

# **ARAVIS FUNDS (IRELAND) ICAV**

(An open-ended Irish collective asset-management vehicle with registered number C194869 and established as an umbrella fund with segregated liability between subfunds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended))

## **Annual Report and Audited Financial Statements**

**For the financial period from 24 September 2019 (date of incorporation)  
to 31 December 2019**

**TABLE OF CONTENTS**

	Page
Directors and Other Information	3
Report of the Directors	4 – 7
Investment Manager’s Report	8 – 13
Report of the Depositary to the Shareholders	14
Report of the Independent Auditors	15 – 17
Statement of Financial Position	18 – 19
Statement of Comprehensive Income	20
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	21
Notes to the Financial Statements	22 – 38
Schedule of Investments	39 – 40
Significant Portfolio Changes (unaudited)	41
Appendix 1 UCITS V Remuneration Disclosure (unaudited)	42

### DIRECTORS AND OTHER INFORMATION

#### Directors

James Alexander  
Fiona Mulhall\*  
Dennis Murray\*

#### Manager

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2nd Floor Block E  
Iveagh Court  
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Dublin 2  
Ireland

#### Distributor

Aravis Capital Limited  
*Until 12 December 2019:*  
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London  
EC2M 5QQ

#### ICAV Secretary

Carne Global Financial Services Limited  
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Iveagh Court  
Harcourt Road  
Dublin 2  
Ireland

*From 12 December 2019:*

123 Pall Mall  
St. James's  
London  
SW1Y 5EA

#### Administrator

RBC Investor Services Ireland Limited  
4th Floor, One George's Quay Plaza  
George's Quay  
Dublin 2  
Ireland

#### Investment Manager

*In relation to Spyglass US Growth Fund (UCITS)*  
Spyglass Capital Management, LLC  
1 Letterman Drive  
Building C, Suite 3600  
San Francisco CA 94129  
United States of America

#### Legal Advisers as to Irish law

Simmons & Simmons  
Waterways House  
Grand Canal Quay  
Dublin 2  
Ireland

#### Depositary

RBC Investor Services Bank S.A., Dublin Branch  
4th Floor, One George's Quay Plaza  
George's Quay  
Dublin 2  
Ireland

#### Independent Auditors

Deloitte Ireland LLP  
Chartered Accountants and Statutory Audit Firm  
29 Earlsfort Terrace  
Dublin 2  
Ireland

\* Independent Director

All Directors are non-executive

### **DIRECTORS' REPORT**

#### **For the financial period ended 31 December 2019**

The Directors of Aravis Funds (Ireland) ICAV (the "ICAV") present herewith their report together with the audited financial statements of the ICAV for the financial period ended 31 December 2019, which includes Spyglass US Growth Fund (UCITS) (the "Fund"), being the only one Fund in operation at 31 December 2019. The financial statements of the ICAV have been prepared in accordance with the financial reporting standards issued by the Financial Reporting Council and promulgated by the Chartered Accountants Ireland including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", the Irish statute comprising the Irish Collective Asset Management Vehicle Act 2015 (the "ICAV Act 2015"), the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (the "UCITS Regulations 2011") and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "CBI UCITS Regulations 2019").

The ICAV was authorised on 24 September 2019. The Fund was launched on 27 September 2019.

#### **Segregated Liability**

The ICAV is an umbrella fund with segregated liability between the Funds and as such, as a matter of Irish Law, the assets of a Fund will not be exposed to the liabilities of the ICAV's other Funds.

Segregated liability ensures that the liabilities incurred on behalf of a Fund will generally be discharged solely out of the assets of that Fund and there can generally be no recourse to the other Funds to satisfy those liabilities. Each Fund will be responsible for paying its fees and expenses regardless of the level of profitability. Notwithstanding the foregoing there can be no guarantee or assurance that, should an action be brought against the ICAV on a court of another jurisdiction, that the segregated nature of the Fund would necessarily be upheld. As at the end of the financial period, only one Fund was in operation, being Spyglass US Growth Fund (UCITS).

#### **Directors' Responsibilities Statement**

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

The Irish Collective Asset-management Vehicles Act 2015 requires the directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with the financial reporting standards issued by the Financial Reporting Council and promulgated by the Chartered Accountants Ireland including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Under the ICAV Act, 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 period and of the profit or loss of the ICAV for the financial period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with the applicable accounting standards, identify those standards, and note the effect and the reasons for any material departure from those standards; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the ICAV will continue in business.

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

### **DIRECTORS' REPORT**

**For the financial period ended 31 December 2019 (continued)**

#### **Directors' Responsibilities Statement (continued)**

The Directors are responsible for keeping adequate accounting records. To ensure that adequate accounting records are kept in accordance with the ICAV Act, the Directors of the ICAV have employed a service organisation, RBC Investor Services Ireland Limited (the "Administrator"). The accounting records are located at the offices of the Administrator at 4th Floor, One George's Quay Plaza, George's Quay, Dublin 2, Ireland. It 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 Irish Collective Asset-management Vehicles Act 2015 (the "ICAV Act") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 as well as the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011. The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the ICAV. The Directors have delegated the safekeeping of assets of the ICAV to a service organisation, RBC Investor Services Bank S.A., Dublin Branch (the "Depository"). The Directors have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the ICAV Act.

#### **Review of business development, performance, principal activities and future developments**

A detailed review of the business and future developments is included in the Investment Manager's Report on pages 8 to 12.

#### **Results**

The financial position and results of the ICAV for the financial period ended 31 December 2019 are set out on pages 17 to 20.

#### **Distributions**

During the financial period ended 31 December 2019 there were no distributions made by the ICAV.

#### **Risk Management Objectives and Policies**

The assets of each Fund will be invested separately in accordance with the investment objectives and policies of each Fund. The specific investment objective and policies of the Funds will be set out in the relevant Supplement and will be formulated by the Directors in consultation with the respective Investment Manager at the time of creation of the relevant Funds.

The investment objective of the Fund is to seek to achieve long-term capital appreciation with a view to outperforming the Russell 2500™ Growth Total Return Index (the "Benchmark").

Details of the ICAV and the Fund's risk management objectives and policies are included in Note 8 of the financial statements.

#### **Principal risks and uncertainty**

Investment in the ICAV carries with it a degree of risk including, but not limited to, the risks referred to in Note 8 to these financial statements.

#### **Key Performance Indicators**

The Directors consider that the change in Net Asset Value ("NAV") per share is a key indicator of the performance of the ICAV. Key Performance Indicators ("KPIs") monitored by the Directors include month to month movement in the NAV per share and the share capital movements.

### **DIRECTORS' REPORT**

**For the financial period ended 31 December 2019 (continued)**

#### **Employees**

There were no employees of the ICAV throughout the financial period.

#### **Directors**

The names and nationalities of the persons who were directors at any time during the financial period are set out below:

James Alexander (British)

Fiona Mulhall (Irish)

Dennis Murray (Irish)

#### **Directors' and secretary interests**

Details of transactions with related parties are discussed in note 7.

#### **Connected persons**

The Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, Chapter 10, Regulation 42 - Transactions Involving Connected Persons defines a "connected person" as the management company or depositary to a UCITS; and the delegates or sub-delegates of such a management company or depositary (excluding any non-group company sub-custodians appointed by a depositary); and any associated or group company of such a management company, depositary, delegate or sub-delegate.

The Board of Directors is satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in Regulations 43 (1) (a) and (b) of the UCITS Regulations are applied to all transactions with connected persons; and the Board of Directors is satisfied that transactions with connected persons entered into during the financial period were conducted at arm's length and in the best interests of the unit-holders of the UCITS.

#### **Statement of Compliance on Corporate Governance**

The Composition of the Board, the conduct of the Board Proceedings and the Board's exercise of its decision making powers are conducted in accordance with the Corporate Governance Code (the "IF Code") for Irish Domiciled Collective Investment Schemes as published by the Irish Funds ("IF") in December 2011.

#### **Significant events that occurred during the financial period**

The Fund commenced operations on 27 September 2019.

#### **Events since financial period end**

The COVID-19 epidemic is believed to have originated in Wuhan, Hubei, China. While containment efforts were made to slow the spread of the epidemic the outbreak has now spread globally and has led to the World Health Organisation declaring the COVID-19 outbreak a pandemic on 11 March 2020.

The Board is aware that global financial markets have been monitoring and reacting to the outbreak. All markets have incurred increased volatility and uncertainty since the onset of the pandemic.

The Board has also noted the operational risks that are posed to the Fund and its service providers due to global and local movement restrictions that have been enacted by various governments. COVID-19 pandemic is an unprecedented event and the eventual impact on the global economy and markets will largely depend on the scale and duration of the outbreak. The Board will continue to monitor this situation. The ultimate extent of the effect of this on the entity is not possible to estimate at this time.

**DIRECTORS' REPORT**

**For the financial period ended 31 December 2019 (continued)**

**Events since financial period end (continued)**

Since 1 January 2020 to 24 April 2020 the performance of the Fund has been -6.24%. The performance of the benchmark has been -14.60% for the same period.

Subscriptions to the Fund were USD 47,169,347 from 1 January 2020 to 24 April 2020 and redemptions were USD 10,391,376 for the same period.

There were no other significant events since the financial period end affecting the financial statements.

**Independent auditors**

The independent auditors, Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm were appointed as auditors of the ICAV during the year and have indicated their willingness to act as independent auditor, in accordance with section 125 (2) of the ICAV Act 2015.

**On behalf of the Board**

**Fiona Mulhall**  
Director



**Dennis Murray**  
Director

**Date: 27 April 2020**

**DIRECTORS' REPORT**

**For the financial period ended 31 December 2019 (continued)**

**Events since financial period end (continued)**

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**On behalf of the Board**



**Fiona Mulhall**  
Director

**Dennis Murray**  
Director

**Date: 27 April 2020**

**INVESTMENT MANAGER’S REPORT**

**For the financial period ended 31 December 2019**

<b>Spyglass US Growth Fund (UCITS) Performance (as of December 2019)</b>					
	<b>Fourth Quarter 2019</b>	<b>Year to Date</b>	<b>One Year Annualized</b>	<b>Three Years Annualized</b>	<b>Inception to Date <sup>(1)</sup></b>
<b>Spyglass Growth Strategy</b>	<b>10.07%</b>	<b>36.30%</b>	<b>36.30%</b>	<b>30.20%</b>	<b>17.15%</b>
Russell MidCap Growth (TR) <sup>(2)</sup>	8.17%	35.47%	35.47%	17.34%	14.90%
Russell 2500 Growth (TR) <sup>(2)</sup>	10.56%	32.63%	32.63%	15.13%	13.88%
S&P 500 (TR) <sup>(2)</sup>	9.06%	31.48%	31.48%	15.25%	15.33%

Spyglass Growth Strategy performance is a composite calculated in a GIPS compliant manner. Performance numbers are net of fees and unaudited. Past performance does not guarantee future results. There is no guarantee the recommended strategy will be successful.

Performance of the Russell MidCap Growth (TR) Index, the Russell 2500 Growth (TR) Index and the S&P 500 (TR) Index are included for informational purposes and include the reinvestment of dividends. Spyglass Growth Strategy inception date was October 1, 2015.

<sup>(1)</sup> Annualized.

