevant class. Thus, these may exceed the maximum annual investment management fee percentages set out in the Memorandum.

**REPORT OF REMUNERATION POLICY (UNAUDITED)  
for the year ended December 31, 2022**

In accordance with the applicable remuneration rules (UCITS V Remuneration Rules), the ICAV has adopted a remuneration policy outlining how the ICAV adheres to the ESMA Guidelines (being the “Guidelines on sound remuneration policies under the UCITS Directive and AIFMD”). This policy is reviewed on an annual basis.

Regulation 89(3A) of the 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 period. 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 UCITS Regulations. This policy was adopted with effect from March 18, 2018 and it has been reviewed with no material changes made to it during the financial period.
- The first annual performance period in which the ICAV had to comply with the remuneration requirements set out in the UCITS Regulations was the period ending December 31, 2018.
- 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 Brilliance Asset Management Limited and receives no remuneration from the ICAV. The remaining two Directors receive fixed fees only (for the year ended December 31, 2022; EUR20,000 per Director) 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 Investment Manager is entitled to a maximum annual investment management fee equal to a percentage of the net asset value of the relevant class. Such fee is calculated and accrued at each valuation point and payable monthly in arrears.

The ICAV has delegated investment management activities to Brilliance Asset Management Limited (the “Investment Manager and Distributor”). The Investment Manager is licensed by the Hong Kong Securities and Futures Commission (“HK SFC”) and also registered with the United States Securities and Exchange Commission (“US SEC”) as a registered investment advisor (under the Investment Advisors Act of 1940).