

PRAUDE FUNDS ICAV
(an umbrella type Irish Collective Asset-management Vehicle)
ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the year ended 31 December 2021

PRAUDE FUNDS ICAV

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PRAUDE FUNDS ICAV

ICAV and Other Information

Directors of the ICAV

Aoife Connolly (Irish resident)*
Janice Moore (Irish resident)*
Robert Azzopardi (Maltese resident)(resigned 21 October 2021)*
Michael Vella (Maltese resident)(appointed 21 October 2021)*

Registered Office

28-32 Upper Pembroke Street
Dublin 2
Ireland

Alternative Investment Fund Manager

European & Global Investments Limited
28-32 Upper Pembroke Street
Dublin 2
Ireland

Investment Manager

Praude Asset Management Limited
Level 14, Portomaso Business Tower
St. Julians STJ 4011
Malta

Independent Auditors

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

Administrator, Registrar and Transfer Agent

CACEIS Ireland Limited
First Floor
Bloodstone Building
Sir John Rogerson's Quay
Dublin 2
Ireland

Depositary

CACEIS Bank, Ireland Branch
First Floor
Bloodstone Building
Sir John Rogerson's Quay
Dublin 2

Secretary

Tudor Trust Limited
33 Sir John Rogerson's Quay
Dublin 2
Ireland

Legal Advisors to the ICAV as to Irish Law

Dillon Eustace
33 Sir John Rogerson's Quay
Dublin 2
Ireland

*Non-executive Director.

PRAUDE FUNDS ICAV

Directors' Report For the year ended 31 December 2021

The Directors present their report and the financial statements for Praude Funds ICAV (the "ICAV") for the year ended 31 December 2021.

Except where otherwise stated, defined terms shall have the same meaning herein as in the Prospectus of the ICAV.

Business review, principal activities and significant changes during the year

The ICAV is an umbrella type Irish Collective Asset-management Vehicle with segregated liability between its Sub-Funds established under the laws of Ireland on 5 March 2018 and regulated by the Central Bank of Ireland (the "Central Bank") under registration number C178344. It is authorised in Ireland by the Central Bank pursuant to Part 2 of the Irish Collective Asset-management Vehicles Act 2015 (the "ICAV Act 2015"), as a Qualifying Investor Alternative Investment Fund on 6 April 2018.

The ICAV has established two Sub-Fund's, the Praude Total Return Fund which was authorised on 6 April 2018 and commenced operations on 2 May 2018 and the Praude Pure Equity Fund which was authorised on 17 July 2018 and commenced operations on 19 December 2018 (individually the "Sub-Fund", together the "Sub-Funds"). On 28 January 2021, the Directors formally made the decision that it was no longer practical or viable to continue to operate the Praude Pure Equity Fund and it was in the best interest of the Shareholders to terminate the Sub-Fund. The Sub-Fund terminated as at 30 April 2021.

The investment objective of the Praude Total Return Fund is to seek the highest level of long-term total return which includes capital growth, interest and dividends received.

The investment objective of the Praude Pure Equity Fund was to achieve long-term appreciation principally through value investing in the major equity markets.

Praude Asset Management Limited acts as the Investment Manager (the "Investment Manager") to the ICAV.

European & Global Investments Limited acts as the Alternative Investment Fund Manager (the "AIFM") to the ICAV.

The business of the ICAV is reviewed in detail in the Investment Manager's Report on pages 9 to 11.

Principal risks and uncertainties

The principal risks and uncertainties which the ICAV faces relate to the investments in equity securities, equity-related securities and derivative financial instruments by the Sub-Funds and are discussed in note 8 "Financial instruments and associated risks".

During the financial year we saw continued impact from the coronavirus COVID-19 outbreak with further waves and lockdowns. It has been declared a global pandemic by the World Health Organisation. The nature and extent of the impact of the event is difficult to predict as, despite the development and rollout of vaccines the threat from variants and regional out breaks continues. It may adversely affect the return on the Sub-Fund and its investments and there is continued concern about the impact on the world economy. The AIFM and the Investment Manager continue to monitor the efforts of governments to contain the spread of the virus and the economic impact on the investments in the portfolios.

Investors should be aware of the liquidity risk presented by this global pandemic. There is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Market disruptions or closures may result in the Investment Manager being unable to accurately value the assets of the Sub-Fund, or in the event of high levels of redemption, the AIFM may use certain liquidity management tools permitted by the Central Bank, including deferred redemptions, the implementation of fair value pricing or temporarily suspension of the Sub-Fund.

Future developments in the business of the ICAV

The ICAV will continue to pursue its investment objectives as set out in the Prospectus. For details of significant events after the year end and the decision of the Directors, in the best interest of the Shareholders, to terminate the Praude Pure Equity Fund, please refer to note 16.

PRAUDE FUNDS ICAV

Directors' Report (continued) For the year ended 31 December 2021

Results for the year

The results for the year are set out on page 18.

Directors and Secretary's interests

The Directors and Secretary are as stated on page 3.

The following Directors served during the year:

Aoife Connolly
Janice Moore
Robert Azzopardi
Michael Vella

None of the Directors nor the Secretary had any interest in the share capital of the ICAV as at 31 December 2021.

Aoife Connolly is the Financial Controller and Janice Moore is the Compliance Officer and the Money Laundering Reporting Officer of the AIFM.

Michael Vella is the Chief Operations Officer of the Investment Manager.

Related party transactions

For details of related party transactions during the year, please refer to note 10.

Connected person transactions

As at 31 December 2021, the Directors of the ICAV are satisfied that: (i) there are arrangements in place, to ensure that the obligations set out in paragraph 1 of Section 1.viii 'Dealings by management company, general partner, depositary, AIFM, investment manager or by delegates or group of these of this Part' are applied to all transactions with connected persons; (ii) and that transactions with connected persons entered into during the year complied with the obligations set out in that paragraph.

Note 10 to these financial statements details related party transactions during the year. Details of fees paid to related parties and certain connected persons are also set out in note 10.

Significant events after the year end

For details of significant events after the year end, please refer to note 17.

Adequate accounting records

To ensure that adequate accounting records are kept in accordance with the ICAV Act 2015, the Directors of the ICAV have employed a service organisation: CACEIS Ireland Limited (the "Administrator"). The accounting records are located at the offices of the Administrator as stated on page 3.

Political donations

The ICAV did not make any political donations during the year.

Independent Auditors

Deloitte Ireland LLP were appointed in accordance with Section 125 of the ICAV Act 2015, and have expressed their willingness to continue in office.

PRAUDE FUNDS ICAV

Directors' Report (continued) For the year ended 31 December 2021

Directors' Responsibilities Statement

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

The Irish Collective Asset-management Vehicles Act 2015 (the "ICAV Act 2015") requires the Directors to prepare financial statements for each financial year. Under that law, the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards, as permitted by Section 116(4) of the ICAV Act 2015 and applicable law.

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

- select suitable accounting policies in accordance with International Financial Reporting Standards as adopted by the European Union and then apply them consistently;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the ICAV will continue in business. The financial statements of Praude Funds ICAV have been prepared on a going concern basis under the historical cost convention, as modified by the measurement of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the ICAV and enable them to ensure that the financial statements comply with the ICAV Act 2015. The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the ICAV. In this regard, the Directors have entrusted the assets of the ICAV to CACEIS Bank, Ireland Branch (the "Depositary") for safekeeping. 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 2015.

PRAUDE FUNDS ICAV

Directors' Report (continued)
For the year ended 31 December 2021

Statement of Corporate Governance

(a) General Requirements

The ICAV is subject to the requirements of the Irish Collective Asset-management Vehicles Act 2015 (the "ICAV Act 2015") and the AIF Rulebook. The ICAV is subject to corporate governance practices imposed by:

- (i) the ICAV Act 2015 which may be obtained from the Irish statute book website at www.irishstatutebook.ie and are available for inspection at the registered office of the ICAV;
- (ii) the Instrument of Incorporation of the ICAV (the "Instrument") which may be obtained at the ICAV's Registration Office in Ireland and is available for inspection at the registered office of the ICAV; and
- (iii) the Central Bank of Ireland (the "Central Bank") in their Central Bank AIF Rulebook which may be obtained from the Central Bank's website at:
<http://www.centralbank.ie/regulation/industry-sectors/funds/aifmd/Pages/default.aspx>

In addition to the above, the ICAV has adopted the Irish Funds Corporate Governance Code for Collective Investment Schemes and Management Companies (the "IF Code"). The Board of Directors have put in place a framework for corporate governance which it believes is suitable for an investment company with variable capital and which enables the ICAV to comply voluntarily with the requirements of the IF Code, which sets out principles of good governance and a code of best practice.

(b) Board of Directors

In accordance with the ICAV Act 2015 and the Instrument unless otherwise determined by an ordinary resolution of the ICAV in general meeting, the number of Directors may not be less than two. The Board of Directors (the "Board") currently comprises three Directors. Details of the current Directors are set out in the "ICAV and Other Information" section on page 3, under the heading "Directors of the ICAV".

In respect of the composition of the Board of Directors, the Corporate Governance code states the following:

"It is recommended that the Board comprise a majority of non-executive directors, and at least one independent director."

There are currently no independent Directors. The Board of Directors believes it has appropriate arrangements in place to address the lack of an independent Director including a Conflicts of Interests Policy. The Board also believes that the current Directors possess all the necessary skills and experience to ensure effective governance and oversight of the ICAV.

Otherwise, the Board of Directors has assessed the measures included in the IF Code as being consistent with its corporate governance practices and procedures for the financial year.

The Board has delegated management of the ICAV to certain delegate service providers. These delegate service providers are set out in the "ICAV and Other Information" section on page 3.

Board materials, including a detailed agenda of items for consideration at each Board meeting, minutes of the previous Board meeting and reports from various internal and external stakeholders, including delegate service providers, are generally circulated in advance of the Board meeting to allow all Directors adequate time to consider the material.

PRAUDE FUNDS ICAV

Directors' Report (continued)
For the year ended 31 December 2021

Statement of Corporate Governance (continued)

(c) Internal Control and Risk Management Systems in Relation to Financial Reporting

The Board is responsible for establishing and maintaining adequate internal control and risk management systems of the ICAV in relation to the financial reporting process. The Board has entrusted the administration of the accounting records to an independent administrator, CACEIS Ireland Limited (the "Administrator"). The Board, through delegation to the Administrator, has put in place a formal procedure to ensure that adequate accounting records for the ICAV are properly maintained and are readily available, and includes the procedure for the production of audited annual financial statements for the ICAV. The audited annual financial statements of the ICAV are prepared by the Administrator and presented to the Board for approval, prior to applicable filing, such as with the Central Bank.