<sup>(2)</sup> Includes dividends.

Spyglass US Growth Fund (UCITS) (“Spyglass”) was up 10.07% (net of fees) for the fourth quarter, which ended on December 31. The Russell Midcap Growth (TR) Index (including dividends) was up 8.17%, the Russell 2500 Growth (TR) Index was up 10.56% and the S&P 500 (TR) Index (including dividends) was up 9.06% for the same period. For the full year of 2019, Spyglass was up 36.30%, the Russell Midcap Growth (TR) Index was up 35.47% (including dividends), the Russell 2500 Growth (TR) Index was up 32.63% and the S&P 500 (TR) Index was up 31.48% (including dividends). Please review the chart above for additional return information.

The fourth quarter of 2019 was relatively uneventful for the Spyglass portfolio. Beginning in late September, there was a persistent bias toward higher prices across the portfolio. As we had discussed earlier in the year, especially during the second and third quarters, we were optimistic for shares to move higher as the underlying fundamentals of the portfolio, on average, were improving while prices moved mostly sideways. While we did not change any of the names in the portfolio in the fourth quarter, we made some meaningful changes to the weightings of some of the holdings. We exited the year feeling optimistic about the positioning of the strategy as we believe it is trading at a significant discount to present value.

As 2019 drew to a close, we looked forward to the first two weeks of January where we would have the opportunity to attend the JP Morgan Healthcare Conference in San Francisco and the Consumer Electronics Show in Las Vegas. Each year, these two events allow Spyglass to focus on the future. At JP Morgan we saw each of our healthcare companies make presentations, and we interacted directly with the management teams. We left the conference with renewed enthusiasm for the positions we hold and broad optimism about the potential for Spyglass to invest in other dynamic companies that are not only likely to materially improve patient outcomes but also substantially lower the overall cost of healthcare. We continue to be focused on the intersection of genomics, data, diagnostics and therapeutics. It is our belief that we are still in the early stages of a sustained transformation in how medicine is practiced, and it is hard to not feel energized by the future we imagine.

At CES in Las Vegas, it was easy to get excited about the future. It was clear that the transportation revolution, defined by electrification and autonomy, that we have been discussing in these letters over the last few years, is finally actually happening. Batteries are powering everything from scooters, to cars, to air taxis ... yes, Bell (the well-known aviation company) was showing off their air taxi that can take off and land vertically and, while airborne, can rotate its rotors to allow forward flight that is assisted by a fixed wing – basically a combination between a four-rotor drone and a small airplane. Uber, the rideshare company, aims to test their service, which will be supported by a Hyundai built air taxi, in Dallas as early as late 2020 or early 2021 with commercial availability in 2023. While futuristic, and of unknown practicality, it will be fascinating to watch urban transportation be radically impacted by some of these technologies. On the terrestrial front, it was clear that all major car manufacturers are focused on moving toward becoming fully electric and integrating more robust driver assistance capabilities that will move us ever closer to a fully autonomous future.

**INVESTMENT MANAGER'S REPORT****For the financial period ended 31 December 2019 (continued)**

Another observation was the impact of robotics in everyday life. Ten years ago, the standard vision of a robotic future was best illustrated by a 'robot' that looked like a cross between a machine and a human. Whereas the robots of today are mostly invisible assistants like Siri, Alexa and "Hey Google" that magically do what we ask or answer our questions. The smart home is not characterized by a robot attending to the needs of the family as a maid might have done in a bygone era. Instead, there is a growing ecosystem of wirelessly connected products (lights, doorbells, thermostats, smoke detectors, cameras, speakers, etc.) that can be controlled by voice or with a few taps of a smartphone.

<b>Largest Positions (as of December 31, 2019)</b>	
<b>Company</b>	<b>% of Portfolio</b>
Palo Alto Networks	5.36%
Proofpoint	5.24%
Ulta Beauty	5.19%
GoDaddy	5.13%
Pacira BioSciences	4.93%

**Palo Alto Networks** is the leading provider of networked firewall appliances in both the hardware and software form factor. Palo Alto Networks' CEO, Nikesh Arora, is working hard to transition the business toward a recurring subscription software model that helps enterprises secure their nascent, but rapidly expanding, cloud infrastructure. Palo Alto Networks' cloud business is adding incremental revenue at a faster rate than even we expected while the Company's legacy hardware firewall business is becoming a smaller piece of the business faster than we assumed. Netting these factors means that Palo Alto Networks is quickly becoming a significant player in cloud security software which we see as an undeniable positive. Palo Alto Networks is the only notable independent player in the public cloud security space, and it has significant product distribution capabilities making it a formidable competitor. We remain excited about the Company's prospects.

**Proofpoint**, a leader in email and next generation information technology security, remains a large holding for Spyglass. We originally purchased shares in 2015, and the Company has executed extremely well over the last four years. When we met with the Company in the summer of 2015, management described a scenario where Proofpoint would be able to sustain a revenue growth rate above 20% and eventually generate free cash flow margins in excess of 20%. In 2015, Proofpoint generated \$265 million in revenue and about \$20 million in free cash flow. In 2019, we expect the Company to post revenue of more than \$880 million, representing a 49% annual increase in revenues over the last four years and more than \$200 million in free cash flow or a 10x improvement in profitability. Proofpoint continues to deliver rapid top line growth and industry-leading conversion rates of its revenue to free cash flow – approximately 23 cents of every dollar of revenue ends up as free cash flow. In an environment where investors seem enthralled with revenue growth, we continue to prefer to focus on businesses that can not only deliver strong top line growth but have a clear path to high levels of profitability, as well. We believe that Proofpoint's stock is trading at a discount to what other investors should be willing to pay.

**Ulta Beauty**, the largest beauty retailer in the United States, became a top holding during the fourth quarter as we used a significant price decline in the early autumn to meaningfully increase our position size. Ulta's largest category, cosmetics, experienced a pronounced slowdown earlier this year as its vendors, the companies that supply Ulta Stores with products, appeared to be out of sync with customer preferences and their new products failed to generate excitement. In any fashion-oriented business, this can happen from time to time. The fundamental question is whether Ulta's stores are becoming less relevant to its customers and thus what appears to be temporary is in fact permanent. We are confident that Ulta will be able to energize its core customer and drive healthy gains in its sales metrics in the years ahead. The CEO of Ulta, Mary Dillon, is a superstar. Under her leadership, Ulta has established a customer loyalty program called Ultamates with more than 33 million members. This program allows Ulta to provide customers with unmatched personalization of their shopping experience both online and in store, and it gives Ulta the ability to precisely target marketing to specific audiences. We are excited to see the results that the Company will report in the years ahead.

**INVESTMENT MANAGER’S REPORT**

**For the financial period ended 31 December 2019 (continued)**

**GoDaddy** is the world’s leading domain registrar and online presence provider to small and mid-sized businesses (SMBs). We believe that investors underestimate the competitive position that GoDaddy enjoys. GoDaddy not only helps SMBs develop an online presence, but it acts as an IT consultant too. GoDaddy will help generate an email marketing campaign and provide advice on what information technology tools these companies might need. We recently spent time with GoDaddy’s new CEO, Aman Bhutani, whom we believe is highly capable of taking GoDaddy’s business to the next level, and we are excited to watch the company execute on its vision.

**Pacira BioSciences**, a leader in non-opioid, post-surgical pain management, has been a long-time Spyglass holding. The opioid crisis is a quiet epidemic that is wreaking havoc on broad sections of the nation, and we believe Pacira is in a position to dramatically improve the way post-surgical pain is managed while reducing the numbers of opioids prescribed. In 2017, there were over 47,000 opioid related overdose deaths. If this was a form of cancer, it would be the second most deadly type of cancer behind lung cancer. More people died from opioid overdoses in 2017 than from breast, colon or pancreatic cancer. Tragically, this number jumped by nearly 3x since 2007. A major source of the increase has been traced back to legal prescriptions written by doctors to manage post-surgical pain. Pacira makes a drug, Exparel, that has shown to meaningfully reduce or remove the need for opioids to manage pain in the post-surgical period. The Company pre-announced solid fourth quarter and full year 2019 sales numbers in early January which represented the second consecutive year of accelerating revenue growth.

<b>Top Contributors for the Quarter</b>	
<b>Company</b>	<b>Percent Impact</b>
Advanced Micro Devices	2.07%
DexCom	1.70%
Ascendis Pharma	1.50%
Nutanix	1.10%
Splunk	1.07%
<i>As of December 31, 2019. Past performance does not guarantee future results.</i>	

**Advanced Micro Devices**, a leading semiconductor company, benefited from a strong new lineup of products and important datacenter customer wins which were announced throughout the second half of 2019. These announcements, coupled with strong earnings, drove the shares to all-time highs.

**DexCom**, a leader in diabetes management through its continuous glucose monitoring system, enjoyed strong stock performance in the quarter that can largely be attributed to spectacular fundamental quarterly results. DexCom posted impressive revenue growth of 49% and solid operating margins of approximately 15% (up nearly 1,000 basis points year-over-year). We believe that continuous glucose monitoring is becoming the standard of care among diabetes patients, and that Dexcom is in an excellent position to benefit from this trend.

**Ascendis Pharma**, a late stage biotechnology company that is developing a specialized drug delivery technology, was a top performer in the quarter. Ascendis has a drug in development through its TransCon PTH program which aims to address the hypoparathyroidism market. In September, the FDA issued a recall of Natpara, a competitor’s drug and currently the only approved treatment for hypoparathyroidism. Although this was an unfortunate development for patients, the removal of Natpara from the market left patients with no possible treatments and enabled Ascendis to do three things: 1) expand its potentially pivotal phase II trial of TransCon PTH to include a Natpara switching arm, 2) enroll the PTH trial faster than it would have otherwise, and 3) allowed Ascendis a pathway to potential approval of TransCon PTH without conducting a phase III trial. We believe that TransCon PTH could become the Company’s highest value asset. Additionally, BioMarin, a high-profile orphan disease player, released positive phase III results for its achondroplasia drug candidate, Vosoritide. Ascendis is in the early stages of developing a long acting version of BioMarin’s Vosoritide, and we believe that Ascendis investors reacted positively to the Vosoritide readout. We await the PTH phase II readout in March and will provide details in our first quarter letter.

**INVESTMENT MANAGER’S REPORT**

**For the financial period ended 31 December 2019 (continued)**

**Nutanix**, a leading provider of infrastructure software to enterprise customers, posted stronger than anticipated results. After a challenging year where Nutanix managed through two complex business model transitions, investors appeared increasingly satisfied with the predictability of future results and paid higher prices.

**Splunk**, a software company whose mission is to make machine data accessible, valuable and usable to everyone in an organization, enjoyed strong share price performance in the quarter. We attended the Company’s annual “.conf” (pronounced dot-conf) event, which is their annual user conference, in Las Vegas during the fourth quarter. We were suitably impressed by interactions with management and customers. Over the course of 2019, we did a “beginner’s mind” deep dive on both Splunk’s business model and revenue accounting to better understand the Company’s true annualized recurring revenue run rate and longer-term commercial prospects. In the weeks and months leading up to .conf, we became more optimistic about both Splunk’s valuation and competitive positioning. After attending the event, we were even more excited about the Company’s prospects and confident in our thesis and we added to the position.

