

# **AIKYA GLOBAL EMERGING MARKETS FUND – UCITS**

*A Sub-fund of:*

**PINNACLE ICAV**

(An open-ended Irish collective asset management vehicle which is constituted as an umbrella fund with segregated liability between funds and with variable capital. The ICAV was registered under the laws of Ireland.)

Registration Number C143462

## **INTERIM REPORT AND UNAUDITED FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD FROM 16 OCTOBER 2020  
(DATE OF LAUNCH) TO 31 DECEMBER 2020**

## **AIKYA GLOBAL EMERGING MARKETS FUND – UCITS**

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## **AIKYA GLOBAL EMERGING MARKETS FUND – UCITS**

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### **GENERAL INFORMATION**

#### **BOARD OF DIRECTORS**

Vincent Dodd (Irish)\*  
Brian Fennessy (Irish)^  
Alex Ihlenfeldt (Australian)^  
Andrew Findlay (Australian)^ (Alternate for Alex Ihlenfeldt)

#### **REGISTERED OFFICE**

25/28 North Wall Quay  
International Financial Services Centre  
Dublin 1  
Ireland

#### **ADMINISTRATOR**

State Street Fund Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

#### **IRISH LEGAL ADVISERS**

A&L Goodbody  
International Financial Services Centre  
North Wall Quay  
Dublin 1  
Ireland

#### **INDEPENDENT AUDITORS**

PricewaterhouseCoopers  
Chartered Accountants and Statutory Auditors  
One Spencer Dock  
North Wall Quay  
Dublin 1  
Ireland

#### **UK FACILITIES AGENT**

Financial Express Global Fund Registrations  
2<sup>nd</sup> Floor, Golden House  
30 Great Pulteney Street  
London  
W1F 9NN  
United Kingdom

#### **DEPOSITARY**

State Street Custodial Services (Ireland) Limited  
78 Sir John Rogerson's Quay  
Dublin 2  
Ireland

#### **SECRETARY**

Goodbody Secretarial Limited  
25/28 North Wall Quay  
International Financial Services Centre  
Dublin 1  
Ireland

#### **GLOBAL DISTRIBUTOR**

Pinnacle Investment Management Limited  
Level 19  
307 Queen Street  
Brisbane, QLD 4000  
Australia

#### **INVESTMENT MANAGER**

Mirabella Financial Services LLP\*\*  
130 Jermyn Street  
London  
SW1Y 4UR  
United Kingdom

\*Independent non-executive directors

^Non-executive directors

\*\*Mirabella have delegated the Investment Management to Aikya Investment Management Limited

### **INVESTMENT MANAGER’S REPORT**

#### Investment Objectives & Strategy

The Investment Manager’s philosophy rests on two pillars:

- a) Generate good long-term returns with strong downside protection;
- b) Focus on the quality of stewardship i.e. only invest in companies run by people who are good ‘stewards’.

The Investment Manager has an absolute return mindset and focus as much on capital preservation as on capital growth. Risk for the Investment Manager is the possibility of permanent loss of capital, not underperforming a benchmark in the short-term. Therefore, the Investment Manager is in different to benchmark composition at any time, and focus on the best quality companies in the Investment Manager’s investable universe.

The quality of a business can be analysed in multiple ways. Whilst the Investment Manager looks at financial metrics of a business and analyses its franchise strength in detail, the Investment Manager is more focused on understanding the quality of the key shareholders and top management team behind the business. The Investment Manager looks for long-term stewards who have grown cash flows, navigated a few economic cycles, and demonstrated fairness to all stakeholders. The stewards the Investment Manager backs have the qualities to identify sustainable growth opportunities and on occasion turnaround underperforming assets. Such people create shareholder value and drive long-term investment returns.

#### Performance Review

The Aikya Global Emerging Markets UCITS fund was launched in October 2020. By year end (31<sup>st</sup> December), the founding share class (S-accumulation) delivered a gross USD return of 12.7%. Investments contributing significantly to performance in the period were consumer goods company Fomento Economico Mexicano (FEMSA); shipping company SITC International; and financial services companies Banco Bradesco, Kotak Mahindra Bank and Kasikornbank.

During the same period the MSCI Emerging Markets Index returned 15.2% (USD). Technology companies accounted for one third of the period return, with Samsung Electronics and Taiwan Semiconductor Manufacturing major contributors.

## AIKYA GLOBAL EMERGING MARKETS FUND – UCITS

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### STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Notes	Aikya Global Emerging Markets Fund – UCITS 31 December 2020 US\$
<b>ASSETS</b>		
Financial assets at fair value through profit or loss:		
Investments in transferable securities	10	179,051,608
Cash and cash equivalents	12	9,853,235
Interest and dividends receivable		88,293
Receivable on sales of securities		476,764
Reimbursement receivable from investment manager	5	2,465
<b>Total assets</b>		<b>189,472,365</b>
<b>LIABILITIES</b>		
Bank overdraft	12	(129,741)
Audit and tax fees payable		(3,025)
Depositary fee payable	5	(5,022)
Investment management fees payable	5	(17,097)
Payable on investment purchased	5	(1,972,224)
Other payables	6	(16,230)
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(2,143,339)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>187,329,026</b>

The accompanying notes form an integral part of the Financial Statements.

## AIKYA GLOBAL EMERGING MARKETS FUND – UCITS

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### STATEMENT OF COMPREHENSIVE INCOME

For the financial period from 16 October 2020 (date of launch) to 31 December 2020

	Notes	Aikya Global Emerging Markets Fund – UCITS 31 December 2020 US\$
<b>INCOME</b>		
Dividend income		231,571
Reimbursement from investment manager	5	2,465
Net realised and unrealised gain on financial assets and liabilities at fair value through profit or loss and foreign exchange	11	16,731,877
Other Income		166
<b>Total Investment income</b>		<b>16,966,079</b>
<b>EXPENSES</b>		
Audit and tax fees		(3,025)
Depositary fee	5	(5,022)
Investment management fees	5	(17,097)
Other expenses	6	(16,230)
Transaction fees		(256,287)
<b>Total operating expenses</b>		<b>(297,661)</b>
<b>FINANCE COSTS</b>		
Bank charges		(1,866)
<b>Total finance costs</b>		<b>(1,866)</b>
<b>Increase in net assets attributable to holders of redeemable participating shares before tax</b>		<b>16,666,552</b>
Withholding tax		(88,125)
<b>Increase in net assets attributable to holders of redeemable participating shares from operations</b>		<b>16,578,427</b>

There were no recognised gains or losses arising in the financial period other than those included above. In arriving at the results for the financial period, all amounts above relate to continuing operations.

The accompanying notes form an integral part of the Financial Statements.

## AIKYA GLOBAL EMERGING MARKETS FUND – UCITS

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

For the financial period from 16 October 2020 (date of launch) to 31 December 2020

	Notes	Aikya Global Emerging Markets Fund – UCITS 31 December 2020 US\$
<b>Net assets attributable to holders of redeemable participating shares at beginning of the financial period</b>		-
<b>Increase in net assets attributable to holders of redeemable participating shares from operations</b>		<b>16,578,427</b>
<u>Issuance of redeemable participating shares</u>	4	
I Share Class GBP Accumulating*		64,650
I Share Class USD Accumulating*		50,000
S Share Class GBP Accumulating**		38,445,047
S Share Class USD Accumulating**		8,566,095
X Share Class AUD Accumulating**		123,624,807
<u>Redemption of redeemable participating shares</u>	4	
I Share Class GBP Accumulating*		-
I Share Class USD Accumulating*		-
S Share Class GBP Accumulating**		-
S Share Class USD Accumulating**		-
X Share Class AUD Accumulating**		-
<b>Net assets attributable to holders of redeemable participating shares at end of the financial period</b>		<b>187,329,026</b>

\*Launched on 30 October 2020.