From time to time, the Board will examine and evaluate the Administrator's financial accounting and reporting routines, and will monitor and evaluate the Independent Auditors' performance, qualifications and independence.

Signed on behalf of the Board of Directors:

 Aoife Connolly 21 June 2022	 Janice Moore 21 June 2022
Director	Director

PRAUDE FUNDS ICAV

Investment Manager's Report For the year ended 31 December 2021

Praude Total Return Fund Investment Manager's Report Financial Year 2021

During the financial year under review from 1 January 2021 until 31 December 2021, the Praude Total Return Fund (the "Sub-Fund") gained 31.33%. Since the Sub-Fund is an absolute return fund, it is not managed in accordance with any benchmark. However, merely as a point of reference, one can note that during the year under review, the Euro Stoxx 50 Index gained 20.99% and the Stoxx Europe 600 Index gained 22.25%. The Bloomberg Barclays EuroAgg Total Return Index (consisting of investment grade, euro-denominated, fixed-rate bonds including treasuries, government-related, corporate and securitized issuers) returned -2.85% during the period. The Praude Total Return Fund primarily invests in equities but also had an exposure to bonds of up to 10% during the year.

Following the unprecedented growth in the money supply seen in 2020, the ECB and the Fed continued to expand their balance sheets throughout 2021. The Investment Manager began to anticipate that this, together with the supply chain disruptions caused by the pandemic, the general deglobalisation trends, the overall long-term demographic trends and increasing wage pressures due to a labour shortage, could have inflationary consequences and began to look into ways to protect the portfolio against inflation. These considerations coupled with the fact that 10-year European government bond interest rates were mostly negative or, in any case, well below 1%, created an asymmetric risk/reward opportunity as – in the opinion of the Investment Manager – the probability that interest rates could fall further for a sizeable amount was much lower than the probability that – on the contrary – interest rates could rise. The possible inflationary pressures make the possibility of an increase not only actual but also of significant magnitude. Consequently, the Investment Manager began to build a short position in Italian and German long-term fixed-rate government bond futures. This strategy proved to be a profitable one in 2021 and in 2022 this strategy is being scaled up further and, at the time of writing this report, is providing a significant contribution to the performance of the Sub-Fund in 2022.

Furthermore, the Investment Manager is also assessing which equities stand to gain in an inflationary environment. For example, companies that can pass on cost increases brought about by inflation to its customers more easily (i.e. companies with strong pricing power), companies that have borrowed money at low fixed rates for a longer period and companies that can benefit from an increase in the price of oil. For example, during the financial year, a position of close to 3% was built in the company Vidrala SA – a Spanish manufacturer of glass bottles. This share was underperforming due to pressure on profitability coming from increasing costs of energy, transportation and raw materials. However, the Investment Manager saw this as a buying opportunity because the company has an attractive valuation, has long-term relationships with its customers, operates in a defensive industry and will be able to transfer such cost increases to its customers, even if there will be a time lag.

The biggest gain during the financial year resulted from the Sub-Fund's position in Adesso AG – a German provider of IT services and software products. This share gained 115.5% in 2021 as it continued its long-term growth trajectory – both on the top-line as well as the bottom-line. In terms of inflation, Adesso experiences wage inflationary pressures, as do Adesso's competitors. There are ongoing industry-wide discussions with clients to increase the daily rates charged, whilst Adesso AG is also working to ramp up its smart-shoring. The Investment Manager will monitor this position as the valuation continues to rise due to the share price performance and as the weighting of this position – which is the largest in the portfolio – continues to increase.

The second biggest gain during the financial year was from Orsero – an Italian fresh fruit and vegetable import and distribution business. This share gained +89.3% over the period. Orsero also continued to post results demonstrating growth and improving profitability. The company continues to have attractive valuation multiples and the Investment Manager believes the company is well-positioned in the current inflationary environment due to the fact that it is in a defensive industry and hedges its fuel costs. Orsero is the fourth largest position in the Sub-Fund as at the year end.

PRAUDE FUNDS ICAV

Investment Manager's Report (continued) For the year ended 31 December 2021

Praude Total Return Fund Investment Manager's Report Financial Year 2021 (continued)

Another company forming part of the top performers is SOL SpA (+51%). SOL SpA is an Italian producer of industrial and medical gases which likewise posted good results over the year. Despite having some long-term contracts which are not indexed to inflation, the industry it operates in is defensive and highly concentrated, leading to strong pricing power. This company is the third largest position in the Sub-Fund as at the year end.

To conclude, the Investment Manager will continue its usual strategy of investing in small to mid-cap companies with a history of reliable profitability and cash generation, capable management and manageable leverage, with attractive valuations compared to their peers whilst also increasing exposure to companies that the Investment Manager believes would outperform in an inflationary environment. At the same time, the Investment Manager will continue to hedge the portfolio against rising interest rates through the short in Italian and German long-term fixed-rate government bond futures. The Investment Manager's expectation of a rising interest rate environment creates a bleak outlook for bonds, however, the Investment Manager will continue to look for bonds that present an attractive risk/return profile.

**Praude Asset Management Limited
June 2022**

PRAUDE FUNDS ICAV

Investment Manager's Report (continued)
For the year ended 31 December 2021

Praude Pure Equity Fund Investment Manager's Report Financial Year 2021 (continued)

On 28 January 2021, the Directors formally made the decision that it was no longer practical or viable to continue to operate the Praude Pure Equity Fund and it was in the best interest of the Shareholders to terminate the Sub-Fund. The Sub-Fund ceased operations on 30 April 2021.

PRAUDE FUNDS ICAV

**Report of the Depositary to the Shareholders
For the year ended 31 December 2021**

We, CACEIS Bank, Ireland Branch, appointed Depositary to Praude Funds ICAV (the “ICAV”) provide this report solely in favour of the Shareholders of the ICAV for the year ended 31 December 2021 (the “Period”). This report is provided in accordance with current Depositary Regulations¹. We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depositary obligations, we have enquired into the conduct of the Alternative Investment Fund Manager, European & Global Investments Limited for this Period and we hereby report thereon to the shareholders of the ICAV as follows;

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

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the ICAV by the constitutional document and by the Central Bank of Ireland (“CBI”) under the powers granted to the CBI by the investment fund legislation; and
- (ii) otherwise in accordance with the provisions of the constitutional document and the investment fund legislation.

CACEIS BANK, IRELAND BRANCH

CACEIS Bank, Ireland Branch
21 June 2022

¹AIFM Regulations – European Union (Alternative Investment Fund Managers) Regulations 2013 (SI No 257 of 2013) which implemented Directive 2011/61/EU into Irish Law: Chapter 4. Commission Delegated Regulation (EU) No 231/2013: Articles 83-102. Chapter 6: AIF Depositary Requirements: AIF Rulebook

CACEIS Bank, Ireland Branch

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PRAUDE FUNDS ICAV

Report on the audit of the annual accounts

Opinion on the annual accounts of Praude Funds ICAV (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 2021 and of the profit for the financial year 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 Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Equity;
- the Statement of Cash Flows; and
- the related notes 1 to 19, 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 Acts 2015-2020 ("the ICAV Act") and International Financial Reporting Standards as adopted by the European Union ("IFRS") ("the relevant financial reporting framework").

The applicable regulations that have been applied in their preparation is the European Union (Alternative Investment Fund Managers) Regulations 2013 (as amended) and the Commission Delegated Regulation (EU) No.231/2013 ("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

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

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

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

Other information

The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the annual accounts and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Audited Financial Statements. 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 PRAUDE FUNDS ICAV

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.

A further description of our responsibilities for the audit of the financial statements is located on IAASA's website at: http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf. This description forms part of our auditor's report.

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.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF PRAUDE FUNDS ICAV

Use of our report

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.



Christian Macmanus
For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House, 29 Earlsfort Terrace, Dublin 2

28 June 2022

PRAUDE FUNDS ICAV

Statement of Financial Position

		Praude Total Return Fund	Praude Pure Equity Fund*
		31 December 2021	31 December 2021
	Note	EUR	EUR
Current Assets			
Financial assets at fair value through profit or loss	3 (a), 4 (a)	60,605,533	-
Cash and cash equivalents	3 (f)	551,047	40,631
Margin cash	3 (g)	448,092	-
Receivable for securities sold		20,250	-
Due from broker		645	-
Dividend receivable		8,616	-
Other assets		2,614	-
Total Current Assets		61,636,797	40,631
Current Liabilities			
Bank overdraft	3 (f)	-	(1)
Margin overdraft		(474,400)	-
Investment management fees payable	5	(50,628)	-
AIFM fees payable	5	(4,575)	-
Performance fees payable	5	(2,472,186)	-
Administration fees payable	5	(7,596)	-
Depository fees payable	5	(4,000)	-
Auditors' remuneration payable	5	(9,225)	(9,225)
Other payables		(38,117)	(31,405)
Total Current Liabilities		(3,060,727)	(40,631)
Net assets attributable to redeemable participating shareholders		58,576,070	-

*The Praude Pure Equity Fund ceased operations on 30 April 2021.

Signed on behalf of the Board of Directors:

 Aoife Connolly 21 June 2022	 Janice Moore 21 June 2022
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The accompanying notes form an integral part of these financial statements.