<b>Bottom Contributors for the Quarter</b>	
<b>Company</b>	<b>Percent Impact</b>
Twitter	-1.38%
Proofpoint	-0.74%
Arista Networks	-0.49%
IMAX	-0.14%
Zuora	-0.12%

*As of December 31, 2019. Past performance does not guarantee future results.*

**Twitter** was an under-performer in the quarter. Since our investment in Twitter in late 2018, the Company has made tremendous progress toward growing both the size of and engagement level with its audience. Over our investable time horizon, we deem these two metrics to be the most important in measuring value creation at Twitter. However, in the most recent quarter, Twitter announced that it (1) saw unusually high levels of seasonality and (2) discovered a device settings bug that provided more user data than anticipated to advertisers. While these two hiccups are disappointing, we believe that Twitter’s core value proposition of being the best way to discover what is happening in the world in real time remains unrivaled, and we believe it continues to represent the best way to engage in the public conversation.

**Proofpoint**, which was discussed at length in our “Largest Positions” section, was up nearly 50% in the first nine months of 2019. In the fourth quarter, however, the stock took a break and gave back a modest amount of ground.

**Arista Networks**, a leader in enterprise networking solutions that uses software innovations to address the needs of large-scale software companies, was an underperformer in the quarter and had a difficult year as major customers modified their purchase behavior. We remain quite upbeat about the longer-term prospects for Arista’s shares and used the weakness to add to our position.

**IMAX**, the leader in large-format motion pictures, was another under-performer in the quarter. The Company’s recent operating performance has been solid, but investors were concerned about a less robust lineup of blockbuster films in late 2020. IMAX has failed to meet or exceed our internal expectations in 2019. When this happens, our process requires a deep dive on the fundamentals and a comprehensive review by the team. We will report back at the end of the first quarter with our findings and updated thoughts.

**Zuora**, a software leader that helps companies manage subscription-based businesses, saw its stock price move essentially sideways during the quarter despite evidence of what we believe was solid operational progress. The Company reported strong third quarter operating results with subscription revenue growing 25%, announced the hiring of Robbie Traube as the Company’s new Head of Sales, and announced a new Head of Global Alliances. We believe that Zuora has made meaningful product and operational improvements since our initial investment in mid-2019, and we are excited to watch the company execute in 2020.

### INVESTMENT MANAGER'S REPORT

For the financial period ended 31 December 2019 (continued)

#### New Positions and Exits

In the fourth quarter, we did not make any changes to the names in the portfolio. However, we have some exciting candidates and it is our expectation that you will see some changes in the months ahead. As a reminder, we keep a fixed number of 25 companies in the portfolio. Whenever we decide to buy a new holding or sell an existing holding, we need to take an offsetting action of that buy or sell.

#### Significant Weighting Changes

We made some meaningful weighting changes during the quarter, largely in reaction to the stock price movements that modified the relationship between the stock price and its present value. During the quarter, we added to **Ulta Beauty**, **Arista Networks**, and **Exact Sciences**.

Shares of **Ulta Beauty**, discussed above in our "Largest Positions" section, fell sharply in late August. However, after a thorough review of the thesis and the new facts, we became satisfied that the issues facing the Company were transitory and our long-term share price targets were not affected by the uneven results that the Company posted. As a result, we used the significant share price weakness to add to our position. We are not forecasting an immediate rebound in the fundamentals. In fact, we do not think we have any meaningful insight into the short-term business performance, but we do believe the fundamentals are likely to improve in the quarters ahead - and if we are right - we would expect investors to become more optimistic on the shares.

**Arista Networks** was discussed in the "Bottom Contributors" section of this letter. We used the price weakness to accumulate additional shares.

**Exact Sciences**, a leading colon cancer screening company, has been in the portfolio since 2016 but has remained a relatively small weighting as the stock price seemed unwilling to correct over much of the prior two years. In the fourth quarter, we were given an opportunity to add to our position. The stock price sagged as investors seemed to wonder if the Company could sustain the pace of its growth and there were persistent rumors of impending competition from blood-based tests. After a complete review of the thesis and conversations with management about the long-term trajectory of the business, we maintained our positive view of the Company's competitive position and added shares to our position.

During the quarter, we trimmed three positions: **Dexcom**, **Advanced Micro Devices**, and **Nutanix**. All three companies were strong performers during the fourth quarter, and, as the shares moved closer to present value, we reduced our exposure.

#### Summary

As we exit 2019, we are pleased with the performance of the strategy over the quarter and the year. We continue to believe that there is a growing universe of dynamic small and medium-sized U.S. companies that are well positioned to experience sustained periods of growth as the economy is impacted by significant forces. Technology is fundamentally changing the way the economy functions, and consumers have never had more choice. At Spyglass, we focus our investments into companies that are customer-centric and are either the leader, or likely to become the leader, in their industry through the persistent improvement in the quality of their product or service offerings. We will continue to invest your money alongside ours. Thank you for investing with us.

The Spyglass response to the *COVID-19* pandemic developments has been to activate the Business Continuity Plan ("BCP") effective March 17, 2020. The BCP was activated to ensure continuation of services to Spyglass clients and enhance the safety of our employees. The Spyglass BCP was developed and tested to provide protocols in an emergency such as this. These procedures are designed to limit disruption in services and maintain efficient and effective operations. Spyglass has performed comprehensive firm-wide business continuity and disaster recovery testing over the years and previously implemented its BCP during the California wildfires of 2018. As a result, Spyglass has a well-defined plan and its controls and policies are effective.

**INVESTMENT MANAGER'S REPORT**

**For the financial period ended 31 December 2019 (continued)**

**Summary (continued)**

Spyglass employees are, with limited exception, working from home with complete virtual access to cloud-based files, internet applications and other resources. This includes all aspects of operations. Spyglass continues to conduct its day-to-day operations inclusive of equity research, portfolio analysis, trading and middle and back office daily procedures. Currently, operations have not been compromised and systems are functioning properly.

All travel has been cancelled and meetings are being conducted by telephone or video conference. Spyglass continues to conduct its regularly scheduled daily and weekly meetings via video conference which includes robust screen sharing capabilities.

Spyglass's Chief Compliance Officer, William Minor, is the designated Business Continuity Officer and is responsible for serving as the communication liaison between Spyglass and the federal and state regulatory agencies. He is monitoring the COVID-19 crisis to ensure business operations are not adversely impacted and that employees and their families are aware of the protective measures to reduce risk.

With regard to Market Disclosure and our obligations under the Market Abuse Regulation, we are continuously updating our models and assessing the dynamic situation, but as long-term investors in these companies we continue to have confidence in their long-term operating results. While it is nearly impossible to predict the exact impact of the crisis on operations in the short term, we have conducting extensive analysis of the liquidity and balance sheet strength of our portfolio holdings, and thus far we are quite satisfied.

From a financial reporting perspective, it is difficult to precisely determine the near-term effects on the operating results of our portfolio holdings. Our assessment thus far is that the long-term operating expectations remain intact. We have thoroughly reviewed available filings and financial information, and we remain confident in the ability of our portfolio holdings to manage through this unprecedented period.

Our risk management and portfolio management techniques remain consistent and rigorous.

Spyglass Capital Management, LLC  
March 2020



**Report of the Depositary to the Shareholders  
For the period 24 September\* to 31 December 2019**

As required by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) ("the Regulations") and solely within the context of our oversight duties as depositary, we are pleased to present our report as follows.

In our opinion, Aravis Funds (Ireland) ICAV (the "ICAV") has been managed for the period 24 September\* to 31 December 2019:

- (i) In accordance with the limitations imposed on the investment and borrowing powers of the ICAV by the instrument of incorporation and the Regulations; and
- (ii) Otherwise in accordance with the provisions of the instrument of incorporation and the Regulations.

**RBC INVESTOR SERVICES BANK S.A.  
DUBLIN BRANCH**

**Date:** 16 March 2020

*\*Date of appointment of Depositary*

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ARAVIS FUNDS (IRELAND) ICAV

### Report on the audit of the annual accounts

#### Opinion on the annual accounts of Aravis Funds (Ireland) (the 'ICAV')

In our opinion the annual accounts:

- give a true and fair view of the assets, liabilities and financial position of the ICAV as at 31 December 2019 and of the profit for the financial period then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and the applicable Regulations.

The annual accounts we have audited comprise:

- the Statement of Financial Position;
- the Statement of Comprehensive Income;
- the Statement of Changes in Net Assets attributable to holders of Redeemable Participating Shares; and
- the related notes 1 to 17, including a summary of significant accounting policies as set out in note 3.

The relevant financial reporting framework that has been applied in their preparation is the Irish Collective Asset-management Vehicles Act 2015 ("the ICAV Act") and FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council ("the relevant financial reporting framework").

The applicable regulations that have been applied in their preparation is the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019 ("the applicable Regulations").

#### 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 described below in the "*Auditor's responsibilities for the audit of the annual accounts*" section of our report.

We are independent of the ICAV in accordance with the ethical requirements that are relevant to our audit of the annual accounts in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the directors' use of the going concern basis of accounting in preparation of the annual accounts is not appropriate; or
- the directors have not disclosed in the annual accounts any identified material uncertainties that may cast significant doubt about the ICAV's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the annual accounts are authorised for issue.

#### Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the annual accounts and our auditor's report thereon. Our opinion on the annual accounts 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.

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## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ARAVIS FUNDS (IRELAND) ICAV**

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts 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 annual accounts 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.

### **Responsibilities of directors**

As explained more fully in the Directors' Responsibilities Statement, the directors are responsible for the preparation of annual accounts that give a true and fair view and have been properly prepared in accordance with the ICAV Act, and for such internal control as the directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, 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 the directors either intend to liquidate the ICAV or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the annual accounts**

Our objectives are to obtain reasonable assurance about whether the annual accounts 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 annual accounts.

As part of an audit in accordance with ISAs (Ireland), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ICAV's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ICAV's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.

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## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF ARAVIS FUNDS (IRELAND) ICAV**

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

This report is made solely to the ICAV's shareholders, as a body, in accordance with Section 120(1)(b) of the ICAV Act. Our audit work has been undertaken so that we might state to the ICAV's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the ICAV and the ICAV's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

### **Report on other legal and regulatory requirements**

#### **Matters on which we are required to report by the ICAV Act and the applicable Regulations**

In our opinion, the information given in the directors' report is consistent with the annual accounts and the directors' report has been prepared in accordance with the ICAV Act.

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

Based on the knowledge and understanding of the ICAV and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the ICAV Act which require us to report to you if, in our opinion, the disclosures of directors' remuneration specified by the ICAV Act are not made.

#### **Opinion on other matters prescribed by the applicable Regulations**

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the ICAV were sufficient to permit the annual accounts to be readily and properly audited.
- The annual accounts are in agreement with the accounting records.