\*\* Launched on 16 October 2020.

The accompanying notes form an integral part of the Financial Statements.

## AIKYA GLOBAL EMERGING MARKETS FUND – UCITS

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### STATEMENT OF CASH FLOWS

For the financial period from 16 October 2020 (date of launch) to 31 December 2020

Aikya Global  
Emerging Markets  
Fund – UCITS  
31 December 2020  
US\$

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#### Cash flows from operating activities

Increase in net assets attributable to holders of redeemable participating shares from operations 16,578,427

#### Changes in working capital

Increase in financial assets and liabilities at fair value through profit or loss	(179,051,608)
Increase in receivable on interests and dividends	(88,293)
Increase in receivable on sales of securities	(476,764)
Increase in reimbursement receivable from investment manager	(2,465)
Increase in audit and tax fees payable	3,025
Increase in depositary fees payable	5,022
Increase in investment management fees payable	17,097
Increase in payable on investment purchased	1,972,224
Increase in other payables	16,230
<b>Cash used by operating activities</b>	<b><u>(161,027,105)</u></b>

#### Cash flows from financing activities

Proceeds from issuance of redeemable participating shares	170,750,599
<b>Net cash provided by financing activities</b>	<b><u>170,750,599</u></b>

**Net increase in cash and cash equivalents** **9,723,494**

**Cash and cash equivalents at the beginning of the financial period** **-**

**Cash and cash equivalents at the end of the financial period** **9,723,494**

#### Analysis of cash and cash equivalent

Cash and cash equivalent at the start of the financial period	-
Overdraft at the start of the financial period	-

Cash and cash equivalent at the end of the financial period	9,853,235
Overdraft at the end of the financial period	(129,741)

#### **Supplemental disclosure of cash flow information**

Dividend received	116,138
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The accompanying notes form an integral part of the Financial Statements.



# **AIKYA GLOBAL EMERGING MARKETS FUND – UCITS**

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## **NOTES TO THE FINANCIAL STATEMENTS**

**For the financial period from 16 October 2020 (date of launch) to 31 December 2020**

### **1. Establishment and organisation**

Aikya Global Emerging Markets Fund – UCITS (the “Fund”) was established as a sub-fund of the Pinnacle ICAV (the “ICAV”).

The ICAV is an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds. The ICAV is authorised by the Central Bank of Ireland (the “Central Bank”) as an Undertaking for Collective Investment in Transferable Securities (“UCITS”), pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) and the Central Bank (Supervision and Enforcement) Act 2013 (section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (as amended) (together the “UCITS Regulations”). The ICAV was incorporated on 20 March 2017, authorised by the Central Bank on 5 May 2017 and commenced operations on 6 July 2017.

As at 31 December 2020, there are five sub-funds in existence. Antipodes Global Fund – UCITS was authorised by the Central Bank on 5 May 2017 and commenced operations on 6 July 2017. Antipodes Global Fund – Long – UCITS was authorised by the Central Bank on 23 November 2017 and commenced operations on 23 January 2018. Plato Global Market Neutral Fund – UCITS was authorised by the Central Bank on 31 May 2019 and commenced operations on 10 July 2019. Two Trees Systematic Global Macro Fund – UCITS was authorised by the Central Bank on 4 September 2019 and commenced operations on 25 September 2019. Aikya Global Emerging Markets Fund – UCITS was authorised by the Central Bank on 3 June 2020 and commenced operations on 16 October 2020. Antipodes Global Fund – UCITS, Antipodes Global Fund – Long – UCITS, Plato Global Market Neutral Fund – UCITS and Two Trees Systematic Global Macro Fund – UCITS are not included in this interim report and unaudited financial statements for financial period ended 31 December 2020. The reports and financial statements for those sub-funds are available free of charge on request from the ICAV.

#### **Investment objective**

The Fund aims to achieve a total return in excess of the MSCI Emerging Markets Index.

### **2. Principal accounting policies**

#### **Basis of preparation**

The interim financial statements of the ICAV have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions which affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on experience and various other factors which are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities which are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial period in which the estimates are revised and in any future years affected. There were no estimates used in measuring the fair value of investments at the financial period end date of 31 December 2020.

The financial statements are prepared on a going concern basis. The significant accounting policies applied in the preparation of these financial statements are set out on the next page.

### **NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 16 October 2020 (date of launch) to 31 December 2020 (continued)

#### **2. Principal accounting policies (continued)**

##### **Basis of measurement**

The financial statements have been prepared on the historical cost basis, except for financial instruments at fair value through profit or loss, which are measured at fair value.

##### **Redeemable participating shares**

Shareholders may redeem their shares on a redemption day at the redemption price which shall be the net asset value per share, less redemption charge, if any and any applicable duties and charges. In accordance with IAS 32 such instruments give rise to a financial liability for the present value of the redemption amount.

##### **Dividend income**

Dividend income is recognised in the Statement of Comprehensive Income as income on the date the securities are first quoted as “ex-dividend”, when the right to receive the payment is established.

##### **Interest income**

Interest income is recognised in the Statement of Comprehensive Income on an accruals basis. Bank interest income is recognised on an accruals basis. Discounts and premiums to the face amount of government bonds are accreted and amortised using the effective interest rate method over the lives of the respective government bond.

##### **Expenses**

All expenses are recognised in the Statement of Comprehensive Income on an accruals basis and as the related services are performed. Interest expense is recognised on an accruals basis in line with the contractual terms.

##### **Dividend policy**

Currently the Directors anticipate that there will be no dividend distributions in respect of the Share Classes. Shares in the Share Classes of the Fund are Accumulating Shares. Accordingly, income and capital gains arising in respect of the Share Classes will be re-invested in the Fund and reflected in the Net Asset Value (“NAV”) per Share of the relevant Share Class.

Any change to the dividend policy of any of the Share Classes of the Fund will be notified to Shareholders of the relevant Share Class in advance.

##### **Withholding tax**

Dividend, interest income and capital gains earned by the Fund may be subject to withholding tax or capital gains tax imposed in the country of origin. Income and capital gains that is subject to such tax is recognised gross of the taxes and the corresponding withholding tax is recognised as tax expense in the Statement of Comprehensive Income.

### NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 October 2020 (date of launch) to 31 December 2020 (continued)

#### 2. Principal accounting policies (continued)

##### **New standards, amendments and interpretations issued and effective for the financial period beginning 16 October 2020**

There are no new standards, amendments or interpretations issued and effective for the financial period beginning 16 October 2020 that have a significant impact on the Fund's financial position, performance or disclosures in its financial statements.

##### **New standards, amendments and interpretations issued but not effective for the financial period beginning 16 October 2020 and not early adopted**

A number of new standards, amendments to standards, and interpretations are effective for annual periods beginning after 16 October 2020, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Fund.

##### **Financial assets and liabilities at fair value through profit or loss**

###### *(i) Classification*

###### *(a) Assets*

The Fund classifies its investments based on its business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

###### *(b) Liabilities*

The Fund makes short sales in which a borrowed security is sold in anticipation of a decline in the market value of that security, or it may use short sales for various arbitrage transactions. Short sales are held for trading and are consequently classified as financial liabilities at fair value through profit or loss. Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss. As such, the Fund classifies all of its investment portfolio as financial assets or liabilities as fair value through profit or loss.

###### *(ii) Recognition and Initial Measurement*

Regular purchases and sales of investments are recognised on the trade date – the date on which the Fund commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income.