PRAUDE FUNDS ICAV

Statement of Financial Position (continued)

		Praude Total Return Fund 31 December 2020	Praude Pure Equity Fund 31 December 2020
	Note	EUR	EUR
Current Assets			
Financial assets at fair value through profit or loss	3 (a), 4 (a)	44,621,712	17,768,567
Cash and cash equivalents	3 (f)	379,186	199,047
Margin cash	3 (g)	-	124,522
Due from broker		-	479
Interest receivable		1,572	462
Dividend receivable		-	10,539
Other assets		729	2,882
Total Current Assets		45,003,199	18,106,498
Current Liabilities			
Financial liabilities at fair value through profit or loss	3 (a), 4 (a)	-	(6,495)
Bank overdraft	3 (f)	-	(27)
Investment management fees payable	5	(38,786)	(22,733)
AIFM fees payable	5	(3,780)	(2,414)
Administration fees payable	5	(2,012)	(2,981)
Depositary fees payable	5	(2,000)	(2,000)
Auditors' remuneration payable	5	(9,075)	(9,075)
Other payables		(15,477)	(11,689)
Total Current Liabilities		(71,130)	(57,414)
Net assets attributable to redeemable participating shareholders		44,932,069	18,049,084

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

PRAUDE FUNDS ICAV

Statement of Comprehensive Income

		Praude Total Return Fund For the year ended 31 December 2021 EUR	Praude Pure Equity Fund* For the year ended 31 December 2021 EUR
	Note		
Income			
Net realised and unrealised gain from financial assets and financial liabilities at fair value through profit or loss and foreign exchange	4 (b)	15,868,654	626,647
Interest income on financial assets	3 (c)	16,591	619
Bank interest income	3 (c)	116,609	-
Dividend income	3 (k)	1,208,676	23,828
Total investment income		<u>17,210,530</u>	<u>651,094</u>
Operating expenses			
Investment management fees	5	(538,122)	(32,056)
AIFM fees	5	(52,878)	(10,086)
Performance fees	5	(2,472,186)	-
Administration fees	5	(47,190)	(11,645)
Depositary fees	5	(28,935)	(11,150)
Directors' fees	5	(11,256)	(3,744)
Auditors' remuneration	5	(9,225)	(9,225)
Transaction costs	3 (i)	(24,871)	(19,810)
Other operating expenses	3 (e), 5	(58,111)	(54,161)
Total operating expenses		<u>(3,242,774)</u>	<u>(151,877)</u>
Finance costs			
Withholding tax	3 (k)	(131,128)	(2,489)
Interest expense	3 (c)	(4,340)	(2,579)
Total finance costs		<u>(135,468)</u>	<u>(5,068)</u>
Increase in net assets attributable to redeemable participating shareholders resulting from operations		<u><u>13,832,288</u></u>	<u><u>494,149</u></u>

*The Praude Pure Equity Fund ceased operations on 30 April 2021.

Gains and losses of the Praude Total Return Fund arose solely from continuing operations. Gains and losses of the Praude Pure Equity Fund arose from discontinuing operations. There are no gains or losses other than those dealt with in the Statement of Comprehensive Income.

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

PRAUDE FUNDS ICAV

Statement of Comprehensive Income (continued)

		Praude Total Return Fund For the year ended 31 December 2020 EUR	Praude Pure Equity Fund For the year ended 31 December 2020 EUR
	Note		
Income			
Net realised and unrealised gain/(loss) from financial assets and financial liabilities at fair value through profit or loss and foreign exchange	4 (b)	968,333	(2,282,467)
Interest income on financial assets	3 (c)	71,987	29,351
Bank interest income	3 (c)	90,269	71
Dividend income	3 (k)	614,053	173,521
Total investment income/(expense)		<u>1,744,642</u>	<u>(2,079,524)</u>
Operating expenses			
Investment management fees	5	(380,916)	(280,912)
AIFM fees	5	(38,174)	(30,000)
Administration fees	5	(36,420)	(35,863)
Depositary fees	5	(28,530)	(33,780)
Directors' fees	5	(9,868)	(7,210)
Auditors' remuneration	5	(9,075)	(9,075)
Transaction costs	3 (i)	(29,469)	(50,810)
Other operating expenses	3 (e), 5	(7,377)	(31,926)
Total operating expenses		<u>(539,829)</u>	<u>(479,576)</u>
Finance costs			
Withholding tax	3 (k)	(82,716)	(19,558)
Interest expense	3 (c)	(8,590)	(8,481)
Total finance costs		<u>(91,306)</u>	<u>(28,039)</u>
Increase/(Decrease) in net assets attributable to redeemable participating shareholders resulting from operations		<u><u>1,113,507</u></u>	<u><u>(2,587,139)</u></u>

Gains and losses arose solely from continuing operations. There are no gains or losses other than those dealt with in the Statement of Comprehensive Income.

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

PRAUDE FUNDS ICAV

Statement of Changes in Equity

		Praude Total Return Fund For the year ended 31 December 2021 EUR	Praude Pure Equity Fund* For the year ended 31 December 2021 EUR
	Note		
Net assets attributable to redeemable participating shareholders as at beginning of the year		44,932,069	18,049,084
Net increase in net assets attributable to redeemable participating shareholders resulting from operations		13,832,288	494,149
Share Capital Transactions			
Proceeds from redeemable participating shares issued	9	-	-
Payments for redeemable participating shares redeemed	9	(188,287)	(18,543,233)
Net decrease in net assets resulting from share transactions		(188,287)	(18,543,233)
Net assets attributable to redeemable participating shareholders as at 31 December		58,576,070	-

*The Praude Pure Equity Fund ceased operations on 30 April 2021.

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

PRAUDE FUNDS ICAV

Statement of Changes in Equity (continued)

		Praude Total Return Fund For the year ended 31 December 2020 EUR	Praude Pure Equity Fund For the year ended 31 December 2020 EUR
	Note		
Net assets attributable to redeemable participating shareholders as at beginning of the year		36,839,578	25,658,410
Net increase/(decrease) in net assets attributable to redeemable participating shareholders resulting from operations		1,113,507	(2,587,139)
Share Capital Transactions			
Proceeds from redeemable participating shares issued	9	9,747,006	3,700,020
Payments for redeemable participating shares redeemed	9	(2,768,022)	(8,722,207)
Net increase/(decrease) in net assets resulting from share transactions		6,978,984	(5,022,187)
Net assets attributable to redeemable participating shareholders as at 31 December		44,932,069	18,049,084

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

PRAUDE FUNDS ICAV

Statement of Cash Flows

	Praude Total Return Fund For the year ended 31 December 2021 EUR	Praude Pure Equity Fund* For the year ended 31 December 2021 EUR
Cash flows from operating activities		
Increase in net assets attributable to holders of redeemable participating shares resulting from operations	13,832,288	494,149
Cash flows generated by operations:		
(Increase)/Decrease in receivables and other assets	(477,916)	138,884
Increase/(Decrease) in other payables and accrued expenses	2,989,597	(10,262)
Net change in financial assets and financial liabilities at fair value through profit or loss	(15,983,821)	17,762,072
Net cash provided by operating activities	360,148	18,384,843
Cash flows from financing activities		
Payments for redemption of redeemable participating shares	(188,287)	(18,543,233)
Net cash used in financing activities	(188,287)	(18,543,233)
Net increase/(decrease) in cash and cash equivalents	171,861	(158,390)
Cash and cash equivalents as at the beginning of the year	379,186	199,020
Cash and cash equivalents as at the end of the year (net of overdraft)	551,047	40,630
Cash and cash equivalents is comprised of:		
Cash at bank	551,047	40,631
Bank overdraft	-	(1)
	551,047	40,630
Net cash flow from operating activities and financing activities includes:		
Dividend received	1,200,060	34,367
Interest paid	(4,041)	-
Interest received	134,772	1,081
Withholding tax paid	(131,128)	(2,489)

*The Praude Pure Equity Fund ceased operations on 30 April 2021.

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

PRAUDE FUNDS ICAV

Statement of Cash Flows (continued)

	Praude Total Return Fund For the year ended 31 December 2020 EUR	Praude Pure Equity Fund For the year ended 31 December 2020 EUR
Cash flows from operating activities		
Increase/(Decrease) in net assets attributable to holders of redeemable participating shares resulting from operations	1,113,507	(2,587,139)
Cash flows generated by operations:		
Decrease/(Increase) in receivables and other assets	570	(137,602)
(Decrease) in other payables and accrued expenses	(25,058)	(454,742)
Net change in financial assets and financial liabilities at fair value through profit or loss	(8,149,621)	7,680,736
Net cash (used in)/provided by operating activities	(7,060,602)	4,501,253
Cash flows from financing activities		
Proceeds from issue of redeemable participating shares	7,247,006	3,700,020
Payments for redemption of redeemable participating shares	(2,768,022)	(8,722,207)
Net cash provided by/(used in) financing activities	4,478,984	(5,022,187)
Net (decrease) in cash and cash equivalents	(2,581,618)	(520,934)
Cash and cash equivalents as at the beginning of the year	2,960,804	719,954
Cash and cash equivalents as at the end of the year (net of overdraft)	379,186	199,020
Cash and cash equivalents is comprised of:		
Cash at bank	379,186	199,047
Bank overdraft	-	(27)
	379,186	199,020
Net cash flow from operating activities and financing activities includes:		
Dividend received	614,053	162,982
Interest paid	(7,877)	-
Interest received	72,259	29,627
Withholding tax paid	(82,716)	(19,558)

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

PRAUDE FUNDS ICAV

Notes to the Financial Statements For the year ended 31 December 2021

1 Reporting entity

Praude Funds ICAV (the “ICAV”) is an umbrella type Irish Collective Asset-management Vehicle with segregated liability between its Sub-Funds established under the laws of Ireland on 5 March 2018 and regulated by the Central Bank of Ireland (the “Central Bank”) under registration number C178344. It is authorised in Ireland by the Central Bank pursuant to Part 2 of the ICAV Act 2015, as a Qualifying Investor Alternative Investment Fund on 6 April 2018.

The ICAV has established two Sub-Fund’s, the Praude Total Return Fund which was authorised on 6 April 2018 and commenced operations on 2 May 2018 and the Praude Pure Equity Fund which was authorised on 17 July 2018 and commenced operations on 19 December 2018 (individually the “Sub-Fund”, together the “Sub-Funds”). On 28 January 2021, the Directors formally made the decision that it was no longer practical or viable to continue to operate the Praude Pure Equity Fund and it was in the best interest of the Shareholders to terminate the Sub-Fund. The Sub-Fund ceased operations on 30 April 2021.

The investment objective of the Praude Total Return Fund is to seek the highest level of long-term total return which includes capital growth, interest and dividends received.

The investment objective of the Praude Pure Equity Fund was to achieve long-term appreciation principally through value investing in the major equity markets.

Praude Asset Management Limited acts as the Investment Manager (the “Investment Manager”) to the ICAV.

European & Global Investments Limited acts as the Alternative Investment Fund Manager (the “AIFM”) to the ICAV.

2 Basis of preparation

(a) Statement of compliance

The financial statements of the ICAV for the year ended 31 December 2021 have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

(b) New standards and interpretations

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

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2022, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the ICAV.

(c) Basis of measurement

The financial statements have been prepared on an historical cost basis, except for financial assets and financial liabilities classified at fair value through profit and loss which have been measured at fair value.

(d) Functional and presentation currency

Functional currency is the currency of the primary economic environment in which the ICAV operates. When indicators of the primary economic environment are mixed, management uses its judgement to determine the functional currency that most faithfully represents the economic effect of the underlying transactions, events and conditions. Management have determined that the functional currency of the ICAV is the Euro (“EUR”). The majority of the ICAV’s investments and transactions are denominated in EUR. Investor subscriptions and redemptions are received and paid in the currency of the share class.