Michael Hartwell  
For and on behalf of Deloitte Ireland LLP  
Chartered Accountants and Statutory Audit Firm  
Deloitte & Touche House, Earlsfort Terrace, Dublin 2

28 April 2020

## ARAVIS FUNDS (IRELAND) ICAV

### STATEMENT OF FINANCIAL POSITION As at 31 December 2019

	Note	Spyglass US Growth Fund (UCITS)* 31 December 2019 USD
<b>Assets</b>		
Financial assets at fair value through profit or loss		
Investments in transferable securities	3,9	311,327,522
Cash at bank	10	6,588,910
Amount receivable from subscriptions		1,638,215
Amount receivable on sales of securities		7,563,211
Interest and dividend receivable, net		54,565
Fee reimbursement receivable		14,267
Other assets		93,054
		<b>327,279,744</b>
<b>Liabilities</b>		
Amount payable on purchases of securities		12,359,252
Amount payable on redemptions		53,602
Investment management and distribution fees payable	6	250,584
Manager fees payable	6	19,407
Depositary fees payable	6	15,845
Administrator fees payable	6	9,992
Audit fees payable	6	14,031
Legal fees payable		1,407
Directors fees and expenses payable	6	6,783
Other liabilities		8,703
		<b>12,739,606</b>
<b>Net assets attributable to redeemable participating shareholders (in accordance with the Prospectus)</b>		<b>314,540,138</b>
Redeemable participating shares – Class F GBP Accumulating**		133,990.000
Net asset value per share – Class F GBP Accumulating		£10.616
Redeemable participating shares – Class F USD Accumulating***		4,709,068.548
Net asset value per share – Class F USD Accumulating		\$10.985
Redeemable participating shares – Class F USD Distributing***		3,358,673.000
Net asset value per share – Class F USD Distributing		\$10.985
Redeemable participating shares – Class FP EUR Distributing****		223,955.981
Net asset value per share – Class FP EUR Distributing		€10.704
Redeemable participating shares – Class FP GBP Distributing****		14,634,028.108
Net asset value per share – Class FP GBP Distributing		£10.499

\* Spyglass US Growth Fund (UCITS) was launched on 27 September 2019, and therefore no comparatives are available.

\*\* Launched on 25 October 2019.

\*\*\* Launched on 27 September 2019.

\*\*\*\* Launched on 15 October 2019.

## ARAVIS FUNDS (IRELAND) ICAV

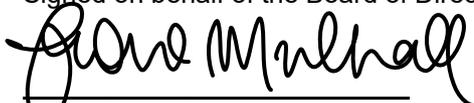
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### STATEMENT OF FINANCIAL POSITION (continued) As at 31 December 2019

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	<b>Spyglass US Growth Fund (UCITS)* 31 December 2019 USD</b>
Redeemable participating shares – Class FP USD Distributing**	1,430,106.256
Net asset value per share – Class FP USD Distributing	\$10.885
Redeemable participating shares – Class I EUR Accumulating***	1,000.000
Net asset value per share – Class I EUR Accumulating	€10.112
Redeemable participating shares – Class I USD Accumulating****	201,745.000
Net asset value per share – Class I USD Accumulating	\$10.969
Redeemable participating shares – Class I USD Distributing*****	1,000.000
Net asset value per share – Class I USD Distributing	\$9.950

Signed on behalf of the Board of Directors:



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**Fiona Mulhall**  
Director

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**Dennis Murray**  
Director

27 April 2020

\* Spyglass US Growth Fund (UCITS) was launched on 27 September 2019, and therefore no comparatives are available.

\*\* Launched on 15 October 2019.

\*\*\* Launched on 3 December 2019.

\*\*\*\* Launched on 24 October 2019.

\*\*\*\*\* Launched on 23 December 2019.

The accompanying notes form an integral part of the financial statements.

## ARAVIS FUNDS (IRELAND) ICAV

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### STATEMENT OF FINANCIAL POSITION (continued) As at 31 December 2019

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	<b>Spyglass US Growth Fund (UCITS)* 31 December 2019 USD</b>
Redeemable participating shares – Class FP USD Distributing**	1,430,106.256
Net asset value per share – Class FP USD Distributing	\$10.885
Redeemable participating shares – Class I EUR Accumulating***	1,000.000
Net asset value per share – Class I EUR Accumulating	€10.112
Redeemable participating shares – Class I USD Accumulating****	201,745.000
Net asset value per share – Class I USD Accumulating	\$10.969
Redeemable participating shares – Class I USD Distributing*****	1,000.000
Net asset value per share – Class I USD Distributing	\$9.950

Signed on behalf of the Board of Directors:

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**Fiona Mulhall**  
Director

  
**Dennis Murray**  
Director

**27 April 2020**

\* Spyglass US Growth Fund (UCITS) was launched on 27 September 2019, and therefore no comparatives are available.

\*\* Launched on 15 October 2019.

\*\*\* Launched on 3 December 2019.

\*\*\*\* Launched on 24 October 2019.

\*\*\*\*\* Launched on 23 December 2019.

The accompanying notes form an integral part of the financial statements.

## ARAVIS FUNDS (IRELAND) ICAV

### STATEMENT OF COMPREHENSIVE INCOME

For the financial period from 24 September 2019 (date of incorporation)  
to 31 December 2019

	Note	Spyglass US Growth Fund (UCITS)* 31 December 2019 USD
<b>Income</b>		
Net gain on financial assets and financial liabilities at fair value through profit or loss	13	24,728,662
Dividends		153,636
Bank interest		25,260
<b>Total investment income</b>		<b>24,907,558</b>
<b>Operating expenses</b>		
Investment management and distribution fees	6	309,751
Manager fees	6	19,407
Administrator fees	6	9,992
Audit fees	6	14,031
Bank interests		1,758
Depository fees	6	15,845
Directors' fees and expenses	6	9,961
Legal fees		1,407
Formation expenses		5,311
Transaction costs		239,159
Other expenses		9,902
<b>Total operating expenses</b>		<b>636,524</b>
Expense reimbursement		(14,267)
<b>Net expenses</b>		<b>622,257</b>
<b>Operating profit</b>		<b>24,285,301</b>
Withholding tax	4	(46,091)
<b>Profit for the financial period after withholding tax</b>		<b>24,239,210</b>

\* Spyglass US Growth Fund (UCITS) was launched on 27 September 2019, and therefore no comparatives are available.

The accompanying notes form an integral part of the financial statements.

## ARAVIS FUNDS (IRELAND) ICAV

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

For the financial period from 24 September 2019 (date of incorporation) to 31 December 2019

	Note	Spyglass US Growth Fund (UCITS)* 31 December 2019 USD
<b>Net assets attributable to redeemable participating shareholders at beginning of the financial period</b>		-
<b>Profit for the financial period after withholding tax</b>		24,239,210
<b>Change due to subscriptions and redemptions of redeemable participating shares</b>		
Subscriptions		<b>292,483,539</b>
Class F GBP Accumulating		1,734,868
Class F USD Accumulating		46,905,879
Class F USD Distributing		33,887,864
Class FP EUR Distributing		2,478,600
Class FP GBP Distributing		191,065,437
Class FP USD Distributing		14,363,695
Class I EUR Accumulating		11,032
Class I USD Accumulating		2,026,164
Class I USD Distributing		10,000
Redemptions		<b>(2,182,611)</b>
Class F GBP Accumulating		(13,765)
Class F USD Distributing		(222,197)
Class FP GBP Distributing		(1,895,509)
Class FP USD Distributing		(41,957)
Class I USD Accumulating		(9,183)
Net increase in net assets resulting from redeemable participating share transactions	5	<u>290,300,928</u>
<b>Net assets attributable to redeemable participating shareholders at end of financial period</b>		<b><u>314,540,138</u></b>

\* Spyglass US Growth Fund (UCITS) was launched on 27 September 2019, and therefore no comparatives are available.

The accompanying notes form an integral part of the financial statements.

# ARAVIS FUNDS (IRELAND) ICAV

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## NOTES TO THE FINANCIAL STATEMENTS for the financial period ended 31 December 2019

### 1. Reporting entity

Aravis Funds (Ireland) ICAV (the "ICAV") is constituted as an open-ended umbrella fund with segregated liability between Funds registered in Ireland on 17 June 2019 under the Irish Collective Asset-management Vehicles Act 2015 (the "ICAV Act") and authorised by the Central Bank of Ireland as an Undertaking for Collective Investment in Transferable Securities ("UCITS") pursuant to 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 (together the "UCITS Regulations"). The ICAV's registration number is C194869.

The ICAV is organised in the form of an Umbrella Fund. Each Fund has a distinct portfolio of investments. As at 31 December 2019, the ICAV has one active Fund: Spyglass US Growth Fund (UCITS) (the "Fund"). The Fund was launched on 27 September 2019.

The investment objective of the Fund is to seek to achieve long-term capital appreciation with a view to outperforming the Russell 2500™ Growth Total Return Index (the "Benchmark").

### 2. Basis of preparation

The principal accounting policies and estimation techniques applied in the preparation of these financial statements are set out below:

#### (a) Statement of compliance

The financial statements have been prepared in accordance with the financial reporting standards issued by the Financial Reporting Council and promulgated by the Chartered Accountants Ireland including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and Irish law comprising the Irish Collective Asset Management Vehicle Act 2015 (the "ICAV Act") and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (the "Regulations"), and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (undertakings for Collective Investment in Transferable Securities) Regulations 2019 (together, "the UCITS Regulations").

#### (b) 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. The financial statements are prepared on a going concern basis.

#### (c) Use of estimates and judgements

The preparation of financial statements in conformity with "The Financial Reporting Standard applicable in the UK and Republic of Ireland" issued by the Financial Reporting Council ("FRS 102"), 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 historical 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.

The ICAV has availed of the exemption available to open-ended investment funds under FRS 102 Section 7.1.A "Cash Flow Statements" (revised) not to prepare a cash flow statement.

In arriving at the results for the financial period under review, all amounts in the Statement of Comprehensive Income relate to continuing operations.

#### 3. Significant accounting policies

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

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

Pursuant to IFRS 9 the ICAV classifies its investments based on both the ICAV's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The ICAV is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

Equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. The ICAV has not taken the option to irrevocably designate any equity or bond securities as fair value through other comprehensive income.

###### *(ii) Initial Measurement*

Financial instruments categorised at fair value through profit or loss are measured initially at fair value, with transaction costs for such instruments being recognised immediately in the Statement of Comprehensive Income. Financial assets and liabilities not at fair value through profit or loss are recognised initially at fair value plus transaction costs that are directly attributable to their acquisition or issue.

###### *(iii) Subsequent measurement*

After initial measurement, the ICAV measures financial instruments which are classified as at fair value through profit or loss, at their fair value. Subsequent changes in the fair value of financial instruments at fair value through profit or loss are recognised in the Statement of Comprehensive Income. 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 in an active market. The ICAV measures instruments quoted in an active market at last traded price, because this price provides a reasonable approximation of exit price.

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, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

###### *(iv) De-recognition*

The ICAV de-recognises 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 in accordance with IFRS 9. The ICAV derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

## NOTES TO THE FINANCIAL STATEMENTS for the financial period ended 31 December 2019 (continued)

### 3. Significant accounting policies (continued)

#### (b) Transaction Costs

Transaction costs include brokerage cost and commissions and correspondence fees for transferring securities or investments or other interests and are payable from the assets of the Fund. Transaction costs relate to the purchase and sale of investments and are recognised in operating expenses in the Statement of Comprehensive Income.