###### *(iii) Subsequent Measurement*

After initial measurement, the Fund measures financial instruments which are classified as at fair value through profit or loss, at their fair value. Subsequent changes in the fair value of financial instruments at fair value through profit or loss are recognised in the Statement of Comprehensive Income in the period in which they arise. 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 traded in active markets is based on quoted market prices at the Statement of Financial Position date. The quoted market price used for financial assets and liabilities held by the Fund is the last traded price.

### **NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 16 October 2020 (date of launch) to 31 December 2020 (continued)

#### **2. Principal accounting policies (continued)**

##### **Financial assets and liabilities at fair value through profit or loss (continued)**

###### *(iii) Subsequent Measurement (continued)*

If a quoted market price is not available, the fair value of the financial instruments may be estimated by a competent person using valuation techniques, including the use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions. There were no such competent person estimations or valuations as at 31 December 2020.

###### *(iv) Derecognition*

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

##### **Offsetting Financial Instruments**

For financial statement purposes, financial assets and liabilities have not been offset and are presented on a gross basis. Financial assets and liabilities can be offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously.

##### **Transaction Costs**

Transaction costs include fees and commissions paid to agents, advisers, brokers and dealers, levies by regulatory agencies and security exchanges, and transfer taxes and duties. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs. Transaction costs relate to the purchase and sale of investments and are recognised in the Statement of Comprehensive Income in Transaction costs.

##### **Cash and cash equivalents**

Cash and cash equivalents comprises current cash deposits and bank overdrafts with the Depositary. While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial. Cash and cash equivalents are disclosed separately on the Statement of Financial Position. For further details please refer to note 12. Bank overdrafts are shown separately as liabilities in the Statement of Financial Position. For the purpose of the Statement of Cash Flows, cash and cash equivalents are shown net of outstanding bank overdrafts when applicable.

### **NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 16 October 2020 (date of launch) to 31 December 2020 (continued)

#### **2. Principal accounting policies (continued)**

##### **Financial assets and liabilities at fair value through profit or loss (continued)**

###### **Umbrella cash account**

The Umbrella Cash Subscription and Redemption Account is maintained for the purposes of (i) receiving subscriptions monies from applicants for the issue of Shares; (ii) paying Redemption Proceeds to investors; and (iii) paying dividends to Shareholders of Distributing Shares. The subscription monies are held in the Umbrella Cash Subscription and Redemption Account for the account of the Fund pending settlement of the associated issue of Shares.

###### **Functional and presentation currency**

The financial statements are presented in United States Dollar (“US\$”), the Fund’s functional and presentational currency.

Monetary assets and liabilities denominated in currencies other than the functional currency are translated into said functional currency at the closing rates of exchange at each financial period end date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss are retranslated into the functional currency at the spot rate at the date the fair value was determined. Transactions during the financial period, including purchases and sale of securities and income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency transaction gains and losses are included in the net realised and unrealised gain on financial assets and liabilities at fair value through profit or loss and foreign exchange in the Statement of Comprehensive Income.

#### **3. Taxation**

The ICAV is an investment undertaking as defined in Section 739B of the Taxes Consolidation Act 1997, as amended (“TCA”). The ICAV will not be liable to Irish tax in respect of its income and gains, other than on the occurrence of a chargeable event.

The ICAV will only be subject to tax on chargeable events in respect of Shareholders who are Taxable Irish Persons (generally persons who are resident or ordinarily resident in Ireland for tax purposes).

A chargeable event occurs on:

- (a) a payment of any kind to a Shareholder by the ICAV;
- (b) a transfer of Shares; and
- (c) on the eighth anniversary of a Shareholder acquiring Shares and every subsequent eighth anniversary.

It does not include any transaction in relation to Shares held in a clearing system recognised by the Revenue, certain transfers arising as a result of an amalgamation or reconstruction of fund vehicles and certain transfers between spouses or former spouses.

If a Shareholder is not a Taxable Irish Person at the time a chargeable event arises no Irish tax will be payable on that chargeable event in respect of that Shareholder.

### **NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 16 October 2020 (date of launch) to 31 December 2020 (continued)

#### **3. Taxation (continued)**

Where tax is payable on a chargeable event, subject to the comments below, it is a liability of the ICAV which is recoverable by deduction or, in the case of a transfer and on the eight year rolling chargeable event by cancellation or appropriation of Shares from the relevant Shareholders. In certain circumstances, and only after notification by the ICAV to a Shareholder, the tax payable on the eight year rolling chargeable event can at the election of the ICAV become a liability of the Shareholder rather than the ICAV. In such circumstances the Shareholder must file an Irish tax return and pay the appropriate tax (at the rates set out below) to the Revenue.

In the absence of the appropriate declaration being received by the ICAV that a Shareholder is not a Taxable Irish Person or if the ICAV has information that would reasonably suggest that a declaration is incorrect, and in the absence of written notice of approval from the Revenue to the effect that the requirement to have been provided with such declaration is deemed to have been complied with (or following the withdrawal of, or failure to meet any conditions attaching to such approval), the ICAV will be obliged to pay tax on the occasion of a chargeable event (even if, in fact, the Shareholder is neither resident nor ordinarily resident in Ireland). Where the chargeable event is an income distribution, tax will be deducted at the rate of 41%, or where the Shareholder is a company and the appropriate declaration has been made at the rate of 25%, on the amount of the distribution. Where the chargeable event occurs on any other payment to a Shareholder (not being a company which has made the appropriate declaration) on a transfer of Shares or on the eight year rolling chargeable event, tax will be deducted at the rate of 41% on the increase in value of the shares since their acquisition. Tax will be deducted at the rate of 25% on such transfers where the Shareholder is a company and the appropriate declaration has been made. In respect of the eight year rolling chargeable event, there is a mechanism for obtaining a refund of tax where the Shares are subsequently disposed of for a lesser value.

Other than in the instances described above, the ICAV will have no liability to Irish taxation on income or chargeable gains.

#### **4. Share capital**

The share capital of the ICAV is 1,000,000,000,000 unclassified shares of no par value. The minimum issued share capital of the ICAV is 2 shares of no par value. The maximum share capital of the ICAV is 1,000,000,000,000 unclassified shares of no par value.

The unclassified shares are available for issue as Shares. There are no rights of pre-emption attaching to the Shares in the ICAV.

The classes and currencies in which Shares of the Fund are on offer are set out below:

<b>Class</b>	<b>Currency</b>
I Share Class GBP Accumulating	GBP
I Share Class USD Accumulating	USD
S Share Class GBP Accumulating	GBP
S Share Class USD Accumulating	USD
X Share Class AUD Accumulating	AUD

### **NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 16 October 2020 (date of launch) to 31 December 2020 (continued)

#### **4. Share capital (continued)**

##### **Shares**

The Initial Issue Price for Shares during the Initial Offer Period is set out in the Supplement for the Fund.

Shares shall be issued at the Subscription Price per Share as determined on the day on which they are deemed to be issued.

The Directors may make an adjustment by way of an addition to the subscription amount which will be reflected in the issue price when there are net subscriptions to include a charge/Anti-Dilution Levy which the Investment Manager considers represents an appropriate figure to cover dealing costs and/or to preserve the value of the underlying assets of the Fund. Any such charge/levy shall be retained for the benefit of the Fund and the Directors reserve the right to waive such charge at any time. This charge has been waived.

In addition, a Subscription Charge of up to 5% of the Subscription Price may be charged if provided for in the Supplement for the Fund. No subscription charge is payable on Aikya Global Emerging Markets Fund – UCITS.

##### **Anti dilution levy**

Shares shall be issued at the NAV per Share calculated at the Valuation Point and adding thereto such sum as the Directors in their absolute discretion may from time to time determine as an appropriate provision for Duties and Charges (including an Anti-Dilution Levy where there are overall net subscriptions or overall net redemptions as provided for in "Subscriptions" and "Redemptions" the Prospectus).