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

2 Basis of preparation (continued)

(e) Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of financial assets, financial liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

Information about significant areas of estimation and uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 8.

3 Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

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

(i) Classification

Financial assets:

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. The ICAV has not taken the option to irrevocably designate any equity securities or investment funds as fair value through other comprehensive income. Consequently, all investments are measured at fair value through profit or loss.

Financial assets measured at amortised cost:

The ICAV includes in this category short-term non-financing receivables including cash and cash equivalents, margin cash, due from broker, interest receivable, dividend receivable and other assets. The ICAV holds only trade receivables with no financing component and which have maturities of less than 12 months at amortised cost and, as such, has chosen to apply the simplified approach for expected credit losses (ECL) under IFRS 9 to all its trade receivables.

Financial liabilities:

Derivative financial instruments that have a negative fair value are presented as financial liabilities at fair value through profit or loss. As such, the ICAV classifies all of its investment portfolio as financial assets or financial liabilities as fair value through profit or loss.

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

(ii) Recognition

Financial assets and financial liabilities at fair value through profit or loss are recognised when the ICAV becomes party to the contractual provisions of the instrument.

Recognition takes place on the trade date where the purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned.

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

3 Significant accounting policies (continued)

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

(iii) Measurement

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at cost. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss are presented in the Statement of Comprehensive Income in the year in which they arise.

(iv) Fair value measurement

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 assets and financial liabilities traded in active markets (such as publicly traded derivative financial instruments and trading securities) are based on quoted market prices at the close of trading on the reporting date.

(v) Derecognition

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

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

(vi) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the Statement of Financial Position when and only when the ICAV has a legal right to offset the amounts and it intends to settle on a net basis or to realise the asset and settle the liability simultaneously.

(vii) Listed equity securities and investment funds

For investments in listed equity securities and investment funds, the fair value is based on their quoted market price on a recognised exchange or sourced from a reputable broker/counterparty in the case of non-exchange traded investments, as at the Statement of Financial Position date without any deduction for estimated future selling costs. The ICAV utilises the last available price of the relevant stock exchange or regulated market on which these securities are traded or admitted for trading. If the market for a financial instrument is not active, an entity establishes fair value by using a valuation technique. Valuation techniques include using recent arm's length market transactions between knowledgeable, willing parties, if available, reference to the current fair value of another instrument that is substantially the same, discounted cash flow analysis and option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in the actual market. No valuation techniques were used as at 31 December 2021.

(viii) Forward foreign exchange contracts

Forward foreign exchange contracts are recognised in the Statement of Financial Position at their fair value. Forward foreign exchange contracts entered into by the ICAV represent a firm commitment to buy or sell an underlying asset or currency at a specified value and point in time based upon an agreed or contracted quantity. The unrealised gain or loss is equal to the difference between the value of the contract at the onset and the value of the contract at settlement date/year end date.

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

3 Significant accounting policies (continued)

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

(ix) Futures

Futures are contracts for delayed delivery of commodities, securities or money market instruments in which the seller agrees to make delivery at a specified future date of a specified commodity or instrument, at a specified price or yield. Gains and losses on futures are recorded by the Sub-Funds based upon market fluctuations and are recorded as realised or unrealised gains or losses in the Statement of Comprehensive Income.

(x) Options

An option gives the purchaser the right, but not the obligation, upon exercise of the option, either (i) to buy or sell a specific amount of the underlying security or commodity/currency interest at a specific price (the “strike” price or “exercise” price), or (ii) in the case of a stock index option, to receive a specified cash settlement. To purchase an option, the purchaser must pay a “premium,” which consists of a single, non-refundable payment. Premiums received from writing options are marked-to-market and the resulting gains or losses are recorded in the Statement of Comprehensive Income.

(xi) Government/corporate bonds

A government/corporate bond is a debt security issued by a government/private company to support spending. The fair value of the government/corporate bond is determined by active market prices.

(xii) Rights/warrants

A rights offering (rights issue) is a group of rights offered to existing shareholders to purchase additional stock shares, known as subscription warrants, in proportion to their existing holdings. These are considered to be a type of option since it gives a company’s shareholders the right, but not the obligation, to purchase additional shares in the company. Warrants are contracts that entitle the shareholders to buy or sell securities (typically the stock of the issuing company) at a specified price. Warrants are valued on the basis of the latest available active market prices. Gains and losses on rights/warrants are recorded by a Sub-Fund based upon market fluctuations and are recorded as realised or unrealised gains or losses in the Statement of Comprehensive Income.

(xiii) Income and expenses

Income and expenses are presented separately in the Statement of Comprehensive Income. Net realised gain/(loss) from financial assets and financial liabilities at fair value through profit or loss and net unrealised gain/(loss) from financial assets and financial liabilities at fair value through profit or loss are presented net in the Statement of Comprehensive Income in the net realised and unrealised gain/(loss) from financial assets and financial liabilities at fair value through profit or loss and foreign exchange line.

(b) Foreign currency

Transactions in foreign currencies are translated into EUR at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated into EUR at the foreign currency closing exchange rate ruling at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss are translated into EUR at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into EUR using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation and on derivative financial instruments at fair value through profit or loss are recognised in the Statement of Comprehensive Income in the net realised and unrealised gain/(loss) from financial assets and financial liabilities at fair value through profit or loss and foreign exchange line.

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

3 Significant accounting policies (continued)

(c) Interest income and interest expense

Interest is recognised on a time-proportionate basis using the effective interest method. Interest income on financial assets includes interest from debt securities. Bank interest income includes interest from cash and cash equivalents. Interest expense includes expense on bank overdraft positions.

(d) Taxation

The ICAV is an investment undertaking as defined in section 739B of the Taxes Consolidation Act, 1997. Therefore, the ICAV will not be liable to Irish tax in respect of its income and gains, other than on the occurrence of a chargeable event. A chargeable event includes any distribution payments to shareholders or any encashment, redemption or transfer of Shares or the ending period for which the investments was held.

Generally, a chargeable event arises on any distributions, redemption, repurchase, cancellation, transfer of Shares or the ending of a “relevant period”. A relevant period is an eight-year period beginning with the acquisition of the Shares by the shareholder 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 ordinarily resident in Ireland at the time of the chargeable event, provided the necessary signed statutory declarations are held by the ICAV;
- ii) certain exempted Irish tax resident investors who have provided the ICAV with the necessary signed statutory declarations;
- iii) an exchange of Shares arising on a qualifying amalgamation or reconstruction of the ICAV with another fund;
- iv) any transaction in relation to Shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland;
- v) certain exchanges of Shares between spouses and former spouses on the occasion of judicial separation and/or divorce;
- vi) an exchange by a shareholder, effected by way of an arm’s length bargain where no payment is made to the shareholder of shares in the ICAV for other Shares in the ICAV.

Capital gains, dividends and interest (if any) received on investments made by the ICAV may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the ICAV or its shareholders.

In the absence of an appropriate declaration, the ICAV will be liable for Irish tax on the occurrence of a chargeable event, and the ICAV reserves its right to withhold such taxes from the relevant shareholders. There were no chargeable events in the year under review.

(e) Fees, commissions and other operating expenses

Fees, commissions and other operating expenses are recognised in Statement of Comprehensive Income on an accrual basis.

(f) Cash and cash equivalents and bank overdraft

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value and are used by the ICAV in the management of its short-term commitments. As at 31 December 2021, cash and cash equivalents and bank overdrafts are held with CACEIS Bank, Ireland Branch (31 December 2020: Same).

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

3 Significant accounting policies (continued)

(g) Margin cash

Margin cash consists of cash holdings with brokers transferred as collateral against derivatives. As at 31 December 2021, margin cash was held with CACEIS Bank, Ireland Branch (31 December 2020: Same).

(h) Shares

All redeemable shares issued by the Sub-Funds provide the investors with the right to require redemption for cash at the value proportionate to the investors share in the respective Sub-Fund's Net Asset Value at the redemption date. In accordance with IAS 32, "Financial Instruments: Presentation", such instruments give rise to a financial liability for the present value of the redemption amount.

(i) Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value through profit or loss plus, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs on the purchase and sale of some derivative financial instruments are included in the purchase and sale price of the investment. The transaction costs on these investments cannot be practically or reliably gathered as they are embedded in the cost of the investment and cannot be separately verified or disclosed.

(j) Establishment expenses

All fees and expenses relating to the establishment and organisation of the ICAV and the initial Sub-Funds including regulatory fees and the fees of the ICAV's professional advisers (including legal, accounting and taxation advisers) will be borne by the ICAV and amortised over the first three years of the ICAV's operation and charged to the initial Sub-Funds (and at the discretion of the Directors, any other Sub-Funds established by the ICAV within such three year period), on such terms and in such manner as the Directors may in their discretion determine. The cost of establishing subsequent Sub-Funds will be charged to that Sub-Fund and disclosed in the relevant Sub-Fund's Supplement.

However, as required by IFRS, this expense must be written off when incurred and as a result, these financial statements have been adjusted accordingly. This is for financial statements purposes only and it has no impact on the Dealing Net Asset Value. Please refer to note 15 for further details.

(k) Dividend income

Dividend income arising on the equity securities held by the ICAV is recognised as income of the ICAV on the ex-dividend date. Dividend income is shown gross of any non-recoverable withholding taxes, which is disclosed separately in the Statement of Comprehensive Income, and net of any tax credits.

(l) Subscription received in advance

Subscriptions receivable and redemptions payable represent amounts due from or to investors for share dealing contracted but unsettled as at the Statement of Financial Position date.

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

4 Financial assets and financial liabilities at fair value through profit or loss

(a) Categories of financial assets and financial liabilities at fair value through profit or loss

	Praude Total Return Fund 31 December 2021 EUR
Financial assets at fair value through profit or loss	
Listed equity securities	57,165,833
Corporate bonds	2,930,334
Rights	29,720
Warrants	5,246
Derivative financial instruments (note 6)	474,400
	<u>60,605,533</u>

The Praude Pure Equity Fund did not hold any financial assets or financial liabilities as at 31 December 2021 as the Sub-Fund ceased operations on 30 April 2021.