#### (c) Net Gain/Loss on Financial Assets and Liabilities at Fair Value through Profit or Loss

Results arising from trading activities are recognised in the Statement of Comprehensive Income. Included are all realised and unrealised fair value changes of financial instruments and foreign exchange differences, but excludes interest and dividend income which are presented separately in the Statement of Comprehensive Income.

#### (d) Income Tax

Dividend, interest income and capital gains (if any) received by the Fund might be subject to withholding tax imposed in the country of origin. Dividend income is recognised in the Statement of Comprehensive Income on the date upon which the related security is first listed as “ex-dividend”. Dividend income is shown gross of any non-recoverable withholding taxes and net of any tax credits.

#### (e) Functional and Presentation Currency

The functional currency of the Fund is United States dollar (“USD”). The functional currency choice is based on the active currency of the Fund. The presentational currency of the ICAV is USD. Foreign currency assets and liabilities are translated into USD at the exchange rate ruling at the financial period end. The cost of investment securities expressed in currencies other than USD are translated into USD at the exchange rate prevailing at the purchase date.

Transactions in foreign currencies are translated into the functional currency of the Fund at the exchange rate at the date of the transaction. The portion of realised gains and losses on sale of investments that result from changes in the foreign exchange rates between the date of purchases and sales are included in net gains/(losses) on financial assets at fair value through profit or loss in the Statement of Comprehensive Income.

The rates of exchange at 31 December 2019 for USD were:

Euro (“EUR”)	1.122500
British Pound Sterling (“GBP”)	1.324750

#### (f) Redeemable Participating Shares

Redeemable participating shares are redeemable at the shareholder’s option. They are classified as financial liabilities and are measured at the market value of the redemption amounts.

#### (g) Cash and Cash Equivalents

Cash and cash equivalents comprise current deposits with the Depositary. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investments or other purposes.

## ARAVIS FUNDS (IRELAND) ICAV

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### NOTES TO THE FINANCIAL STATEMENTS for the financial period ended 31 December 2019 (continued)

#### 4 Taxation

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

Generally a chargeable event arises on any distribution, redemption, repurchase, cancellation, transfer of shares or on the ending of a "Relevant Period". A "Relevant Period" being an eight year period beginning with the acquisition of the shares by the shareholders and each subsequent period of eight years beginning immediately after the preceding Relevant Period.

A gain on a chargeable event does not arise in respect of:

- i) A shareholder who is not an Irish resident and not resident in Ireland at the time of the chargeable event provided the necessary signed statutory declarations are held by the ICAV and its Fund; or
- ii) Certain exempted Irish resident investors who have provided the ICAV and its Fund with the necessary signed statutory declarations; or
- iii) Any transactions in relation to shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland; or
- iv) An exchange of shares representing one Fund for another Fund of the ICAV; or
- v) An exchange of shares arising on a qualifying amalgamation or restructuring of the ICAV with another ICAV; or
- vi) Certain exchanges of shares between spouses and former spouses.

In the absence of an appropriate declaration, the ICAV or its Funds will be liable to Irish tax on the occurrence of a chargeable event. There was no chargeable event during the period.

Capital gains, dividends and interest received by the Funds may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the Funds or its Shareholders.

Where the chargeable event is a deemed disposal and the value of shares held by Irish Residents who are not Exempt Investors is less than 10% of the value of the total shares in the ICAV (or a Fund, as applicable), and the ICAV has made an election to report annually to the Irish Revenue Commissioners certain details for such Shareholder and has advised the Shareholder concerned in writing, the ICAV will not be obliged to deduct appropriate tax. The Shareholder must instead pay tax on the deemed disposal on a self-assessment basis. To the extent that any tax arises on a deemed disposal, such tax will be allowed as a credit against any tax payable on a subsequent chargeable event in respect of the relevant shares. On the eventual disposal by the Shareholder of their shares, a refund of any unutilised credit will be payable. In the case of shares held in a recognised clearing system, the Shareholders may have to account for the tax arising at the end of a relevant period on a self-assessment basis.

No gain will be treated as arising to the ICAV on the happening of a chargeable event in relation to a Shareholder who is not Irish Resident at the time of the chargeable event or in relation to an Irish Resident Shareholder which is an Exempt Investor provided in each case that the requisite tax declaration in the form prescribed by the Irish Revenue Commissioners for the purposes of Section 739D TCA, where applicable, (the "Declaration") has been provided to the ICAV by the Shareholder.

### **NOTES TO THE FINANCIAL STATEMENTS for the financial period ended 31 December 2019 (continued)**

#### **4. Taxation (continued)**

Income and capital gains in respect of assets of the ICAV situated in countries other than Ireland may be subject to taxes including withholding taxes, imposed by such countries. The ICAV may not be able to avail of an exemption from, or reduced rate of, withholding tax by virtue of the double taxation treaties in operation between Ireland and other countries. The ICAV may not therefore be able to reclaim withholding tax suffered by it in particular countries. If this position changes in the future and the application of an exemption or lower rate results in a repayment to the ICAV, the Net Asset Value of the ICAV or a Fund will not be restated and the benefit will be allocated to the then-existing Shareholders rateably at the time of repayment.

#### **5. Share capital**

The share capital of the ICAV shall at all times equal the Net Asset Value of the ICAV. The Directors are empowered to issue two subscriber shares of €1 each and 100,000,000,000 unclassified participating shares of no par value in the ICAV at the Net Asset Value per Share on such terms as they may think fit. There are no rights of pre-emption upon the issue of shares in the ICAV. The subscriber shares do not participate in the assets of the Fund.

Each of the shares entitles the shareholder to participate equally on a pro rata basis in the dividends and net assets of a Fund attributable to the relevant share class in respect of which they are issued, save in the case of dividends declared prior to becoming a shareholder. The subscriber shares' entitlement is limited to the amount subscribed and accrued interest thereon.

The proceeds from the issue of shares shall be applied in the books of the ICAV to the relevant Fund and shall be used in the acquisition on behalf of the relevant Fund of assets in which a Fund may invest. The records and accounts of each Fund shall be maintained separately.

The Directors reserve the right to predesignate any share class from time to time, provided that shareholders in that share class shall first have been notified by the ICAV thirty calendar days in advance that the shares will be predesignated and shall have been given the opportunity to have their shares redeemed by the ICAV, except that this requirement shall not apply where the Directors predesignate shares in issue in order to facilitate the creation of an additional share class.

Each of the shares entitles the holder to attend and vote at meetings of the ICAV and of the relevant Fund represented by those shares. No share class confers on the holder thereof any preferential or pre-emptive rights or any rights to participate in the profits and dividends of any other share class or any voting rights in relation to matters relating solely to any other share class.

Any resolution to alter the share class rights requires the approval of three quarters of the holders of the shares represented or present and voting at a general meeting duly convened in accordance with the Instrument of Incorporation.

The Instrument of Incorporation of the ICAV empowers the Directors to issue fractional shares in the ICAV. Fractional shares may be issued and shall not carry any voting rights at general meetings of the ICAV or of any Fund or share class and the Net Asset Value of any fractional share shall be the Net Asset Value per Share adjusted in proportion to the fraction.

## ARAVIS FUNDS (IRELAND) ICAV

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### NOTES TO THE FINANCIAL STATEMENTS for the financial period ended 31 December 2019 (continued)

#### 5. Share capital (continued)

##### **Subscription Price**

During the initial offer period for a Fund, the initial issue price for shares in the relevant Fund shall be the amount set out in the Supplement for the relevant Fund.

The issue price at which shares of the Fund are issued after the initial offer period is calculated by ascertaining the Net Asset Value per share of the relevant class on the relevant dealing day.

Shareholders may be subject to a subscription charge of up to 3% of the subscription amount in shares of the Fund.

The initial issue price of each class of shares in the Fund active at the financial period end is listed below:

	<b>Initial Issue Price</b>
<b>Spyglass US Growth Fund (UCITS)</b>	
Class F GBP Accumulating	GBP 1,000
Class F USD Accumulating	USD 1,000
Class F USD Distributing	USD 1,000
Class FP EUR Distributing	EUR 1,000
Class FP GBP Distributing	GBP 1,000
Class FP USD Distributing	USD 1,000
Class I EUR Accumulating	EUR 1,000
Class I USD Accumulating	USD 1,000
Class I USD Distributing	USD 1,000

##### **Anti-Dilution Levy**

The Manager reserves the right to impose “an anti-dilution levy” representing a provision for market spreads (the difference between the prices at which assets are valued and/or bought or sold), duties and charges and other dealing costs relating to the acquisition or disposal of assets and to preserve the value of the underlying assets of any Fund, in the event of receipt for processing of net subscription or redemption requests for a Fund including subscriptions and/or redemptions which would be effected as a result of requests for conversion from one Fund into another Fund. Any such provision 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 including the price of shares issued or redeemed as a result of requests for conversion. Any such sum will be paid into the account of the relevant Fund. The Manager reserves the right to waive the levy in those instances where it feels that the interests of remaining shareholders would not be prejudiced by the net subscription or net redemption position. The Anti-Dilution levy expenses for the financial period ended 31 December 2019 were USD Nil.

## ARAVIS FUNDS (IRELAND) ICAV

NOTES TO THE FINANCIAL STATEMENTS for the financial period ended 31 December 2019 (continued)

### 5. Share capital (continued)

Share transactions for the financial period ended 31 December 2019 are shown below:

	Class F GBP Accumulating* 31 December 2019	Class F USD Accumulating** 31 December 2019	Class F USD Distributing** 31 December 2019
<b>Redeemable participating shares in issue at beginning of the financial period</b>	-	-	-
Shares issued during the financial period	134,990.000	4,709,068.548	3,380,019.000
Shares redeemed during the financial period	(1,000.000)	-	(21,346.000)
<b>Redeemable participating shares in issue at end of the financial period</b>	<b>133,990.000</b>	<b>4,709,068.548</b>	<b>3,358,673.000</b>
	<b>Class FP EUR Distributing*** 31 December 2019</b>	<b>Class FP GBP Distributing*** 31 December 2019</b>	<b>Class FP USD Distributing*** 31 December 2019</b>
<b>Redeemable participating shares in issue at beginning of the financial period</b>	-	-	-
Shares issued during the financial period	223,955.981	14,775,028.908	1,434,306.256
Shares redeemed during the financial period	-	(141,000.800)	(4,200.000)
<b>Redeemable participating shares in issue at end of the financial period</b>	<b>223,955.981</b>	<b>14,634,028.108</b>	<b>1,430,106.256</b>
	<b>Class I EUR Accumulating**** 31 December 2019</b>	<b>Class I USD Accumulating***** 31 December 2019</b>	<b>Class I USD Distributing***** 31 December 2019</b>
<b>Redeemable participating shares in issue at beginning of the financial period</b>	-	-	-
Shares issued during the financial period	1,000.000	202,600.000	1,000.000
Shares redeemed during the financial period	-	(855.000)	-
<b>Redeemable participating shares in issue at end of the financial period</b>	<b>1,000.000</b>	<b>201,745.000</b>	<b>1,000.000</b>

\* Launched on 25 October 2019.

\*\* Launched on 27 September 2019.

\*\*\* Launched on 15 October 2019.

\*\*\*\* Launched on 3 December 2019.

\*\*\*\*\* Launched on 24 October 2019.

\*\*\*\*\* Launched on 23 December 2019.