Subscriptions for the Classes of Shares should be made by electronic transfer to the account as specified in the Application Form.

##### **Redemption of Shares**

Payment in respect of the issue of Shares must be made to the ICAV (the relevant account will be specified in the Application Form or otherwise notified to investors in advance) by the relevant Settlement Date by electronic transfer in cleared funds in the currency of denomination of the relevant Share Class.

It is the responsibility of Applicants to transmit payment for subscriptions promptly, with clear customer identification. Applicants shall be responsible for their own bank charges, including any lifting fees or commissions. Until the issue of Shares, the entitlement of Applicants to the subscription monies paid into the Umbrella Cash Subscription and Redemption Account is that of an unsecured creditor.

An Applicant for Shares does not benefit from any appreciation of the NAV of the relevant Shares subscribed for or any other Shareholder rights (including any dividend entitlements) until such time as the Applicant becomes a Shareholder.

Shares are issued on the relevant Dealing Day. If payment in full has not been received by the Settlement Date, or in the event of non-clearance of funds, all or part of any issue of Shares made may, at the discretion of the Directors, be cancelled and the relevant monies returned to the Applicant at their risk. In such cases the Directors may charge the Applicant for any resulting losses and costs incurred by the Fund.

## AIKYA GLOBAL EMERGING MARKETS FUND – UCITS

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 October 2020 (date of launch) to 31 December 2020 (continued)

#### 4. Share capital (continued)

##### Redemption of Shares (continued)

When the Fund meets a redemption request in cash, the amount due on the redemption of Shares on a particular Dealing Day will be paid by the relevant Settlement Date by electronic transfer to an account in the name of the Shareholder. Payment of any proceeds of redemption will only be paid after receipt by the Administrator of any relevant redemption documentation (including any anti-money laundering documentation requested).

No Shareholder shall be entitled to request redemption of part only of its holding of Shares of any Class in the Fund if such realisation would result in its holding of Shares of such Class after such realisation being below the applicable Minimum Shareholding (subject to the discretion of the Directors).

##### Redeemable Shares reconciliation

The following represents the changes in the number of Shares for the financial period ended 31 December 2020:

##### I Share Class GBP Accumulating\*

Number of shares at the beginning of the financial period	-
Shares issued during the financial period	5,000.000
Shares redeemed during the financial period	-
<b>Number of shares at the end of the financial period</b>	<b>5,000.000</b>

##### I Share Class USD Accumulating\*

Number of shares at the beginning of the financial period	-
Shares issued during the financial period	5,000.000
Shares redeemed during financial the period	-
<b>Number of shares at the end of the financial period</b>	<b>5,000.000</b>

##### S Share Class GBP Accumulating\*\*

Number of shares at the beginning of the financial period	-
Shares issued during the financial period	2,745,281.632
Shares redeemed during the financial period	-
<b>Number of shares at the end of the financial period</b>	<b>2,745,281.632</b>

\*Launched on 30 October 2020.

\*\*Launched on 16 October 2020.



## **AIKYA GLOBAL EMERGING MARKETS FUND – UCITS**

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### **NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 16 October 2020 (date of launch) to 31 December 2020 (continued)

#### **4. Share capital (continued)**

##### **Redeemable Shares reconciliation (continued)**

###### **S Share Class USD Accumulating\*\***

Number of shares at the beginning of the financial period	-
Shares issued during the financial period	765,891.000
Shares redeemed during financial the period	-
<b>Number of shares at the end of the financial period</b>	<b>765,891.000</b>

###### **X Share Class AUD Accumulating\*\***

Number of shares at the beginning of the financial period	-
Shares issued during the financial period	17,351,917.277
Shares redeemed during the financial period	-
<b>Number of shares at the end of the financial period</b>	<b>17,351,917.277</b>

\*Launched on 30 October 2020.

\*\*Launched on 16 October 2020.

As at 31 December 2020 88.13% of the Shares in Aikya Global Emerging Markets Fund – UCITS are held by 2 Shareholders.

#### **5. Fees**

##### **Investment management fee**

Mirabella Financial Services LLP ("Investment Manager") shall be entitled to receive out of the assets of the Fund an annual fee not exceeding 0.85% of the NAV of the I Share Class USD and I Share Class GBP, 0.50% of the NAV of the S Share Class USD and S Share Class GBP (plus VAT thereon, if any). There are no investment management fee payable in respect of the X Share Class AUD. The investment management fee shall accrue and be calculated on each Dealing Day and be payable monthly in arrears out of the relevant assets. The investment management fee shall be deemed to cover out of pocket costs and expenses of the Investment Manager.

For the financial period ended 31 December 2020 fees charged by the Investment Manager were US\$17,097. As at 31 December 2020 fees of US\$17,097 were payable to the Investment Manager.

##### **Administration fee**

The Administrator shall be entitled to receive an annual fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to 0.05% of the NAV of the Fund (plus VAT thereon, if any) subject to an annual minimum fee of \$135,000. The Administrator is also entitled to be repaid all of its reasonable agreed upon transaction and other charges (which will be at normal commercial rates) and other out-of-pocket expenses (plus VAT thereon, if any).

Administration fees charged for the financial period ended 31 December 2020 amounted to US\$Nil. Administration fees payable at 31 December 2020 amounted to US\$Nil.

### **NOTES TO THE FINANCIAL STATEMENTS**

**For the financial period from 16 October 2020 (date of launch) to 31 December 2020 (continued)**

#### **5. Fees (continued)**

##### **Depositary fee**

The Depositary shall be entitled to receive an annual fee, accrued on each Dealing Day and calculated and payable monthly in arrears, at an annual rate of up to 0.02% of the NAV of the Fund (plus VAT thereon, if any).

The Depositary is also entitled to receive out of the assets of the Fund, a safekeeping fee at a rate, depending on the custody markets, ranging from 0.0125% up to 0.5% on the NAV of the Fund (plus VAT thereon, if any). These fees accrue and are calculated on each Dealing Day and payable monthly in arrears.

The Depositary shall also be entitled to be reimbursed for the fees paid by the Depositary to any sub-custodian (where not covered above) and agreed upon transactions charges (which in all cases shall be charged at normal commercial rates) and other out-of-pocket expenses (plus VAT thereon, if any).

Depositary fees charged for the financial period ended 31 December 2020 amounted to US\$5,022. Depositary fees payable at 31 December 2020 amounted to US\$5,022.

##### **Other fees and expenses**

The preliminary expenses incurred in connection with the establishment and initial issue of Shares in the Fund will be borne by the Pinnacle Investment Management Limited ("Global Distributor").

The fees and out-of-pocket expenses of the Administrator (in its role as same and as registrar and transfer agent), the Depositary and any sub-custodians, the Global Distributor and any Sub-Distributors, auditors, tax and legal advisors, the company secretary of the ICAV, the fees and expenses of any other service provider, any costs incurred in respect of meetings of Shareholders, marketing and distribution costs and other costs as a result of registering the Fund in other jurisdictions, such as local regulatory fees, the facilities agent, paying agent fees and any other service providers appointed for such jurisdictions, the regulatory levy of the Fund and regulatory compliance costs, listing fees, all printing, publication, translation and communication costs (including reports, accounts and any explanatory memoranda), any costs incurred as a result of periodic updates of the Prospectus and/or the Supplement or the KIIDs of the Fund, or of a change in law or the introduction of any new law, the Directors' fees, expenses and payroll costs, directors' and officers' liability insurance cover and other insurance-related costs and any taxes related to the above fees and out-of-pocket expenses as applicable ("Covered Costs") shall be payable out of the assets of the Fund up to an amount equal to 0.20% of the NAV of the Fund calculated on each Dealing Day.