	Praude Total Return Fund 31 December 2020 EUR	Praude Pure Equity Fund 31 December 2020 EUR
Financial assets at fair value through profit or loss		
Listed equity securities	40,056,585	17,228,384
Investment funds	50,830	43,714
Corporate bonds	4,506,279	480,239
Warrants	8,018	10,000
Derivative financial instruments (note 6)	-	6,230
	<u>44,621,712</u>	<u>17,768,567</u>
Financial liabilities at fair value through profit or loss		
Derivative financial instruments (note 6)	-	(6,495)
	<u>-</u>	<u>(6,495)</u>

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

4 Financial assets and financial liabilities at fair value through profit or loss (continued)

(b) *Net realised and unrealised gain/(loss) from financial assets and financial liabilities at fair value through profit or loss and foreign exchange*

	Praude Total Return Fund For the year ended 31 December 2021 EUR	Praude Pure Equity Fund For the year ended 31 December 2021 EUR
Net realised gain/(loss) from financial assets and financial liabilities at fair value through profit or loss and foreign exchange:		
Listed equity securities	1,428,487	1,656,199
Investment funds	(4,871)	(3,641)
Corporate bonds	665,325	156,625
Rights	(4)	-
Warrants	-	43,968
Derivative financial instruments:		
Futures	(340,040)	(73,500)
Foreign exchange	1,337	43,181
	1,750,234	1,822,832
Net unrealised gain/(loss) from financial assets and financial liabilities at fair value through profit or loss:		
Listed equity securities	14,146,422	(1,029,946)
Investment funds	(3,580)	(3,390)
Corporate bonds	(525,770)	(153,114)
Rights	29,720	-
Warrants	(2,772)	(10,000)
Derivative financial instruments:		
Futures	474,400	265
	14,118,420	(1,196,185)
Net realised and unrealised gain on financial assets and financial liabilities at fair value through profit or loss and foreign exchange	15,868,654	626,647

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

4 Financial assets and financial liabilities at fair value through profit or loss (continued)

(b) *Net realised and unrealised gain/(loss) from financial assets and financial liabilities at fair value through profit or loss and foreign exchange (continued)*

	Praude Total Return Fund For the year ended 31 December 2020 EUR	Praude Pure Equity Fund For the year ended 31 December 2020 EUR
Net realised gain/(loss) from financial assets and financial liabilities at fair value through profit or loss and foreign exchange:		
Listed equity securities	140,258	(779,949)
Investment funds	-	(542)
Corporate bonds	98,175	59,975
Derivative financial instruments:		
Forward foreign exchange contracts	1,988	4,323
Futures	(458,997)	(631,487)
Foreign exchange	(28,745)	(33,475)
	(247,321)	(1,381,155)
Net unrealised gain/(loss) from financial assets and financial liabilities at fair value through profit or loss:		
Listed equity securities	908,540	(989,399)
Investment funds	(8,980)	(11,600)
Corporate bonds	322,824	89,952
Warrants	(6,730)	10,000
Derivative financial instruments:		
Futures	-	(265)
	1,215,654	(901,312)
Net realised and unrealised gain/(loss) on financial assets and financial liabilities at fair value through profit or loss and foreign exchange	968,333	(2,282,467)

5 Fees

Investment management fees

The ICAV shall pay to the Investment Manager out of the assets of each Sub-Fund a monthly fee of up to 1.00% of the Net Asset Value of the Praude Total Return Fund and a monthly fee of 1.30% of the Net Asset Value of the Praude Pure Equity Fund, accrued at each valuation point and payable monthly in arrears (plus VAT, if any).

The Investment Manager shall also be entitled to be reimbursed out of the assets of the Sub-Funds for reasonable out-of-pocket expenses incurred by it in the performance of its duties (plus VAT, if any).

The investment management fees charged for the year ended 31 December 2021 to the Praude Total Return Fund amounted to EUR 538,122 (31 December 2020: EUR 380,916) of which EUR 50,628 (31 December 2020: EUR 38,786) was payable as at the year end.

The investment management fees charged for the year ended 31 December 2021 to the Praude Pure Equity Fund amounted to EUR 32,056 (31 December 2020: EUR 280,912) of which EUR Nil (31 December 2020: EUR 22,733) was payable as at the year end.

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

5 Fees (continued)

AIFM fees

The AIFM is entitled to receive out of the assets of the Sub-Funds an AIFM fee, accrued and calculated at each valuation day and payable monthly in arrears at a rate of 0.10% per annum of the Net Asset Value where the asset size of the respective Sub-Fund is up to EUR 50 million and 0.05% of the Net Asset Value in excess of EUR 50 million. The AIFM fee is subject to an overall minimum fee of EUR 30,000 per annum per Sub-Fund.

The AIFM fees charged to the ICAV for the year ended 31 December 2021 amounted to EUR 62,964 (31 December 2020: EUR 68,174) of which EUR 4,575 (31 December 2020: EUR 6,194) was payable as at the year end.

Performance fees

In addition to the investment management fees payable to Investment Manager as set out above, the Investment Manager shall be entitled to receive out of the assets of the Sub-Funds a fee based on the performance of the Sub-Funds (the "Performance Fee").

The Performance Fee shall be calculated on the basis of the Net Asset Value per Share. The Performance Fee shall be equal to 15% of the amount by which the Net Asset Value per Share (before the deduction of the Performance Fee) has exceeded the Net Asset Value Target per Share during the Performance Period multiplied by the average number of Shares in issue taken at each Valuation Point during that Performance Period.

The "NAV Target per Share" is equal to the highest of (i) the highest NAV per Share as at the end of any previous accounting period on which a Performance Fee was paid (the "Highest NAV") or (ii) the Initial Offer Price. The Performance Period shall run from the first business day of the accounting period to the last Business Day of the accounting period or in the case of the first Performance Period, the Performance Period will commence on the first Business Day subsequent to the Initial Offer Period and will end on the last Business Day of the accounting period.

The Performance Fee will accrue on each Valuation Day and be payable annually in arrears at the end of each Performance Period within four months of the Performance Period.

The performance fees charged for the year ended 31 December 2021 to the Praude Total Return Fund amounted to EUR 2,472,186 of which EUR 2,472,186 was payable as at the year end. (31 December 2020: The Directors waived the performance fee for the Praude Total Return Fund for the year, therefore the Praude Total Return Fund did not incur any performance fees.)

The performance fees charged for the year ended 31 December 2021 to the Praude Pure Equity Fund amounted to EUR Nil (31 December 2020: EUR Nil).

Administration fees

The Administrator is entitled to receive out of the assets of the Sub-Funds an annual fee, accrued at each valuation point and payable monthly in arrears at a rate of:

- (i) 0.07% per annum on the first EUR 100 million of the Net Asset Value of the Sub-Fund; and
- (ii) 0.06% per annum on the Net Asset Value of the respective Sub-Fund between EUR 100 million and EUR 300 million; and
- (iii) 0.05% per annum on the Net Asset Value of the respective Sub-Fund in excess of EUR 300 million.

The administration fee is subject to a minimum fee of EUR 30,000 per annum per Sub-Fund. The Administrator is also entitled to recover any out-of-pocket expenses (plus VAT thereon, if any) reasonably incurred on behalf of the Sub-Funds out of the assets of the Sub-Funds on an actual cost basis.

The administration fees charged to the ICAV for the year ended 31 December 2021 amounted to EUR 58,835 (31 December 2020: EUR 72,283) of which EUR 7,596 (31 December 2020: EUR 4,993) was payable as at the year end.

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

5 Fees (continued)

Depository fees

CACEIS Bank, Ireland Branch (the “Depository”) is entitled to receive an annual fee of up to a maximum of 0.035% of the Net Asset Value of the Sub-Funds, accrued at each valuation point and payable monthly in arrears. The depository fee is subject to a minimum fee of EUR 24,000 per annum per Sub-Fund.

The depository fees charged to the ICAV for the year ended 31 December 2021 amounted to EUR 40,085 (31 December 2020: EUR 62,310) of which EUR 4,000 (31 December 2020: EUR 4,000) was payable as at the year end.

The Depository is also entitled to transaction and cash service charges and to recover properly vouched out-of-pocket expenses out of the assets of the Sub-Funds (plus VAT thereon, if any) which shall be payable quarterly in arrears.

Directors’ fees

The Directors (other than such persons who are directors or officers or employees of other companies affiliated to the AIFM) are authorised to charge a fee for their services at a rate determined by the Directors and may be entitled to special remuneration if called upon to perform any special or extra services to the ICAV. The maximum pre-tax fee payable to each Director, in any one calendar year, is currently EUR 50,000.

The Directors’ fees charged to the ICAV for the year ended 31 December 2021 amounted to EUR 15,000 (31 December 2020: EUR 17,078) of which EUR Nil (31 December 2020: EUR Nil) was payable as at the year end.

Auditors’ remuneration

The auditors’ remuneration charged to the ICAV for the year ended 31 December 2021 was EUR 18,450 (31 December 2020: EUR 18,150) of which EUR 18,450 (31 December 2020: EUR 18,150) was payable as at the year end. Except for statutory audit fees, there were no other fees paid to Deloitte Ireland LLP.

Other operating expenses

The total other operating expenses charged for the year ended 31 December 2021 are as follows:

	Praude Total Return Fund For the year ended 31 December 2021 EUR	Praude Pure Equity Fund For the year ended 31 December 2021 EUR
Secretary fees	13,156	2,877
Legal fees	10,104	4,724
VAT services fees	2,120	1,139
Central Bank fees	6,012	5,569
Transfer Agency fees	2,040	1,430
Consultancy fees	3,625	1,732
Risk management fees	8,200	-
Liquidation expenses	-	32,824
Other expenses	12,854	3,866
	58,111	54,161

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

5 Fees (continued)

Other operating expenses (continued)

The total other operating expenses charged for the year ended 31 December 2020 are as follows:

	Praude Total Return Fund For the year ended 31 December 2020 EUR	Praude Pure Equity Fund For the year ended 31 December 2020 EUR
Secretary fees	-	4,695
Legal fees	10,287	5,227
VAT services fees	1,271	1,647
Central Bank fees	3,289	4,572
Transfer Agency fees	2,788	2,420
Consultancy fees	9,315	8,685
Other expenses	7,030	4,680
Write off of over accrued fees	(26,603)	-
	7,377	31,926

6 Derivative financial instruments

Typically, derivative financial instruments serve as components of the Sub-Funds' investment strategies and are utilised primarily to structure and economically hedge investments to enhance performance and reduce the risk to the Sub-Funds. The Sub-Funds record their derivative activities on a mark-to-market basis.

During the year ended 31 December 2021, the Sub-Funds entered into futures (31 December 2020: forward foreign exchange contracts and futures).