### NOTES TO THE FINANCIAL STATEMENTS for the financial period ended 31 December 2019 (continued)

#### 6. Fees and expenses

##### Manager Fees

The Manager is paid a fee out of the assets of the Fund, calculated and accrued on each dealing day and payable monthly in arrears, of an amount up to a maximum of 0.1% of the Net Asset Value of the Fund, subject to a monthly minimum fee of €3,500 per month. The Manager is also entitled to receive out of the assets of the Fund reasonable and properly vouched expenses.

The Manager of the ICAV earned USD 19,407 for the financial period ended 31 December 2019. At the end of the financial period fees of USD 19,407 remained payable.

##### Investment Management and Distribution Fees

The Investment Manager is entitled to a maximum investment management fee in respect of each share class, calculated and accruing on each dealing day and payable monthly in arrears. The Investment Manager is also entitled to receive out of the assets of the Fund reasonable and properly vouched expenses.

The Distributor is paid a portion of the fee up to a maximum of 25%. The Distributor is also entitled to receive out of the assets of the Fund reasonable and properly vouched expenses.

The Fund will pay to the Investment Manager and Distributor in Investment Management and Distribution fees a maximum annual fee of 1.0% on Share Class I, 0.60% on Share Class F, 0.50% on Share Class FP and based on the Net Asset Value of the previous day attributable to each Share class. The Investment management and distribution fees are calculated and accrued daily and payable monthly in arrears promptly following the end of each month.

Total investment management and distribution fees of US 309,751 were earned during the year, with USD 232,313 corresponding to the Investment Manager and USD 77,438 corresponding to the Distributor. At the end of the financial period fees of USD 250,584 remained payable, with USD 187,938 corresponding to the Investment Manager and USD 62,646 to the Distributor.

##### Directors' Fees and Expenses

The Instrument of Incorporation authorises the Directors to charge a fee for their services at a rate determined by the Directors. The Directors have determined that the maximum fee per Director shall not exceed €25,000 per annum. James Alexander has waived his entitlement to fees as a Director of the Fund. 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. Payments of directors' fees and reimbursements of expenses may be subject to deduction of Irish payroll taxes in the absence of any particular reliefs or exemptions.

The Directors' fees and expenses including applicable taxation for the financial period ended 31 December 2019 were USD 9,961. At the end of the financial period fees of USD 6,783 remained payable.

##### Administrator Fees

The Administrator is entitled to receive out of the assets of the Fund an annual fee, accrued daily and payable monthly in arrears at an agreed annual percentage rate of the Net Asset Value. The Administrator may also be entitled to registrar and transfer agency fees and any other fees as may be disclosed in the relevant Supplement.

The Administrator is also entitled to recover out of pocket expenses (plus VAT thereon, if any) reasonably incurred on behalf of any Fund out of the assets of the relevant Fund on an actual cost basis.

### NOTES TO THE FINANCIAL STATEMENTS for the financial period ended 31 December 2019 (continued)

#### 6. Fees and expenses (continued)

##### Administrator Fees (continued)

The Administrator is entitled to a maximum fee of 0.0125% per annum of the Fund's Net Asset Value payable out of the assets of the Fund subject to a minimum annual fee of €22,500. The minimum annual fee has been waived for the first 12 months since launch. The fees are accrued on each dealing day and payable monthly in arrears.

The Administrator earned USD 9,992 for the financial period ended 31 December 2019. At the end of the financial period fees of USD 9,992 remained payable.

##### Depository Fees

The Depository is entitled to receive an annual depository fee in respect of each Fund accrued daily and payable monthly in arrears at an agreed annual percentage rate of the Net Asset Value. The Depository is also entitled to agree upon transaction and cash service charges and to recover properly vouched out of pocket expenses out of the assets of the relevant Fund (plus VAT thereon, if any) including expenses of any sub-custodian appointed by it which shall be at normal commercial rates.

The Depository is entitled to a maximum fee of 0.025% per annum of the Fund's Net Asset Value payable out of the assets of the Fund subject to a minimum annual fee of €11,500 and an annual cash flow monitoring fee of €6,000. The minimum annual fee has been waived for the first 12 months since launch. The fees are accrued on each dealing day and payable monthly in arrears.

The depository fees for the financial period ended 31 December 2019 were USD 15,845. At the end of the financial period fees of USD 15,845 remained payable. The depository oversight fees are included in the depository fees and total depository oversight fees were USD 13,160 for the financial period ended 31 December 2019.

##### Performance Fee

The Investment Manager is entitled to receive a performance-related fee (the "performance fee") in respect of certain share classes. The performance fee is calculated separately for each share class. The calculation of the performance fee is verified by the Depository.

The performance fee is calculated in respect of each calendar year ending 31 December. The first calculation period will be the period commencing on the business day immediately following the close of the initial offer period and ending on 31 December in the year in which the share class launched. The benchmark is the Russell 2500™ Growth Total Return Index which measures the performance of the small to mid-cap growth segment of the US equity market. The benchmark is consistent with the investment policy of the Fund. The performance fee payable is equal to the amount by which the performance of the Fund exceeds the benchmark multiplied by the number of shares in issue in the applicable share class multiplied by the performance fee rate for the relevant share class subject to the high water mark. The initial issue price is taken as the starting price for the performance fee calculation.

The performance fee is calculated by reference to the Net Asset Value per Share before the deduction of any accrued performance fee and any dividends declared during the calculation period will be added back in to the Net Asset Value per Share for the purposes of the calculation. The high water mark must be achieved (and accordingly any underperformance of the Fund in preceding calculation periods must be cleared) before a performance fee is accrued or becomes due in subsequent calculation periods. In the case of shares redeemed during a calculation period, the accrued performance fee in respect of those shares will be payable for the month that redemption occurs.

As at 31 December 2019, the Investment Manager is entitled to a performance fee of 10% on the following active share classes: Class FP EUR Distributing, Class FP GBP Distributing and Class FB USD Distributing. Performance fees for the financial period amounted to USD Nil. Performance fees outstanding as at 31 December 2019 were USD Nil.

## ARAVIS FUNDS (IRELAND) ICAV

### NOTES TO THE FINANCIAL STATEMENTS for the financial period ended 31 December 2019 (continued)

#### 6. Fees and expenses (continued)

##### Auditor's Remuneration

	31 December 2019
	EUR
Audit of statutory financial statements (ex VAT)	12,500
Other assurance services	-
Tax advisory services	-
Other non-audit services	-
<b>Total</b>	<b>12,500</b>

#### 7. Related parties

FRS 102 Section 33 '*Related Party Disclosures*' requires an entity to include in its financial statements the disclosures necessary to draw attention to the possibility that its financial position and profit or loss have been affected by the existence of related parties and by transactions and outstanding balances with such parties. The Directors, the Manager, the relevant Investment Manager, Carne Global Financial Services Limited represent related parties for the purposes of the accounting standards to which the ICAV is subject.

##### Transactions with Parties with Significant Influence

###### Manager

Carne Global Fund Managers (Ireland) Limited is the ICAV's Manager under the Management Agreement.

##### Transactions with Key Management Personnel

James Alexander, Fiona Mulhall and Dennis Murray are directors of the ICAV. James Alexander is a co-founder of Aravis Capital Limited, the Distributor of the ICAV and acts as Head of Sales at Aravis. Dennis Murray, a Director of the ICAV, is also a Director of Carne Global Fund Managers (Ireland) Limited (the "Manager") and an employee of Carne Global Financial Services Limited, the parent Company of the Manager. Carne Global Financial Services Limited earned fees during the period in respect of other fund governance services provided to the ICAV, the fees amounted to USD 14,905 of which USD 9,594 was payable at period end.

James Alexander, a Director of the ICAV, holds 2,600.000 units in the Fund. James Parker, a Director of the Distributor, has 5,091.662 units in the ICAV.

Other than described above, neither the secretary nor any of the Directors (including family interest) had any shareholdings in the ICAV as at 31 December 2019.

#### 8. Risks associated with financial instruments

The Fund is exposed to risks which include market risk, credit risk and liquidity risk arising from the financial instruments it holds. The Fund may use derivatives and other instruments in connection with its risk management activities.

The Fund has in place guidelines that set out its overall business strategies and its general risk management philosophy and have established processes to monitor and control economic hedging transactions in a timely and accurate manner.

The Investment Manager employs a risk management process to monitor and control position risk in a timely and accurate manner.

As the Fund invests in public equities and maintains a modest cash position, the Investment Manager does not measure global exposure.

### NOTES TO THE FINANCIAL STATEMENTS for the financial period ended 31 December 2019 (continued)

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

##### (a) Market Risk

Market risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements.

The Fund is exposed, particularly in its equity assets, to market risk. The Fund invests in securities traded on global markets and market risk is a risk to which exposure is unavoidable.

Market risk comprises of market price risk, currency risk, interest rate risk and concentration risk.

##### (i) Market Price Risk

Market price risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment, its issuer or all factors affecting equity instruments traded in the market.

As the majority of the Fund's investments are carried at fair value with fair value changes recognised in the Statement of Comprehensive Income, all changes in market conditions will directly affect net income. The risk is mitigated through diversification of the portfolio in investments in various industries.

The investment strategy of the Fund is not to replicate a market index and therefore correlation between the return from the Fund and any market index is likely to vary. As a result, it is appropriate to use the financial period end portfolio as a risk variable in any market sensitivity analysis. To illustrate the sensitivity of the portfolio based on a reasonably possible estimate of market price movements for a financial period, if the price of each of the equity securities to which the Fund had exposure had increased by 5%, whilst the foreign currency rates held constant, there would have been the following approximate increases in net assets attributable to holders of redeemable participating shares:

	<b>31 December 2019</b>
	<b>USD</b>
Spyglass US Growth Fund (UCITS)	15,566,376

A decrease by 5% would have resulted in an equal but opposite effect on net assets attributable to holders of redeemable shares by the amounts shown above, on the basis that all other variables remained constant.

##### (ii) Currency Risk

Currency risk is the risk that the Fund's operations or the NAV of the Fund will be affected by changes in exchange rates and regulatory controls on currency movements.

The Fund may employ techniques and instruments intended to provide protection against exchange rate risks in the context of the management of its assets and liabilities, for example where there is a difference between the date an investment purchase or sale is entered into and the date when settlement of the proceeds occurs. When the Fund enters into a transaction which will involve the buying or selling of foreign currency in order to complete a transaction, a forward foreign exchange contract may be entered into at the same time as the initial transaction in order to eliminate exchange rate risk. The Fund may also enter into forward foreign exchange contracts to hedge the foreign exchange risk implicit in the value of portfolio securities denominated in a currency other than the Fund's base currency, USD.

## ARAVIS FUNDS (IRELAND) ICAV

NOTES TO THE FINANCIAL STATEMENTS for the financial period ended 31 December 2019 (continued)

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

#### (a) Market Risk (continued)

#### (ii) Currency Risk (continued)

The table below shows the currency risk of the Fund at 31 December 2019.