Any Covered Costs in excess of this shall be paid/reimbursed to the ICAV in respect of the Fund by the Global Distributor (who has agreed to discharge the Covered Costs over 0.20% out of its own fee) and shall not be payable out of the assets of the Fund.

The Global Distributor reserves the right to determine that it shall no longer discharge all or part of the Covered Costs over 0.20% of the NAV and that some or all of the Covered Costs will be payable out of the assets of the Fund. In such case the Supplement will be updated to disclose the maximum fee payable by Shareholders in respect of the elements of Covered Costs (where disclosure of fee arrangements is required) and reasonable notice will be given to Shareholders prior to implementation of this change of policy.

## **AIKYA GLOBAL EMERGING MARKETS FUND – UCITS**

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### **NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 16 October 2020 (date of launch) to 31 December 2020 (continued)

#### **5. Fees (continued)**

##### **Other fees and expenses (continued)**

The Fund will bear expenses incurred in connection with the acquisition, disposal or maintenance of investments including brokerage costs, clearing house fees, taxes and other transaction charges, if any, which will always be payable out of the assets of the Fund. In addition, other operating and service providers' fees, costs and expenses incurred in the operation of the Fund, other than those expressly included under Covered Costs as being payable by the Shareholders or the Global Distributor (as applicable) and described above, will be met out of the assets of the Fund. This includes the investment management fee referred to above as well as the performance fee (where applicable).

As at 31 December 2020 the reimbursement for covered costs from the Investment Manager was US\$2,465.

For the financial period ended 31 December 2020 reimbursement from covered costs from the Investment Manager was US\$2,465.

##### **Directors' remuneration**

The Directors of the ICAV who are connected with the Global Distributor will not be entitled to remuneration for their services as directors. The other Directors of the ICAV will be entitled to remuneration for their services provided however, that the aggregate emoluments of all Directors of the ICAV in respect of any twelve month accounting period shall not exceed €60,000 (plus VAT, if applicable). In addition, the Directors of the ICAV will also be entitled to be reimbursed for their reasonable out of pocket expenses incurred in discharging their duties as directors.

Mr. Vincent Dodd is to receive a directors' fee of €29,000 per annum and Mr. Brian Fennessy is to receive a directors' fee of €12,500 per annum. Director's fees charged for the financial period ended 31 December 2020 amounted to US\$Nil.

##### **Performance fee**

There will be no performance fee payable in respect of any of the Share Classes of the Fund.

#### **6. Other payables and other expenses**

##### **Other payables**

Below is the breakdown for other payables as at financial period end.

	<b>31 December 2020</b>
	<b>US\$</b>
Consultancy fee payable	3,810
Legal fees payable	5,042
Regulatory fee payable	6,105
Sundry expenses payable	1,273
<b>Total other payables</b>	<b>16,230</b>

## AIKYA GLOBAL EMERGING MARKETS FUND – UCITS

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 October 2020 (date of launch) to 31 December 2020 (continued)

#### 6. Other payables and other expenses (continued)

##### Other Expenses

Below is the breakdown for other fees and expenses charged for the financial period.

	31 December 2020 US\$
Consultancy fee	3,810
Insurance expenses	5,042
Regulatory fees	6,105
Sundry expenses	1,273
<b>Total other expenses</b>	<b>16,230</b>

#### 7. Related party transactions

IAS 24 'Related Party Disclosures' requires the disclosure of information relating to material transactions with parties who are deemed to be related to the reporting entity. The Directors, Investment Manager, Global Distributor and KB Associates, which provides consultancy services, money laundering reporting officer and VAT reporting services to the ICAV are related parties.

Mr. Andrew Findlay is a Director of the ICAV and an employee of an affiliated Investment Manager and alternate Director to Mr. Alex Ihlenfeldt.

Mr. Alex Ihlenfeldt is a Director of the ICAV and is an employee of the Global Distributor.

Mr. Brian Fennessy is a Director of the ICAV and also an employee of KB Associates. Fees charged by KB Associates for the financial period ended 31 December 2020 amounted to US\$3,810.

The fees charged for Directors fees and Investment Management fees are disclosed in Note 5 to the financial statements. Global Distributor fees are paid by the Investment Manager.

#### 8. Transaction with Connected Persons

Regulation 43(1) of the Central Bank UCITS Regulations states that "a responsible person shall ensure that any transaction between a UCITS and a connected person is conducted a) at arm's length; and b) in the best interest of the Shareholders of the UCITS". As required under Regulation 81(4) of the Central Bank UCITS Regulations, the Directors are satisfied that there are in place arrangements, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 43(1) are applied to all transactions with a connected person; and all transactions with connected persons that were entered into during the period complied with the obligations that are prescribed by Regulation 43(1).

#### 9. Risks associated with financial instruments

The Fund's activities it them to a variety of financial risks: market risk (including other price risk, interest rate risk and currency risk), credit risk and liquidity risk.

The capital of the Fund is represented by the net assets attributable to holders of redeemable shares. The amount of net asset attributable to holders of redeemable shares can change significantly on a weekly basis, as the Fund is subject to daily subscriptions and redemptions at the discretion of shareholders, as well as changes resulting from the Fund's performance.

### NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 October 2020 (date of launch) to 31 December 2020 (continued)

#### 9. Risks associated with financial instruments (continued)

The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for shareholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund. In order to maintain the capital structure, the Fund's policy is to perform the following:

- Monitor the level of weekly subscriptions and redemptions relative to the assets it expects to be able to liquidate within 7 days.
- Redeem and issue new shares in accordance with the constitutional documents of the Fund, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

The Board of Directors and Investment Manager monitor capital on the basis of the value of net assets attributable to redeemable shareholders. The Fund is also exposed to operational risks such as settlement and custody risk. Custody risk is the risk of loss of financial assets 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 financial assets held by the Depositary, in the event of failure, the ability of the Depositary to transfer the financial assets might be impaired. The Depositary is owned by State Street International (Ireland) Limited. The credit rating for State Street Corporation, the parent company, as at 31 December 2020 is A for S&P.

The Fund's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. All investments present a risk of loss of capital.

#### **Market risk**

Market risk embodies the potential for both losses and gains and includes price risk, currency risk and interest rate risk as detailed below.

##### (i) Price risk

The investments of the Fund in securities are subject to normal market fluctuations and other risks inherent in investing in securities. Security prices may decline over short or extended periods due to general market conditions (e.g. economic, technological or political). Individual stock prices, however, tend to go up and down more dramatically over the short term.

These price movements may result from factors affecting individual companies or industries, or the securities market as a whole. Those assets with potentially higher long term returns may also have a higher risk of losing money in the shorter term.

The Investment Manager's careful analysis of each company it invests in, as well as maintaining a diversified portfolio of companies, aims to minimise this risk.

## AIKYA GLOBAL EMERGING MARKETS FUND – UCITS

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 October 2020 (date of launch) to 31 December 2020 (continued)

#### 9. Risks associated with financial instruments (continued)

##### Market risk (continued)

###### (i) Price risk (continued)

If the value of financial instruments at fair value through profit or loss at 31 December 2020 had increased by 5% with all other variables held constant, this would have increased net assets by the amounts shown in the below table.

<b>Financial Instruments at fair value through profit or loss</b>	<b>Fair value US\$</b>	<b>5%* increase/(decrease) US\$</b>
Investments in transferable securities	179,051,608	8,952,580

\*5% represents management's best estimate of a reasonable shift in value, having regard to historic market trends.

###### (ii) Foreign currency risk

The Fund's investments and, where applicable, the investments of any collective investment scheme in which the Fund invests, may be acquired in a wide range of currencies other than the base currency of the Fund. Changes in the exchange rate between the base currency of the Fund and the currency of the asset may lead to a depreciation of the value of the Fund's assets as expressed in the base currency. It may not be possible or practical to hedge against such exchange rate risk.