As at 31 December 2021, the Praude Total Return Fund held futures and the Praude Pure Equity Fund did not hold any derivative financial instruments as the Sub-Fund ceased operations on 30 April 2021. (31 December 2020: the Praude Total Return Fund did not hold any derivative financial instruments and the Praude Pure Equity Fund held futures).

As at 31 December 2021, the counterparty for the futures held by the Praude Total Return Fund was CACEIS Bank (31 December 2020: the counterparty for the futures held by the Praude Pure Equity Fund was CACEIS Bank).

	Praude Total Return Fund 31 December 2021 EUR
Financial assets at fair value through profit or loss	
Futures	474,400
	474,400

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

6 Derivative financial instruments (continued)

	Praude Pure Equity Fund 31 December 2020 EUR
Financial assets at fair value through profit or loss	
Futures	6,230
	<u>6,230</u>
Financial liabilities at fair value through profit or loss	
Futures	(6,495)
	<u>(6,495)</u>

7 Efficient portfolio management

Subject to the conditions and within the limits from time to time laid down by the Central Bank, and except as otherwise stated in the investment objective and policies of the ICAV, the Investment Manager may employ investment techniques and instruments such as forward foreign exchange contracts, futures, swaps and options for efficient portfolio management purposes. Furthermore, new techniques and instruments may be developed which may be suitable for use by the ICAV in the future, and the ICAV may employ such techniques and instruments subject to the prior approval of, and any restrictions imposed by, the Central Bank. During the year ended 31 December 2021, the Sub-Funds entered into futures for the purpose of hedging and speculation in order to re-position the portfolio of the ICAV in light of changing market conditions (31 December 2020: forward foreign exchange contracts and futures).

Realised and unrealised gains and losses on derivative financial instruments entered into during the years ended 31 December 2021 and 31 December 2020 are as below:

	Praude Total Return Fund 31 December 2021		Praude Pure Equity Fund 31 December 2021	
	Realised Gain/(Loss)	Net Change in Unrealised Gain/(Loss)	Realised Gain/(Loss)	Net Change in Unrealised Gain/(Loss)
	EUR	EUR	EUR	EUR
Futures	(340,040)	474,400	(73,500)	265
	<u>(340,040)</u>	<u>474,400</u>	<u>(73,500)</u>	<u>265</u>

	Praude Total Return Fund 31 December 2020		Praude Pure Equity Fund 31 December 2020	
	Realised Gain/(Loss)	Net Change in Unrealised Gain/(Loss)	Realised Gain/(Loss)	Net Change in Unrealised Gain/(Loss)
	EUR	EUR	EUR	EUR
Forward foreign exchange contracts	1,988	-	4,323	-
Futures	(458,997)	-	(631,487)	(265)
	<u>(457,009)</u>	<u>-</u>	<u>(627,164)</u>	<u>(265)</u>

Transaction costs are embedded in the cost of certain derivative investments and therefore cannot be separately disclosed.

As at 31 December 2021, the Praude Total Return Fund held futures and the Praude Pure Equity Fund did not hold any derivative financial instruments as the Sub-Fund ceased operations on 30 April 2021. (31 December 2020: the Praude Total Return Fund did not hold any derivative financial instruments and the Praude Pure Equity Fund held futures).

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

8 Financial instruments and associated risks

(a) Overall risk management

The ICAV is exposed to a number of risks due to the nature of its activities. These risks include credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The risks detailed below should be considered in conjunction with the risks detailed in the Prospectus.

The ICAV is also exposed to operational risk such as custody/counterparty risk. Custody/counterparty risk is the risk of loss being incurred on securities in custody as a result of the counterparty's or the Depositary's insolvency, negligence, misuse of assets, fraud, poor administration or inadequate record keeping. In the event that one of the ICAV's counterparties or the Depositary becomes bankrupt and/or fails to segregate the ICAV's assets on deposit as required, the ICAV may be subject to a risk of loss.

All securities investments present a risk of loss of capital. The maximum loss of capital on equity securities is limited to the fair value of those positions. On short future positions, the maximum loss of capital can be unlimited and on long future positions, it is limited to the notional contract values of those positions.

The ICAV's Investment Manager is responsible for managing these risks in line with the ICAV's investment objectives. The Directors supervise the Investment Manager and are ultimately responsible for the overall risk management of the ICAV. The policies employed by the ICAV to measure, monitor and manage these risks are discussed below.

(b) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the ICAV. There is a possibility that an issuer will be unable to make interest payments and repay principal when due. Changes in an issuer's financial strength or in a financial instrument's credit rating may affect a financial instrument's value.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payments. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Bankruptcy or insolvency of the Depositary or counterparties may cause the ICAV's rights with respect to securities held by the Depositary or counterparty to be delayed or limited in certain cases. The ICAV monitors its risk by monitoring the credit quality and financial positions of the Depositary and counterparties the ICAV uses.

The credit risk on cash transactions and transactions involving derivative financial instruments is mitigated by transacting with counterparties that are regulated entities subject to prudential supervision, or with counterparties with high credit ratings assigned by a recognised rating agency.

The ICAV was exposed to credit risk on cash and cash equivalents, margin cash, listed equity securities, investment funds, corporate bonds, warrants, forward foreign exchange contracts, futures and options that it held during the years ended 31 December 2021 and 31 December 2020. The Investment Manager monitors the ICAV's credit position on an ongoing basis.

As at 31 December 2021, the Praude Total Return Fund held one corporate bond with a credit risk classification of Non-Rated.

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

8 Financial instruments and associated risks (continued)

(b) Credit risk (continued)

Financial assets subject to IFRS 9's impairment requirements

The ICAV's financial assets subject to the expected credit loss model within IFRS 9 are only short-term trade and other receivables. Management considers both historical analysis and forward looking information in determining any expected credit loss. As at 31 December 2021 and 31 December 2020, all other receivables, amounts due from broker, cash and cash equivalents and short-term deposits are held with counterparties with a credit rating of A+ or higher and are due to be settled within 1 month. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the ICAV. There is not considered to be any concentration of credit risk within these assets. No assets are considered impaired and no amounts have been written off in the year.

All trade receivables are expected to be received in three months or less. An amount is considered to be in default if it has not been received 30 days after it is due.

As only trade and other receivables are impacted by the IFRS 9 ECL model the ICAV has adopted the simplified approach.

Counterparty risk

Cash deposits and investments are held with the Depositary. The ICAV was also exposed to counterparty risk in respect of the derivative financial instruments entered into during the years ended 31 December 2021 and 31 December 2020. The Depositary had a credit rating of A+ as at 31 December 2021 (31 December 2020: A+) with Standard and Poor's.

Offsetting financial assets and financial liabilities

Transactions with counterparties are governed by agreements. Under IFRS 7 Financial Instruments Disclosures, the ICAV is required to disclose both gross and net information for derivatives and other financial instruments that are either offset in the Statement of Financial Position or subject to an enforceable master netting agreement or similar agreement.

Under the terms of the master netting agreement, collateral can only be seized by a party in the event of default of the other party. An event of default includes the following:

- failure by a party to make a payment when due;
- failure by a party to perform any obligation required by the agreement (other than payment) if such failure is not remedied by the end of the business day following the business day after notice of such failure is given to the party; or
- bankruptcy.

The ICAV does not offset financial assets and financial liabilities that are subject to master netting arrangements or similar agreements in the Statement of Financial Position.

As at 31 December 2021, the Praude Total Return Fund held futures and the Praude Pure Equity Fund did not hold any derivative financial instruments as the Sub-Fund ceased operations on 30 April 2021. (31 December 2020: the Praude Total Return Fund did not hold any derivative financial instruments and the Praude Pure Equity Fund held futures).

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued)
For the year ended 31 December 2021

8 Financial instruments and associated risks (continued)

(b) Credit risk (continued)

Offsetting financial assets and financial liabilities (continued)

The following table represents the Praude Total Return Fund's financial assets and financial liabilities subject to offsetting, master netting arrangements and similar agreements or otherwise as at 31 December 2021:

	Related amounts not offset in the					
	Statement of Financial Position			Statement of Financial Position		
	Gross amount recognised in the Statement of Financial Position	Gross amount offset in the Statement of Financial Position	Net amount presented in the Statement of Financial Position	Financial instruments including non-cash collateral)	Cash collateral received	Net amount
	EUR	EUR	EUR	EUR	EUR	EUR
Financial Assets						
<i>Derivative financial instruments</i>						
<i>Futures</i>						
- CACEIS Bank	474,400	-	474,400	-	(474,400)	-
Total	474,400	-	474,400	-	(474,400)	-

As at 31 December 2021, the Praude Pure Equity Fund did not hold any derivative financial instruments as the Sub-Fund ceased operations on 30 April 2021.

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued)
For the year ended 31 December 2021

8 Financial instruments and associated risks (continued)

(b) Credit risk (continued)

Offsetting financial assets and financial liabilities (continued)

As at 31 December 2020, the Praude Total Return Fund did not hold any derivative financial instruments.

The following table represents the Praude Pure Equity Fund's financial assets and financial liabilities subject to offsetting, master netting arrangements and similar agreements or otherwise as at 31 December 2020:

	Related amounts not offset in the				
	Statement of Financial Position				Net amount
	Gross amount recognised in the Statement of Financial Position	Gross amount offset in the Statement of Financial Position	Net amount presented in the Statement of Financial Position	Financial instruments (including non-cash collateral)	
	EUR	EUR	EUR	EUR	EUR
Financial Assets					
<i>Derivative financial instruments</i>					
<i>Futures</i>					
- CACEIS Bank	6,230	-	6,230	(6,230)	-
Total	6,230	-	6,230	(6,230)	-
Financial Liabilities					
<i>Derivative financial instruments</i>					
<i>Futures</i>					
- CACEIS Bank	(6,495)	-	(6,495)	6,230	265
Total	(6,495)	-	(6,495)	6,230	265

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

8 Financial instruments and associated risks (continued)

(c) Liquidity risk

Liquidity risk is the risk that the ICAV may not be able to generate sufficient cash resources to settle its obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Sub-Funds' redeemable Shares are redeemable at the shareholder's option fortnightly for cash equal to a proportionate share of the applicable Sub-Fund's Net Asset Value. The Sub-Funds are therefore potentially exposed to fortnightly redemptions by their shareholders.

The Sub-Funds invest in marketable highly liquid securities and other financial instruments, which under normal market conditions are readily convertible to cash. The liquidity profile of the investments of the Sub-Funds are appropriately aligned with the ICAV's redemption policy.