Spyglass US Growth Fund (UCITS)			31 December 2019			
	Total Investments	Net Monetary Assets/Liabilities	Net Foreign Currency Derivatives	Net Exposure	Sensitivity of Net Exposure (5% movement)	
	USD	USD	USD	USD	USD	
GBP	-	1,545,824	-	1,545,824	77,291	
	-	<b>1,545,824</b>	-	<b>1,545,824</b>	<b>77,291</b>	

A strengthening of 5% of the Fund's base currency against the currencies in the above table would have resulted in losses to the amounts shown in the Sensitivity of Net Exposure column. A weakening of the base currency against these currencies would have resulted in an equal but opposite effect.

#### (iii) Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises when the Fund invests in interest bearing financial instruments. At the financial period end the Fund held no interest bearing financial instruments and interest rate risk in relation to cash at bank is not regarded a material risk.

#### (iv) Concentration Risk

The Investment Manager reviews the concentration of risk of equity securities held based on industries and geographical location. The tables shown below provide geographical concentration and exposures to industries above 5% of the Net Asset Value of the Fund:

Spyglass US Growth Fund (UCITS)	
Countries, as at	31 December 2019
United States of America	292,059,418
<b>Total</b>	<b>292,059,418</b>

Spyglass US Growth Fund (UCITS)	
Investment Sector, as at	31 December 2019
Internet Software	154,886,012
Biotechnology	28,293,724
Pharmaceuticals and Cosmetics	25,103,131
Electronic Semiconductor	24,564,052
Real Estate Companies	20,819,709
Retail	16,326,516
<b>Total</b>	<b>269,993,144</b>

#### **8. Risks associated with financial instruments (continued)**

##### **(b) Credit Risk**

Credit risk arises where there is a possibility that a loss may occur from the failure of another party to fulfil its duties according to the terms of a contract. The ICAV will also be exposed to credit risk on parties with whom they trade securities and may also bear the risk of settlement default. The ICAV may also be exposed to credit risk on issuers in which the ICAV invests in respect of a default in payment of dividends declared by the issuer. The Investment Manager seeks to minimise concentrations of credit risk by undertaking transactions with various numbers of counterparties on recognised exchanges.

In choosing and appointing a sub-custodian as a safekeeping agent, the Depositary exercises care and diligence to ensure that the sub-custodian has and maintains the expertise, competence and standing appropriate to discharge the responsibilities concerned. These criteria are monitored by the Depositary on an ongoing basis.

As at 31 December 2019, RBC Investor Services Bank S.A., Dublin Branch has a credit rating of AA- with Standard & Poor's.

The credit risk on liquid funds is mitigated through the use of counterparties or banks with high credit-ratings assigned by international credit-rating agencies. The carrying amount of financial assets recognised in the financial statements, which is net of impairment losses, represents the ICAV's maximum exposure to credit risk, without taking into account collateral or other credit enhancements held.

All of the investments and cash of the Fund are held by the Depositary, and its sub-custodians, on behalf of the Fund. The investments are clearly segregated from the Depositary's own assets. However, bankruptcy or insolvency of the Depositary, or one of its sub-custodians, could cause the Fund's rights with respect to assets held by the Depositary or sub custodian to be delayed.

##### **(c) Liquidity Risk**

Liquidity risk is the risk that the Fund will encounter difficulty in realising assets or otherwise raising funds to meet commitments. Not all securities or instruments invested in by the Fund will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Fund may also encounter difficulties in disposing of assets at their amounts approximating fair values due to adverse market conditions leading to limited liquidity.

Substantial redemption at the option of Shareholders may necessitate liquidation of investments. It is possible that losses may be incurred on such liquidations which might otherwise not have arisen.

The Fund's assets comprise highly liquid equity securities.

## ARAVIS FUNDS (IRELAND) ICAV

### NOTES TO THE FINANCIAL STATEMENTS for the financial period ended 31 December 2019 (continued)

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

##### (c) Liquidity Risk (continued)

The table below shows the analysis of the Fund's financial liabilities by the relevant maturity groupings based on the remaining financial period to the contractual maturity date.

	31 December 2019				Total USD
	Due on Demand USD	Less than 1 month USD	1-3 months USD	>3 months USD	
<b>Spyglass US Growth Fund (UCITS)</b>					
Amount payable on purchases of securities	-	12,359,252	-	-	12,359,252
Amount payable on redemptions	-	53,602	-	-	53,602
Investment management and distribution fees payable	-	250,584	-	-	250,584
Manager fees payable	-	19,407	-	-	19,407
Depositary fees payable	-	15,845	-	-	15,845
Administrator fees payable	-	9,992	-	-	9,992
Audit fees payable	-	14,031	-	-	14,031
Legal fees payable	-	1,407	-	-	1,407
Directors fees and expenses payable	-	6,783	-	-	6,783
Other liabilities	-	8,703	-	-	8,703
Total net assets attributable to holders of redeemable participating Shareholders	314,540,138	-	-	-	314,540,138
<b>TOTAL LIABILITIES</b>	<b>314,540,138</b>	<b>12,739,606</b>	-	-	<b>327,279,744</b>

#### 9. Fair Value Measurements

The Financial Reporting Council aligned FRS 102's fair value hierarchy disclosures with IFRS 13, Fair Value Measurement. IFRS 13 requires a fair value hierarchy for inputs used in measuring fair value that classify 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 ICAV. Unobservable inputs reflect the ICAV'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 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Company has the ability to access at the measurement date;

Level 2 - Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active; and

Level 3 - Inputs that are unobservable.

The following table analyses within the fair value hierarchy the Fund's financial assets measured at fair value as at 31 December 2019:

Spyglass US Growth Fund (UCITS)	Total USD	(Level 1) USD	(Level 2) USD	(Level 3) USD
<b>Financial assets at fair value through profit and loss</b>				
Investments in transferrable securities at fair value				
- Shares	302,469,290	302,469,290	-	-
- Real Estate Investment Trust	8,858,232	8,858,232	-	-
<b>Total</b>	<b>311,327,522</b>	<b>311,327,522</b>	-	-

**NOTES TO THE FINANCIAL STATEMENTS for the financial period ended 31 December 2019 (continued)****9. Fair Value Measurements (continued)**

For those instruments which have significant unobservable inputs (Level 3), the amendment requires disclosures on the transfers into and out of Level 3, a reconciliation of the opening and closing balances, total gains and losses for the period, purchases, sales issues and settlements. The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the ICAV. The ICAV considers observable data to be that market data that is readily available, regularly distributed or updated and reliable.

There were no transfers between Level 1 and Level 2 during the financial period. There were no level 3 securities held as at 31 December 2019.

**Assets and Liabilities not carried at Fair Value through Profit or Loss**

Cash and cash equivalents are classified as Level 1 and all other assets and liabilities not carried at fair value are classified as Level 2.

Assets and liabilities not carried at fair value are carried at amortised cost. Their carrying values are a reasonable approximation of fair value.

**10. Cash and cash equivalents**

Cash balances are held by RBC Investor Services Bank S.A., Dublin Branch. As at 31 December 2019, the following cash amounts are held with RBC Investor Services Bank S.A., Dublin Branch:

	<b>Spyglass US Growth Fund 31 December 2019</b>
Cash at bank	6,588,910
<b>Total</b>	<b><u>6,588,910</u></b>

**11. Soft commissions**

The Investment Manager may direct transactions to brokers in return for research services. In such circumstances the Investment Manager may enter into soft commission agreements and similar arrangements or similar agreements with such brokers. The Investment Manager must ensure that the broker or counterparty to the arrangement has agreed to provide best execution to the ICAV. The benefit provided must assist the Investment Manager in its provision of investment services to the ICAV.

Research fees are paid directly by the Investment Manager, however, the Investment Manager utilises CSA agreements to offset research costs for qualified research expenses. The Investment Manager generates "soft dollars" through trading activity and complies with the "safe harbour" of Section 28(e) of the Securities Exchange Act of 1934, as amended. Under "soft dollar" agreements, one or more of the brokerage firms would provide or pay the costs of certain research services, or other items for the benefit of the Investment Manager. During the period ended 31 December 2019, the Investment Manager outsources its commission management to Cowen's Westminster Research and each payment is initiated by the CIO and executed by the CFO. The Investment Manager's Compliance department also monitors soft dollar usage.

## ARAVIS FUNDS (IRELAND) ICAV

### NOTES TO THE FINANCIAL STATEMENTS for the financial period ended 31 December 2019 (continued)

#### 12. Distributions

During the financial period ended 31 December 2019 there were no distributions made by the ICAV.

#### 13. Net gains on financial assets and financial liabilities at fair value through profit or loss for the financial period ended 31 December 2019

	31 December 2019
<b>Spyglass US Growth Fund (UCITS)</b>	<b>USD</b>
Realised gains on investment in transferable securities	4,029,876
Realised currency gains on foreign exchange	791,943
Realised losses on investment in transferable securities	(14,069)
Realised currency losses on foreign exchange	(332,803)
Unrealised gains on investments in transferable securities	20,253,715
<b>Total</b>	<b>24,728,662</b>

#### 14. Net asset values per share class

<b>Spyglass US Growth Fund (UCITS)*</b>	<b>Class F GBP Accumulating** GBP</b>	<b>Class F USD Accumulating*** USD</b>	<b>Class F USD Distributing*** USD</b>	<b>Class FP EUR Distributing**** EUR</b>
Total net asset value				
31 December 2019	1,422,419	51,728,830	36,895,865	2,397,135
Net asset value per share				
31 December 2019	£10.616	\$10.985	\$10.985	€10.704

	<b>Class FP GBP Distributing**** GBP</b>	<b>Class FP USD Distributing**** USD</b>	<b>Class I EUR Accumulating***** EUR</b>	<b>Class I USD Accumulating***** USD</b>
Total net asset value				
31 December 2019	153,643,310	15,567,108	10,112	2,212,928
Net asset value per share				
31 December 2019	£10.499	\$10.885	€10.112	\$10.969

	<b>Class I USD Distributing***** USD</b>
Total net asset value	
31 December 2019	9,950
Net asset value per share	
31 December 2019	\$9.950

\* Spyglass US Growth Fund (UCITS) was launched on 27 September 2019, and therefore no comparatives are available.

\*\* Launched on 25 October 2019.

\*\*\* Launched on 27 September 2019.

\*\*\*\* Launched on 15 October 2019.

\*\*\*\*\* Launched on 3 December 2019.

\*\*\*\*\* Launched on 24 October 2019.

\*\*\*\*\* Launched on 23 December 2019.

### **NOTES TO THE FINANCIAL STATEMENTS for the financial period ended 31 December 2019 (continued)**

#### **15. Significant events during the financial period**

The prospectus and supplement were issued on 24 September 2019.

The Fund commenced operations on 27 September 2019.

#### **16. Subsequent events since the financial period end**

The COVID-19 epidemic is believed to have originated in Wuhan, Hubei, China. While containment efforts were made to slow the spread of the epidemic the outbreak has now spread globally and has led to the World Health Organisation declaring the COVID-19 outbreak a pandemic on 11 March 2020.

The Board is aware that global financial markets have been monitoring and reacting to the outbreak. All markets have incurred increased volatility and uncertainty since the onset of the pandemic.

The Board has also noted the operational risks that are posed to the Fund and its service providers due to global and local movement restrictions that have been enacted by various governments. COVID-19 pandemic is an unprecedented event and the eventual impact on the global economy and markets will largely depend on the scale and duration of the outbreak. The Board will continue to monitor this situation. The ultimate extent of the effect of this on the entity is not possible to estimate at this time.