The Fund's currency risk is managed by the Investment Manager in accordance with policies and procedures in place. The analysis and management of market risks are monitored and assessed at all stages in the investment selection process. The Fund's overall currency positions and exposures are monitored on a regular basis by the Investment Manager and Board of Directors.

## AIKYA GLOBAL EMERGING MARKETS FUND – UCITS

### NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 October 2020 (date of launch) to 31 December 2020 (continued)

#### 9. Risks associated with financial instruments (continued)

##### Market risk (continued)

##### (ii) Foreign currency risk (continued)

The following table sets out the Fund's total exposure to foreign currency risk and the net exposure to foreign currencies in US\$ at 31 December 2020:

Currency	Investments 31 December 2020 US\$	Monetary Net Other assets/(liabilities) 31 December 2020 US\$	Hedge amounts 31 December 2020 US\$	Total foreign currency exposure 31 December 2020 US\$	5% sensitivity 31 December 2020 US\$
AUD	-	2,378,301	-	2,378,301	118,915
BRL	7,354,668	57,900	-	7,412,568	370,628
CHF	3,715,255	-	-	3,715,255	185,763
CLP	6,184,262	-	-	6,184,262	309,213
CNH	-	11,017	-	11,017	551
CNY	-	(10,944)	-	(10,944)	(547)
GBP	11,764,316	2,587,827	-	14,352,143	717,607
HKD	18,117,511	2,862	-	18,120,373	906,019
HUF	4,572,602	-	-	4,572,602	228,630
IDR	8,437,297	18,697	-	8,455,994	422,800
INR	42,382,483	511,593	-	42,894,076	2,144,704
JPY	3,790,595	10,538	-	3,801,133	190,057
KRW	2,447,597	(572,776)	-	1,874,821	93,741
MXN	11,959,719	34,951	-	11,994,670	599,734
MYR	2,606,687	(109,486)	-	2,497,201	124,860
PHP	6,230,673	-	-	6,230,673	311,534
THB	5,133,278	-	-	5,133,278	256,664
TWD	25,131,059	10,543	-	25,141,602	1,257,080
ZAR	9,111,861	-	-	9,111,861	455,593
<b>Total</b>	<b>168,939,863</b>	<b>4,931,023</b>	<b>-</b>	<b>173,870,886</b>	<b>8,693,546</b>

If the exchange rate at 30 June 2020 between the Fund's functional currency and all other currencies had increased/decreased by 5% with all other variables held constant, this would have decreased/increased net assets by the amounts shown in the above table. 5% represents management's best estimate of a reasonable shift in value, having regard to historic market trends.

##### (iii) Interest rate risk

Changes in interest rates can influence the value and returns of some of the Fund's investments. Declining interest rates may affect the return on available reinvestment opportunities. In the event of a general rise in interest rates, the value of certain investments that may be contained in the Fund's investment portfolio may fall, reducing the Net Asset Value of the Fund. Fluctuation in rates may affect interest rate spreads in a manner adverse to the Fund. Interest rates are highly sensitive to factors beyond the Fund's control, including, among others, government monetary and tax policies, and domestic and international economic and political conditions.

## AIKYA GLOBAL EMERGING MARKETS FUND – UCITS

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### NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 October 2020 (date of launch) to 31 December 2020 (continued)

#### 9. Risks associated with financial instruments (continued)

##### Market risk (continued)

(iii) Interest rate risk (continued)

An increase/decrease in interest rates of 1% against floating financial assets as at 31 December 2020 would have increased/decreased net assets by the amounts shown in table below.

	1%* increase/(decrease) US\$
Aikya Global Emerging Markets Fund – UCITS	97,235

\*1% represents management's best estimate of a reasonable shift in value, having regard to historic market trends.

As the Fund does not invest in interest-bearing securities, the Fund does not have a significant exposure to interest rate risk. Excess cash and cash equivalents are invested at short term market interest rates thus contributing very little to fair value interest rate risk, however, such balances are exposed to cash flow interest rate risks. Balances exposed to cash flow interest rate risks are the cash and cash equivalent amounts disclosed in the Statement of Financial Position.

##### Liquidity risk

Liquidity risk is the risk that a position in the portfolio of the Fund cannot be sold or converted into cash in an adequately short timeframe. Most of the investments owned by the Fund can usually be sold promptly at a fair price and therefore can be described as relatively liquid. Some investments can be illiquid because of legal restrictions, the nature of the investment, settlement terms, or for other reasons such as a shortage of buyers. Illiquid investments can lose value or incur extra costs. In addition, illiquid investments may be more difficult to value accurately and may experience larger price changes causing greater fluctuations in the Fund's value.

Redemptions or withdrawals from the Fund could require the Fund to liquidate its positions more rapidly than otherwise desirable, which could adversely affect the Fund's Net Asset Value. Illiquidity in certain securities could make it difficult for the Fund to liquidate positions on favourable terms, which may affect the Fund's Net Asset Value. Although the Fund may suspend redemptions or withdrawals in the manner described in the Prospectus under the section entitled Suspension of Calculation of Net Asset Value in order to minimize this risk, this power may not always be exercised and the exercise of this power does not eliminate such potential loss in value or liquidity risks.

The Fund's liquidity risk is managed in accordance with policies and procedures in place. The analysis and management of liquidity risk is monitored and assessed at all stages in the investment selection process. The Fund's overall liquidity risk is monitored on a regular basis by the Investment Manager and Board of Directors. The ICAV's dealing frequency is on daily basis and the redemption of the redeemable participating shares is the main liability of the Fund.

At 31 December 2020, the Fund's financial assets and liabilities classified into the relevant maturity grouping, based on the remaining period at the Statement of Financial Position date to the contractual maturity date, was less than six months. The Fund is inherently liquid in nature (mainly liquid instruments and cash) and consequentially there has been no requirement to use the liquidity provisions or tools available as per the Prospectus to manage liquidity.



**NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 16 October 2020 (date of launch) to 31 December 2020 (continued)

**9. Risks associated with financial instruments (continued)**

**Credit risk**

Credit risk arises from the uncertainty surrounding the ultimate repayment of principal and interest or other investments by the issuers of such securities. There can be no assurance that the issuers of securities or other instruments in which the Fund invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or other instruments. The Fund will also be exposed to a credit risk in relation to the counterparties with whom the Fund trades and may bear the risk of settlement default. Changes in the credit quality of an issuer and/or security or other instrument could affect the value of a security or other instrument or the Fund's share price. The credit rating with S&P of counterparties as at 31 December 2020 are as follows:

Counterparty	Rating
State Street Corporation	A

The carrying amount of total assets best represents the maximum credit risk exposure at the Statement of Financial Position date (31 December 2020). The Fund's total assets exposed to credit risk amounted to the following:

Financial assets at fair value through profit or loss:	Fair value US\$
Cash and cash equivalents	9,853,235
Other assets	567,522
<b>Total</b>	<b>10,420,757</b>

**10. Fair value hierarchy**

IFRS 13, Fair Value Measurement, requires a fair value hierarchy for inputs used in measuring fair value that classifies investments according to how observable the inputs are. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Fund. Unobservable inputs reflect the Fund's assumptions, made in good faith, about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorised into three levels based on the inputs as follows:

Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities;

Level 2 - Valuations based on quoted prices in markets that are not active or inputs other than quoted prices for which all significant inputs are observable, either directly (as prices) or indirectly (derived from prices); and

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

There were no transfers between Levels during the financial period.

There were no investments held on Level 3 as at 31 December 2020.