Some markets, on which the Sub-Funds may invest in, may prove at time to be insufficiently liquid or illiquid. This affects the market price of the Sub-Funds' securities and therefore their Net Asset Value. Furthermore, there is a risk that, because of a lack of liquidity and efficiency in certain markets due to unusual market conditions or unusual high volumes of repurchase requests or other reason, the Sub-Funds may experience some difficulties in purchasing or selling holdings of securities and, therefore, meeting subscriptions and redemptions in the time scale indicated in the relevant supplement. In such circumstances, the Directors may, in accordance with the ICAV's Instrument and in the Shareholders' interests, suspend subscriptions and redemptions or extend the settlement timeframe.

The Investment Manager monitors the Sub-Funds' liquidity risk on a daily basis in accordance with the Sub-Funds' investment objectives, policies and investment guidelines. The ICAV's overall liquidity positions are reviewed on a daily basis for the Sub-Funds.

The tables below and overleaf detail the Sub-Funds' remaining contractual maturity for its financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Sub-Funds can be required to pay.

The following tables set out the Sub-Fund's total exposure to liquidity risk:

As at 31 December 2021

Praude Total Return Fund	<1 Month EUR	1 - 3 Months EUR	3 - 12 Months EUR	Over 12 Months EUR	Total EUR
Liabilities					
Margin overdraft	(474,400)	-	-	-	(474,400)
Investment management fees payable	(50,628)	-	-	-	(50,628)
AIFM fees payable	(4,575)	-	-	-	(4,575)
Performance fees payable	-	-	(2,472,186)	-	(2,472,186)
Administration fees payable	(7,596)	-	-	-	(7,596)
Depository fees payable	(4,000)	-	-	-	(4,000)
Auditors' remuneration payable	-	-	(9,225)	-	(9,225)
Other payables	(38,117)	-	-	-	(38,117)
Net Asset Value attributable to holders of redeemable participating shares	-	(58,576,070)	-	-	(58,576,070)
Total financial liabilities	(579,316)	(58,576,070)	(2,481,411)	-	(61,636,797)

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

8 Financial instruments and associated risks (continued)

(c) Liquidity risk (continued)

The following tables set out the Sub-Fund's total exposure to liquidity risk (continued):

As at 31 December 2021 (continued)

Praude Pure Equity Fund	<1 Month EUR	1 - 3 Months EUR	3 - 12 Months EUR	Over 12 Months EUR	Total EUR
Liabilities					
Bank overdraft	(1)	-	-	-	(1)
Auditors' remuneration payable	-	-	(9,225)	-	(9,225)
Other payables	(31,405)	-	-	-	(31,405)
Total financial liabilities	(31,406)	-	(9,225)	-	(40,631)

As at 31 December 2020

Praude Total Return Fund	<1 Month EUR	1 - 3 Months EUR	3 - 12 Months EUR	Over 12 Months EUR	Total EUR
Liabilities					
Investment management fees payable	(38,786)	-	-	-	(38,786)
AIFM fees payable	(3,780)	-	-	-	(3,780)
Administration fees payable	(2,012)	-	-	-	(2,012)
Depositary fees payable	(2,000)	-	-	-	(2,000)
Auditors' remuneration payable	(9,075)	-	-	-	(9,075)
Other payables	(15,477)	-	-	-	(15,477)
Net Asset Value attributable to holders of redeemable participating shares	-	(44,932,069)	-	-	(44,932,069)
Total financial liabilities	(71,130)	(44,932,069)	-	-	(45,003,199)

Praude Pure Equity Fund	<1 Month EUR	1 - 3 Months EUR	3 - 12 Months EUR	Over 12 Months EUR	Total EUR
Liabilities					
Financial liabilities at fair value through profit or loss					
Futures	-	(6,495)	-	-	(6,495)
Bank overdraft	(27)	-	-	-	(27)
Investment management fees payable	(22,733)	-	-	-	(22,733)
AIFM fees payable	(2,414)	-	-	-	(2,414)
Administration fees payable	(2,981)	-	-	-	(2,981)
Depositary fees payable	(2,000)	-	-	-	(2,000)
Auditors' remuneration payable	(9,075)	-	-	-	(9,075)
Other payables	(11,689)	-	-	-	(11,689)
Net Asset Value attributable to holders of redeemable participating shares	-	(18,049,084)	-	-	(18,049,084)
Total financial liabilities	(50,919)	(18,055,579)	-	-	(18,106,498)

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

8 Financial instruments and associated risks (continued)

(c) Market risk

Despite not having any Value at Risk (VaR) limitation, the ICAV employs an advanced risk management methodology which monitors global exposure using a risk management process which, aims to ensure that on any day the absolute VaR of the Sub-Funds will be limited and kept in an acceptable range. The daily VaR will be calculated using 99% confidence level, and the historical observation period will not be less than one year unless a shorter period is justified.

Sub-Fund	VaR 31 December 2021	VaR 31 December 2020
Praude Total Return Fund	10.97%	3.36%
Praude Pure Equity Fund	N/a	2.59%

Some limitations of VaR/sensitivity analysis are:

- (a) the models are based on historical data and cannot take account of the fact that future market price movements, correlations between markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- (b) the market price risk information is a relative estimate of risk rather than a precise and accurate number;
- (c) the market price information represents a hypothetical outcome and is not intended to be predictive (in the case of probability-based methods, such as VaR, profits and losses are almost certain to exceed the reported amount with a frequency depending on the confidence interval chosen); and
- (d) future market conditions could vary significantly from those experienced in the past.

(i) Global exposure and leverage

The use of derivative financial instruments may expose the Sub-Funds to a higher degree of risk, in particular derivative financial instruments can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivative financial instruments than on standard instruments. Leveraged derivative financial instruments can therefore increase the volatility of the Sub-Funds.

The Sub-Funds will typically gain leverage through the use of derivative financial instruments and may transfer, mortgage, charge or encumber any assets or cash forming part of its assets for the purpose of providing margin or collateral in respect of the Sub-Funds' investment activities.

The maximum leverage of the Praude Total Return Fund, calculated in accordance with the Level 2 Regulation, will be a maximum of 3 times the Net Asset Value of the Sub-Fund, using the "commitment" method, and 6 times the Net Asset Value of the Sub-Fund, using the "gross" method.

The maximum leverage of the Praude Pure Equity Fund, calculated in accordance with the Level 2 Regulation, will be a maximum of 300 times the Net Asset Value of the Sub-Fund, using the "commitment" method, and 600 times the Net Asset Value of the Sub-Fund, using the "gross" method.

Disclosed in the table below is the total leverage employed during the years ended 31 December 2021 and 31 December 2020:

Sub-Fund	Total leverage employed using the commitment method during the year ended 31 December 2021	Total leverage employed using the commitment method during the year ended 31 December 2020
Praude Total Return Fund	46.34%	Nil
Praude Pure Equity Fund	N/a	5.71%

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

8 Financial instruments and associated risks (continued)

(d) Market risk (continued)

(ii) Price risk

Market price risk arises mainly from uncertainty about future prices of investments held, which are classified as financial assets at fair value through profit or loss. It represents the potential loss that the ICAV might suffer, through its holdings in the face of price movements. The Investment Manager of the Sub-Funds reviews the positions and gains and losses on a daily basis to monitor the underlying risks. Market price risk is managed by the Investment Manager through careful selection of securities and other financial instruments within the Sub-Funds' mandates and specified limits. The Investment Manager maintains the Sub-Funds overall exposures making sure they fall within the diversification limits of the Sub-Funds.

The following table details the movement in net assets that would result if market prices of the investments held by the Sub-Funds had increased/(decreased) by 5% as at 31 December 2021:

31 December 2021	Praude Total Return Fund EUR
Net financial assets and financial liabilities at fair value through profit or loss	60,605,533
Net financial assets and financial liabilities movement if market prices had increased/(decreased) by 5%	+/- 3,030,277

The Praude Pure Equity Fund did not hold any financial assets or financial liabilities as at 31 December 2021 as the Sub-Fund ceased operations on 30 April 2021.

The following table details the movement in net assets that would result if market prices of the investments held by the Sub-Funds had increased/(decreased) by 5% as at 31 December 2020:

31 December 2020	Praude Total Return Fund EUR	Praude Pure Equity Fund EUR
Net financial assets and financial liabilities at fair value through profit or loss	44,621,712	17,762,072
Net financial assets and financial liabilities movement if market prices had increased/(decreased) by 5%	+/- 2,231,086	+/- 888,104

Limitations to sensitivity analysis:

This sensitivity analysis is not necessarily indicative of the effect on the Sub-Funds' Net Asset Values as future market movements are impossible to predict. The analysis is based on historical data and cannot take into account of the fact that future market price movements and the portfolio of the Sub-Funds may bear no relation to historical patterns.

(iii) Interest rate risk

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

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

8 Financial instruments and associated risks (continued)

(d) Market risk (continued)

(iii) Interest rate risk (continued)

The following tables below detail the interest rate risk associated with the assets and liabilities of the ICAV as at 31 December 2021:

Praude Total Return Fund	Fixed Rate Interest EUR	Floating Rate Interest EUR	Non Interest Bearing EUR	Total EUR
Assets				
Financial assets at fair value through profit or loss				
Listed equity securities	-	-	57,165,833	57,165,833
Corporate bonds	-	2,930,334	-	2,930,334
Rights	-	-	29,720	29,720
Warrants	-	-	5,246	5,246
Futures	-	-	474,400	474,400
Cash and cash equivalents	551,047	-	-	551,047
Margin cash	448,092	-	-	448,092
Receivable for securities sold	-	-	20,250	20,250
Due from broker	-	-	645	645
Dividend receivable	-	-	8,616	8,616
Other assets	-	-	2,614	2,614
Total Assets	999,139	2,930,334	57,707,324	61,636,797
Liabilities				
Financial liabilities at fair value through profit or loss				
Margin overdraft	(474,400)	-	-	(474,400)
Investment management fees payable	-	-	(50,628)	(50,628)
AIFM fees payable	-	-	(4,575)	(4,575)
Performance fees payable	-	-	(2,472,186)	(2,472,186)
Administration fees payable	-	-	(7,596)	(7,596)
Depository fees payable	-	-	(4,000)	(4,000)
Auditors' remuneration payable	-	-	(9,225)	(9,225)
Other payables	-	-	(38,117)	(38,117)
Total Liabilities	(474,400)	-	(2,586,327)	(3,060,727)
Total interest sensitivity gap	524,739	2,930,334	55,120,997	58,576,070

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

8 Financial instruments and associated risks (continued)

(d) Market risk (continued)

(iii) Interest rate risk (continued)

The following tables below detail the interest rate risk associated with the assets and liabilities of the ICAV as at 31 December 2021 (continued):