Since 1 January 2020 to 24 April 2020 the performance of the Fund has been -6.24%. The performance of the benchmark has been -14.60% for the same period.

Subscriptions to the Fund were USD 47,169,347 from 1 January 2020 to 24 April 2020 and redemptions were USD 10,391,376 for the same period.

There were no other significant events since the financial period end affecting the financial statements.

#### **17. Approval of financial statements**

The financial statements were approved by the Directors on 27 April 2020.

## ARAVIS FUNDS (IRELAND) ICAV

### Spyglass US Growth Fund (UCITS) Schedule of Investments as at 31 December 2019

(expressed in USD) Description	Quantity	Currency	Acquisition Cost USD	Fair Value USD	Net Assets %
<b>A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>					
<b>1) LISTED SECURITIES : SHARES</b>					
CANADA					
IMAX Corp	258,648	USD	5,520,202	5,284,180	1.68
			<u>5,520,202</u>	<u>5,284,180</u>	<u>1.68</u>
DENMARK					
Ascendis Pharma A/S	100,517	USD	10,471,288	13,983,924	4.45
			<u>10,471,288</u>	<u>13,983,924</u>	<u>4.45</u>
UNITED STATES OF AMERICA					
Advanced Micro Devices Inc	241,707	USD	8,153,618	11,084,685	3.52
Affiliated Managers Group Inc	143,794	USD	11,568,580	12,185,103	3.87
Arista Networks Inc	74,268	USD	15,929,900	15,106,111	4.80
Chipotle Mexican Grill Inc	16,521	USD	13,429,320	13,829,891	4.40
DexCom Inc	43,917	USD	7,347,547	9,606,408	3.05
DocuSign Inc	169,072	USD	11,324,186	12,529,925	3.98
Envestnet Inc	95,708	USD	5,980,346	6,664,149	2.12
Everbridge Inc	135,213	USD	9,676,844	10,557,431	3.36
Exact Sciences Corp	154,734	USD	13,617,951	14,309,800	4.55
GoDaddy Inc	237,450	USD	15,429,672	16,127,603	5.13
Nutanix Inc	481,187	USD	13,212,897	15,041,905	4.78
Pacira BioSciences Inc	342,091	USD	13,707,360	15,496,723	4.93
Palo Alto Networks Inc	72,856	USD	15,835,078	16,847,951	5.36
Proofpoint Inc	143,595	USD	17,839,190	16,481,831	5.24
Quanta Services Inc	331,107	USD	13,228,596	13,479,367	4.29
Redfin Corp	565,822	USD	10,120,158	11,961,477	3.80
Splunk Inc	93,524	USD	11,232,458	14,007,093	4.45
SVMK Inc	673,441	USD	12,067,235	12,034,391	3.83
Twitter Inc	402,706	USD	14,701,731	12,906,728	4.10
Ulta Beauty Inc	64,496	USD	15,890,642	16,326,516	5.19
Vail Resorts Inc	41,843	USD	9,804,211	10,035,204	3.19
Zuora Inc	459,239	USD	6,654,948	6,580,894	2.09
			<u>266,752,468</u>	<u>283,201,186</u>	<u>90.03</u>
<b>TOTAL LISTED SECURITIES : SHARES</b>			<b><u>282,743,958</u></b>	<b><u>302,469,290</u></b>	<b><u>96.16</u></b>

## ARAVIS FUNDS (IRELAND) ICAV

### Spyglass US Growth Fund (UCITS)

#### Schedule of Investments as at 31 December 2019 (continued)

(expressed in USD) Description	Quantity	Currency	Acquisition Cost USD	Fair Value USD	Net Assets %
<b>A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING (continued)</b>					
<b>2) LISTED SECURITIES : REAL ESTATE INVESTMENT TRUST</b>					
UNITED STATES OF AMERICA					
Equinix Inc	15,176	USD	8,556,604	8,858,232	2.82
			8,556,604	8,858,232	2.82
<b>TOTAL LISTED SECURITIES : REAL ESTATE INVESTMENT TRUST</b>			<b>8,556,604</b>	<b>8,858,232</b>	<b>2.82</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>			<b>291,300,562</b>	<b>311,327,522</b>	<b>98.98</b>
<b>TOTAL FAIR VALUE OF INVESTMENTS</b>				<b>311,327,522</b>	<b>98.98</b>
<b>CASH AND CASH EQUIVALENTS</b>				<b>6,588,910</b>	<b>2.09</b>
<b>OTHER ASSETS AND LIABILITIES</b>				<b>(3,376,294)</b>	<b>(1.07)</b>
<b>TOTAL NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS</b>				<b>314,540,138</b>	<b>100.00</b>

<b>ANALYSIS OF TOTAL ASSETS</b>	
Description	% Total Assets
<b>TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>	<b>95.13</b>
<b>CASH AND CASH EQUIVALENTS</b>	<b>2.01</b>
<b>OTHER ASSETS</b>	<b>2.86</b>
<b>TOTAL</b>	<b>100.00</b>

## ARAVIS FUNDS (IRELAND) ICAV

### Spyglass US Growth Fund (UCITS)

#### Significant Portfolio Changes for the period ended 31 December 2019 (unaudited)

<b>PURCHASES*</b> <b>SECURITY NAME</b>	<b>QUANTITY</b>	<b>COST USD</b>	<b>% OF TOTAL PURCHASES</b>
Proofpoint Inc	143,595	17,839,190	5.80
Nutanix Inc	587,421	15,985,966	5.19
Arista Networks Inc	74,268	15,929,900	5.18
Ulta Beauty Inc	64,496	15,890,642	5.16
Palo Alto Networks Inc	72,856	15,835,078	5.14
GoDaddy Inc	237,450	15,429,672	5.01
Twitter Inc	402,706	14,701,731	4.79
DocuSign Inc	208,416	13,744,210	4.47
Pacira BioSciences Inc	342,091	13,707,360	4.45
Exact Sciences Corp	154,734	13,617,951	4.42
Chipotle Mexican Grill Inc	16,521	13,429,320	4.36
Quanta Services Inc	331,107	13,228,596	4.30
SVMK Inc	673,441	12,067,235	3.92
Affiliated Managers Group Inc	143,794	11,568,580	3.76
Equinix Inc	20,157	11,401,610	3.70
Splunk Inc	93,524	11,232,458	3.65
Advanced Micro Devices Inc	344,705	11,185,178	3.63
DexCom Inc	67,724	10,939,799	3.55
Ascendis Pharma A/S	100,517	10,471,288	3.40
Redfin Corp	565,822	10,120,158	3.29
Vail Resorts Inc	41,843	9,804,211	3.19
Everbridge Inc	135,213	9,676,844	3.14
Envestnet Inc	128,515	7,854,918	2.55
Zuora Inc	459,239	6,654,948	2.16
IMAX Corp	258,648	5,520,202	1.79

\* The significant changes to the portfolio for the financial period are the aggregate purchases of a security exceeding 1% of the total value of purchases for the financial period. Where the number of purchases transactions exceeding 1% of the total value of purchases for the financial period is less than 20, then a minimum of 20 purchases will be disclosed.

<b>SALES**</b> <b>SECURITY NAME</b>	<b>QUANTITY</b>	<b>PROCEEDS USD</b>	<b>% OF TOTAL SALES</b>
DexCom Inc	23,807	4,877,949	23.75
Advanced Micro Devices Inc	102,998	4,667,907	22.73
Nutanix Inc	106,234	3,303,719	16.08
DocuSign Inc	39,344	2,895,304	14.10
Equinix Inc	4,981	2,831,698	13.79
Envestnet Inc	32,807	1,963,307	9.55

\*\* The significant changes to the portfolio for the financial period are the aggregate sales of a security exceeding 1% of the total value of sales for the financial period. Where the number of sales transactions exceeding 1% of the total value of purchases for the financial period is less than 20, then a minimum of 20 sales will be disclosed.

The tables above show a breakdown of material purchases and sales of the Portfolios in accordance with Central Bank UCITS Regulations 82(2) requirements. A full listing of the portfolio changes for the period is available, upon request, at no extra cost from the Administrator.

### Appendix 1 UCITS V Remuneration Disclosure (unaudited)

The European Union Directive 2014/91/EU as implemented in Ireland by S.I. No. 143/2016 - European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016, requires management companies to establish and apply remuneration policies and practices that promote sound and effective risk management, and do not encourage risk taking which is inconsistent with the risk profile of the UCITS.

To that effect, Carne Global Fund Managers (Ireland) Limited (“the **Manager**”), has implemented a remuneration policy that applies to all UCITS for which the Manager acts as manager (the “**Remuneration Policy**”) and covers all staff whose professional activities have a material impact on the risk profile of the Manager or the UCITS it manages (“**Identified Staff**”). The Remuneration Policy also applies to all alternative investment funds for which the Manager acts as alternative investment fund manager. In accordance with the Remuneration Policy, all remuneration paid to Identified Staff can be divided into:

- Fixed remuneration (payments or benefits without consideration of any performance criteria); and
- Variable remuneration (additional payments or benefits depending on performance or, in certain cases, other contractual criteria) which is not based on the performance of the UCITS.

The Manager has designated the following persons as Identified Staff:

1. The Designated Persons;
2. Each of the Directors;
3. Compliance Officer;
4. Risk Officer; and
5. Chief Operating Officer.

The Manager has a business model, policies and procedures which by their nature do not promote excessive risk taking and take account of the nature, scale and complexity of the Manager and the UCITS. The Remuneration Policy is designed to discourage risk taking that is inconsistent with the risk profile of the UCITS and the Manager is not incentivised or rewarded for taking excessive risk.

The Manager has established a remuneration committee to oversee the implementation of the remuneration arrangements and to exercise competent and independent judgment on remuneration policies and practices and the incentives created for managing risk (the “**Remuneration Committee**”). The Remuneration Committee consists of at least two directors, the compliance officer, internal legal counsel and such other individuals as the Board may appoint from time to time.

The Manager’s parent company is Carne Global Financial Services Limited (“**Carne**”). Carne operates through a shared services organisational model which provides that Carne employs all staff and enters into inter-group agreements with other Carne Group entities within the group to ensure such entities are resourced appropriately. Each of the Identified Staff, other than one non-executive independent director, are employed and paid directly by Carne and remunerated based on their contribution to the Carne Group as a whole. In return for the services of each of the Carne Identified Staff, the Manager pays an annual staff recharge to Carne (the “**Staff Recharge**”).

The non-executive independent director is paid a fixed remuneration and each other Identified Staff member’s remuneration is linked to their overall individual contribution to the Carne Group, with reference to both financial and non-financial criteria and not directly linked to the performance of specific business units or targets reached or the performance of the UCITS.

The aggregate of the total Staff Recharge and the remuneration of the independent non-executive director is EUR 1,497,600 paid to 12 individuals for the year ended 31 December 2019. The Manager has also determined that, on the basis of number of sub-funds / net asset value of the UCITS relative to the number of sub-funds / assets under management, the portion of this figure attributable to the UCITS is EUR 5,886.

The ICAV does not pay any fixed or variable remuneration to identified staff of the Investment Manager

There have been no material changes made to the Remuneration Policy or the Manager’s remuneration practices and procedures during the financial year.