## AIKYA GLOBAL EMERGING MARKETS FUND – UCITS

### NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 October 2020 (date of launch) to 31 December 2020 (continued)

#### 10. Fair value hierarchy (continued)

The following table summarises the inputs used to value the Fund's assets and liabilities measured at fair value on a recurring basis as of 31 December 2020:

	Level 1	Level 2	Level 3	Total
	US\$	US\$	US\$	US\$
<b>Financial assets at fair value through profit or loss</b>				
Investments in transferable securities at fair value:				
- Shares	179,051,608	-	-	179,051,608
	179,051,608	-	-	179,051,608

#### Assets and liabilities not measured at fair value through profit or loss but for which fair value is disclosed

Cash and cash equivalents is classified as Level 1 and all other assets and liabilities not measured at fair value but for which fair value is disclosed are classified as Level 2, as this reflects a reasonable approximation of their measured fair value on the Statement of Financial Position.

#### 11. Net gain on financial instruments at fair value through profit or loss and foreign exchange

	31 December 2020
	US\$
Net realised gain on investment in transferable securities	1,018,760
Net unrealised gain on investment in transferable securities	15,873,141
Net currency loss on foreign exchange	(160,024)
<b>Net realised and unrealised gain on financial assets and liabilities at fair value through profit and loss and foreign exchange</b>	<b>16,731,877</b>

#### 12. Cash and cash equivalents and cash held as collateral

	31 December 2020
	US\$
<b>Counterparties</b>	
<b>Cash and cash equivalents</b>	
State Street Custodial Services (Ireland) Limited	9,853,235
<b>Bank overdraft</b>	
State Street Custodial Services (Ireland) Limited	(129,741)
<b>Total net cash</b>	<b>9,723,494</b>

## AIKYA GLOBAL EMERGING MARKETS FUND – UCITS

### NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 16 October 2020 (date of launch) to 31 December 2020 (continued)

#### 13. Net assets and shares in issue information

	31 December 2020
<b>Net Assets value</b>	US\$ 187,329,026
<b>Nav per Share</b>	
I Share Class GBP Accumulating*	US\$11.11
I Share Class USD Accumulating*	US\$11.75
S Share Class GBP Accumulating**	£10.66
S Share Class USD Accumulating**	US\$11.27
X Share Class AUD Accumulating**	AUD10.35
<b>Shares In Issue</b>	
I Share Class GBP Accumulating*	5,000,000
I Share Class USD Accumulating*	5,000,000
S Share Class GBP Accumulating*	2,745,281.632
S Share Class USD Accumulating**	765,891.000
X Share Class AUD Accumulating**	17,351,917.277

\*Launched on 30 October 2020.

\*\*Launched on 16 October 2020.

#### 14. Exchange rates

The following exchange rates were used to translate assets and liabilities into US\$ as at 31 December 2020:

	31 December 2020		31 December 2020	
AUD	0.771650	INR	0.013686	
BRL	0.192522	JPY	0.009686	
CHF	1.131286	KRW	0.000921	
CLP	0.001407	MXN	0.050187	
CNH	0.153925	MYR	0.248602	
CNY	0.152910	PHP	0.020823	
GBP	1.366949	THB	0.033378	
HKD	0.128968	TWD	0.035590	
HUF	0.003374	ZAR	0.068079	
IDR	0.000071			

#### 15. Distributions

The Fund made no distributions during the financial period ended 31 December 2020.

#### 16. Significant events during the financial period

Akiya Global Emerging Markets Fund – UCITS was approved by the Central Bank on 3 June 2020 and commenced operations on 16 October 2020.

There were no other significant events during the financial period end.

#### 17. Significant events since financial period end

There are no significant events since the financial period end to be disclosed in, these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**

For the financial period from 16 October 2020 (date of launch) to 31 December 2020 (continued)

**18. Soft commission arrangements**

The Investment Manager may effect transactions through the agency of another person with whom the Investment Manager has an arrangement under which that party will, from time to time, provide or procure for the Investment Manager research. Under such arrangements, no direct payment is made or required to be made for such services or benefits, but instead the Investment Manager undertakes to place business with that party. In such case, the Investment Manager shall ensure that such arrangements shall assist in the provision of investment services to the Fund and that the broker/counterparty to the arrangement has agreed to provide best execution to the Fund.

The Fund did not enter into any of these transactions during the financial period ended 31 December 2020.

**19. Approval of Financial Statements**

The financial statements were approved and authorised for issue, by the Board of Directors on 18 February 2021.

## AIKYA GLOBAL EMERGING MARKETS FUND – UCITS

### SCHEDULE OF INVESTMENTS

As at 31 December 2020

			Acquisition cost US\$	Fair value US\$	% Net assets	
	Quantity	Currency				
<b>A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>						
<b>1) LISTED SECURITIES: SHARES</b>						
<b>BERMUDA</b>						
	Dairy Farm International Holdings Ltd	1,337,600	USD	5,567,664	5,577,792	2.98
				<u>5,567,664</u>	<u>5,577,792</u>	<u>2.98</u>
<b>BRAZIL</b>						
	Banco Bradesco SA	1,046,000	BRL	4,325,752	5,465,411	2.92
	Raia Drogasil SA	391,900	BRL	1,827,313	1,889,256	1.01
				<u>6,153,065</u>	<u>7,354,667</u>	<u>3.93</u>
<b>CAYMAN ISLANDS</b>						
	NetEase Isssnc	197,200	HKD	3,567,350	3,753,841	2.00
	SITC International Holdings Co Ltd	2,101,000	HKD	3,675,401	4,535,907	2.42
	Trip.com Group Ltd	134,419	USD	4,360,768	4,533,953	2.42
				<u>11,603,519</u>	<u>12,823,701</u>	<u>6.84</u>
<b>CHILE</b>						
	Banco de Chile	60,563,998	CLP	5,428,785	6,184,262	3.30
				<u>5,428,785</u>	<u>6,184,262</u>	<u>3.30</u>
<b>HONG KONG</b>						
	AIA Group Ltd	551,000	HKD	5,849,337	6,750,840	3.61
	Vitasoy International Holdings Ltd	790,000	HKD	3,263,453	3,076,923	1.64
				<u>9,112,790</u>	<u>9,827,763</u>	<u>5.25</u>
<b>HUNGARY</b>						
	Richter Gedeon Nyrt	182,179	HUF	4,121,242	4,572,602	2.44
				<u>4,121,242</u>	<u>4,572,602</u>	<u>2.44</u>
<b>INDIA</b>						
	Biocon Ltd	368,660	INR	2,293,000	2,346,144	1.25
	Cyient Ltd	781,041	INR	4,497,743	5,494,304	2.93
	Dr Reddy's Laboratories Ltd	74,968	INR	5,073,872	5,349,617	2.86
	Kotak Mahindra Bank Ltd	177,804	INR	3,900,521	4,855,649	2.59
	Mahindra & Mahindra Ltd	603,711	INR	5,135,356	5,957,585	3.18
	Marico Ltd	1,438,251	INR	7,342,222	7,949,330	4.24
	Tata Consultancy Services Ltd	207,588	INR	7,639,063	8,139,450	4.35
	Tube Investments of India Ltd	209,389	INR	2,348,035	2,290,405	1.22
				<u>38,229,812</u>	<u>42,382,484</u>	<u>22.62</u>
<b>INDONESIA</b>						
	Bank Central Asia Tbk PT	1,976,900	IDR	4,246,094	4,762,852	2.54
	Kalbe Farma Tbk PT	34,882,400	IDR	3,676,125	3,674,445	1.96
				<u>7,922,219</u>	<u>8,437,297</u>	<u>4.50</u>
<b>JAPAN</b>						
	Unicharm Corp	80,000	JPY	3,821,281	3,790,595	2.02
				<u>3,821,281</u>	<u>3,790,595</u>	<u>2.02</u>

## AIKYA GLOBAL EMERGING MARKETS FUND – UCITS

### SCHEDULE OF INVESTMENTS (continued)

As at 31 December 2020

		Quantity	Currency	Acquisition cost US\$	Fair value US\$	% Net assets
<b>A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING (continued)</b>						
<b>1) LISTED SECURITIES: SHARES (continued)</b>						
<b>MALAYSIA</b>						
	Public Bank Bhd	509,000	MYR	2,286,490	2,606,687	1.39
				<u>2,286,490</u>	<u>2,606,687</u>	<u>1.39</u>
<b>MEXICO</b>						
	Fomento Economico Mexicano SAB de CV	1,578,900	MXN	9,976,330	11,959,719	6.38
				<u>9,976,330</u>	<u>11,959,719</u>	<u>6.38</u>
<b>PHILIPPINES</b>						
	Universal Robina Corp	1,962,090	PHP	5,913,528	6,230,673	3.33
				<u>5,913,528</u>	<u>6,230,673</u>	<u>3.33</u>
<b>SOUTH AFRICA</b>						
	AVI Ltd	1,129,917	ZAR	5,586,514	5,632,373	3.01
	Clicks Group Ltd	202,277	ZAR	3,201,080	3,479,488	1.86
				<u>8,787,594</u>	<u>9,111,861</u>	<u>4.87</u>
<b>SOUTH KOREA</b>						
	NAVER Corp	9,090	KRW	2,469,474	2,447,597	1.31
				<u>2,469,474</u>	<u>2,447,597</u>	<u>1.31</u>
<b>SWITZERLAND</b>						
	SGS SA	1,230	CHF	3,361,539	3,715,255	1.98
				<u>3,361,539</u>	<u>3,715,255</u>	<u>1.98</u>
<b>TAIWAN</b>						
	Advantech Co Ltd	448,000	TWD	4,768,116	5,580,468	2.98
	Taiwan Semiconductor Manufacturing Co Ltd	156,000	TWD	2,499,782	2,942,558	1.57
	Uni-President Enterprises Corp	5,503,000	TWD	12,381,679	13,219,891	7.06
	Voltronic Power Technology Corp	85,000	TWD	2,855,308	3,388,142	1.81
				<u>22,504,885</u>	<u>25,131,059</u>	<u>13.42</u>
<b>THAILAND</b>						
	Kasikornbank PCL	1,361,000	THB	4,009,525	5,133,278	2.74
				<u>4,009,525</u>	<u>5,133,278</u>	<u>2.74</u>
<b>UNITED KINGDOM</b>						
	Unilever Plc	195,953	GBP	11,908,725	11,764,316	6.28
				<u>11,908,725</u>	<u>11,764,316</u>	<u>6.28</u>
	<b>TOTAL LISTED SECURITIES : SHARES</b>			<b>163,178,467</b>	<b>179,051,608</b>	<b>95.58</b>
	<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<b>163,178,467</b>	<b>179,051,608</b>	<b>95.58</b>

## AIKYA GLOBAL EMERGING MARKETS FUND – UCITS

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### SCHEDULE OF INVESTMENTS (continued)

As at 31 December 2020

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	Fair Value US\$	% Net Assets
TOTAL FAIR VALUE OF INVESTMENTS	179,051,608	95.58
NET CASH AND CASH EQUIVALENTS	9,723,494	5.19
NET OTHER LIABILITIES	(1,446,076)	(0.77)
<b>TOTAL NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>187,329,026</b>	<b>100.00</b>

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#### ANALYSIS OF TOTAL ASSETS

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Description	% Total Assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING	94.50
CASH AND CASH EQUIVALENTS	5.20
OTHER ASSETS	0.30
<b>TOTAL ASSETS ATTRIBUTABLE TO SHAREHOLDERS</b>	<b>100.00</b>

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## AIKYA GLOBAL EMERGING MARKETS FUND – UCITS

### SIGNIFICANT PORTFOLIO CHANGES

For the financial period from 16 October 2020 (date of launch) to 31 December 2020

#### Purchases

Security	Quantity	Settlement (US\$)	% of Total Purchases
Uni-President Enterprises Corp	5,503,000	12,381,679	7.37
Unilever Plc	195,953	11,908,725	7.09
Fomento Economico Mexicano SAB de CV	1,578,900	9,976,330	5.94
Tata Consultancy Services Ltd	240,110	8,833,930	5.26
Marico Ltd	1,666,192	8,451,888	5.03
Universal Robina Corp	2,099,400	6,309,954	3.76
AIA Group Ltd	551,000	5,849,337	3.48
AVI Ltd	1,129,917	5,586,514	3.32
Dairy Farm International Holdings Ltd	1,337,600	5,567,664	3.31
Mahindra & Mahindra Ltd	640,266	5,438,432	3.24
Banco de Chile	60,563,998	5,428,785	3.23
Dr Reddy's Laboratories Ltd	74,968	5,073,872	3.02
Advantech Co Ltd	448,000	4,768,116	2.84
Banco Bradesco SA	1,129,800	4,661,804	2.77
Cyient Ltd	809,356	4,660,073	2.77
Kasikornbank PCL	1,544,200	4,449,697	2.65
Trip.com Group Ltd	134,419	4,360,768	2.60
Bank Central Asia Tbk PT	1,976,900	4,246,094	2.53
Richter Gedeon Nyrt	182,179	4,121,242	2.45
SITC International Holdings Co Ltd	2,277,000	3,950,671	2.35
Kotak Mahindra Bank Ltd	177,804	3,900,521	2.32
Unicharm Corp	80,000	3,821,281	2.27
Kalbe Farma Tbk PT	34,882,400	3,676,125	2.19
NetEase Inc	197,200	3,567,350	2.12
SGS SA	1,230	3,361,539	2.00
Vitasoy International Holdings Ltd	790,000	3,263,453	1.94
Clicks Group Ltd	202,277	3,201,080	1.91
Voltronic Power Technology Corp	85,000	2,855,308	1.70
Taiwan Semiconductor Manufacturing Co Ltd	156,000	2,499,782	1.49
NAVER Corp	9,090	2,469,474	1.47
Tube Investments of India Ltd	209,389	2,348,035	1.40
Biocon Ltd	368,660	2,293,000	1.36
Public Bank Bhd	509,000	2,286,490	1.36
Raia Drogasil SA	391,900	1,827,313	1.09



## AIKYA GLOBAL EMERGING MARKETS FUND – UCITS

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### SIGNIFICANT PORTFOLIO CHANGES

For the financial period from 16 October 2020 (date of launch) to 31 December 2020 (continued)

#### Sales\*

Security	Quantity	Settlement (US\$)	% of Total Sales
Tata Consultancy Services Ltd	32,522	1,270,259	22.43
Marico Ltd	227,941	1,262,153	22.28
Kasikornbank PCL	183,200	712,812	12.58
Chongqing Brewery Co Ltd	36,900	581,707	10.27
Banco Bradesco SA	83,800	444,584	7.85
Universal Robina Corp	137,310	443,350	7.83
SITC International Holdings Co Ltd	176,000	371,225	6.55
Mahindra & Mahindra Ltd	36,555	345,962	6.11
Cyient Ltd	28,315	197,482	3.49
Commercial International Bank Egypt SAE	9,077	34,631	0.61

\*Represents all aggregate sales during the financial period.

In accordance with the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, a statement of the largest changes in the composition of the Portfolio of Investments during the financial period is provided to ensure that shareholders can identify changes in the investments held by the Fund. These statements present the aggregate purchases and sales of an investment exceeding 1% of the total value of purchases and sales for the financial period or at least the top 20 purchases and sales.