Praude Pure Equity Fund	Fixed Rate Interest EUR	Floating Rate Interest EUR	Non Interest Bearing EUR	Total EUR
Assets				
Cash and cash equivalents	40,631	-	-	40,631
Total Assets	40,631	-	-	40,631

Praude Pure Equity Fund (continued)	Fixed Rate Interest EUR	Floating Rate Interest EUR	Non Interest Bearing EUR	Total EUR
Liabilities				
Bank overdraft	(1)	-	-	(1)
Auditors' remuneration payable	-	-	(9,225)	(9,225)
Other payables	-	-	(31,405)	(31,405)
Total Liabilities	(1)	-	(40,630)	(40,631)
Total interest sensitivity gap	40,630	-	(40,630)	-

The following tables below detail the interest rate risk associated with the assets and liabilities of the ICAV as at 31 December 2020:

Praude Total Return Fund	Fixed Rate Interest EUR	Floating Rate Interest EUR	Non Interest Bearing EUR	Total EUR
Assets				
Financial assets at fair value through profit or loss				
Listed equity securities	-	-	40,056,585	40,056,585
Investment funds	-	-	50,830	50,830
Corporate bonds	1,632,814	2,873,465	-	4,506,279
Warrants	-	-	8,018	8,018
Cash and cash equivalents	379,186	-	-	379,186
Interest receivable	-	-	1,572	1,572
Other assets	-	-	729	729
Total Assets	2,012,000	2,873,465	40,117,734	45,003,199

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

8 Financial instruments and associated risks (continued)

(d) Market risk (continued)

(iii) Interest rate risk (continued)

The following tables below detail the interest rate risk associated with the assets and liabilities of the ICAV as at 31 December 2020 (continued):

Praude Total Return Fund (continued)	Fixed Rate Interest EUR	Floating Rate Interest EUR	Non Interest Bearing EUR	Total EUR
Liabilities				
Investment management fees payable	-	-	(38,786)	(38,786)
AIFM fees payable	-	-	(3,780)	(3,780)
Administration fees payable	-	-	(2,012)	(2,012)
Depository fees payable	-	-	(2,000)	(2,000)
Auditors' remuneration payable	-	-	(9,075)	(9,075)
Other payables	-	-	(15,477)	(15,477)
Total Liabilities	-	-	(71,130)	(71,130)
Total interest sensitivity gap	2,012,000	2,873,465	40,046,604	44,932,069

Praude Pure Equity Fund	Fixed Rate Interest EUR	Floating Rate Interest EUR	Non Interest Bearing EUR	Total EUR
Assets				
Financial assets at fair value through profit or loss				
Listed equity securities	-	-	17,228,384	17,228,384
Investment funds	-	-	43,714	43,714
Corporate bonds	480,239	-	-	480,239
Warrants	-	-	10,000	10,000
Futures	-	-	6,230	6,230
Cash and cash equivalents	199,047	-	-	199,047
Margin cash	124,522	-	-	124,522
Due from broker	-	-	479	479
Interest receivable	-	-	462	462
Dividend receivable	-	-	10,539	10,539
Other assets	-	-	2,882	2,882
Total Assets	803,808	-	17,302,690	18,106,498

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

8 Financial instruments and associated risks (continued)

(e) Market risk (continued)

(iii) Interest rate risk (continued)

The following tables below detail the interest rate risk associated with the assets and liabilities of the ICAV as at 31 December 2020 (continued):

Praude Pure Equity Fund (continued)	Fixed Rate Interest EUR	Floating Rate Interest EUR	Non Interest Bearing EUR	Total EUR
Liabilities				
Financial liabilities at fair value through profit or loss				
Futures	-	-	(6,495)	(6,495)
Bank overdraft	(27)	-	-	(27)
Investment management fees payable	-	-	(22,733)	(22,733)
AIFM fees payable	-	-	(2,414)	(2,414)
Administration fees payable	-	-	(2,981)	(2,981)
Depositary fees payable	-	-	(2,000)	(2,000)
Auditors' remuneration payable	-	-	(9,075)	(9,075)
Other payables	-	-	(11,689)	(11,689)
Total Liabilities	(27)	-	(57,387)	(57,414)
Total interest sensitivity gap	803,781	-	17,245,303	18,049,084

(iv) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The ICAV may invest in financial instruments denominated in currencies other than the base currency or in financial instruments which are determined with references to currencies other than the base currency.

The Sub-Funds, however, will invest a portion of their assets in financial instruments denominated in EUR or in financial instruments which are determined with references to EUR. To the extent that the base currency is a denomination other than the denomination of the financial instruments owned by the Sub-Funds and no hedge is utilised, the value of the Sub-Funds' net assets will fluctuate based on fluctuations of the exchange rates as well as with price changes of their investments in the various local markets and currencies.

An increase in the value of the EUR compared to the other currencies in which the Sub-Funds may make investments will reduce the effect of increases and magnify the EUR equivalent of the effect of decreases in the prices of the Sub-Funds' financial instruments in their local markets.

Conversely, a decrease in the value of the EUR will have the opposite effect of magnifying the effect of increases and reducing the effect of decreases in the prices of the Sub-Funds' non-EUR financial instruments. It may not be possible or practical to hedge against the consequent currency risk exposure and in certain instances the Investment Manager may consider it desirable not to hedge against such risk.

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

8 Financial instruments and associated risks (continued)

(d) Market risk (continued)

(iv) Currency risk (continued)

Currency risk is managed in the Sub-Funds by monitoring their overall currency exposures and ensuring they fall within the Sub-Funds' specified mandates and limits. The Investment Manager uses futures and options for hedging purposes at portfolio level.

The carrying amount of the Sub-Fund's foreign denominated financial assets and financial liabilities as at 31 December 2021 is as follows:

Praude Total Return Fund

	Financial Assets/ Financial Liabilities	Net Other Assets/ (Liabilities)	Exposure	Impact to Net Assets	Impact to Net Assets
	EUR	EUR	EUR	EUR	%
CHF	4,224,314	(2,308)	4,222,006	422,201	0.72%
GBP	471,755	788	472,543	47,254	0.08%
NOK	693,550	(269)	693,281	69,328	0.12%
PLN	823,900	(23)	823,877	82,388	0.14%
USD	1,912,882	8,617	1,921,499	192,150	0.33%

Praude Pure Equity Fund

	Financial Assets/ Financial Liabilities	Net Other Assets/ (Liabilities)	Exposure	Impact to Net Assets	Impact to Net Assets
	EUR	EUR	EUR	EUR	%
CHF	-	1,439	1,439	144	N/a
DKK	-	(1)	(1)	-	N/a
GBP	-	145	145	15	N/a
USD	-	327	327	33	N/a

The carrying amount of the Sub-Fund's foreign denominated financial assets and financial liabilities as at 31 December 2020 is as follows:

Praude Total Return Fund

	Financial Assets/ Financial Liabilities	Net Other Assets/ (Liabilities)	Exposure	Impact to Net Assets	Impact to Net Assets
	EUR	EUR	EUR	EUR	%
CHF	2,489,426	23	2,489,449	248,945	0.55%
NOK	-	(228)	(228)	(23)	(0.00%)
PLN	1,059,151	48	1,059,199	105,920	0.24%
USD	-	729	729	73	0.00%

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

8 Financial instruments and associated risks (continued)

(d) Market risk (continued)

(iv) Currency risk (continued)

The carrying amount of the Sub-Fund's foreign denominated financial assets and financial liabilities as at 31 December 2020 is as follows (continued):

Praude Pure Equity Fund

	Financial Assets/ Financial Liabilities	Net Other Assets/ (Liabilities)	Exposure	Impact to Net Assets	Impact to Net Assets
	EUR	EUR	EUR	EUR	%
CAD	211,239	4	211,243	21,124	0.12%
CHF	1,512,718	1,453	1,514,171	151,417	0.84%
DKK	599,293	8	599,301	59,930	0.33%
GBP	959,256	19,144	978,400	97,840	0.54%
HKD	536,362	56	536,418	53,642	0.30%
NOK	232,523	61	232,584	23,258	0.13%
PLN	-	1	1	-	0.00%
SEK	166,763	36	166,799	16,680	0.09%
USD	5,438,878	9,540	5,448,418	544,842	3.02%

(e) Fair value of financial instruments

The ICAV is required to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. In accordance with IFRS 13, the inputs have been categorised into a three-level hierarchy which gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to significant unobservable inputs (Level 3). If the inputs used to value an investment fall within different levels of the hierarchy, the categorisation is based on the lowest level input that is significant to the fair value measurement of the investment.

The tables overleaf provide an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to Level 3 based on the degree to which the inputs to estimate the fair value are observable.

The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as a price) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs) and which are significant to the valuation.

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

8 Financial instruments and associated risks (continued)

(e) Fair value of financial instruments (continued)

Investments typically classified within Level 1 include active listed equity securities, exchange traded derivative financial instruments and certain Government bonds.

Investments typically classified within Level 2 include investments in corporate bonds, certain Government bonds, certain listed equity securities and over-the-counter derivative financial instruments. Investment funds are also considered Level 2 investments if there is evidence that redemptions occurred during the year and there were no restrictions preventing redemptions as at the year end. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations may be adjusted to reflect illiquidity and/or non-transferability. Such adjustments are generally based on available market information. Investments typically classified within

Level 3 include certain corporate bonds, private equity securities and investment funds that have suspended redemptions, created side pocket classes or imposed gates. Within Level 3, the use of the market approach generally consists of using comparable market transactions.

There were no Level 3 investments held by the Sub-Funds as at 31 December 2021 (31 December 2020: Same).

The Sub-Funds' investments in listed equity securities, investment funds and futures are classified within Level 1 – quoted prices in active markets that are accessible at the measurement date for identical, unrestricted investments.

The Sub-Funds' investments in corporate bonds, rights and warrants are classified within Level 2 - other significant observable inputs.

The table below summarises the Sub-Funds' classification of investments, into the above hierarchy levels as at 31 December 2021:

Praude Total Return Fund	Level 1	Level 2	Level 3	Total
	EUR	EUR	EUR	EUR
Financial assets at fair value through profit or loss				
Listed equity securities	57,165,833	-	-	57,165,833
Corporate bonds	-	2,930,334	-	2,930,334
Rights	-	29,720	-	29,720
Warrants	-	5,246	-	5,246
<i>Derivative assets</i>				
Futures	474,400	-	-	474,400
	57,640,233	2,965,300	-	60,605,533

The Praude Pure Equity Fund did not hold any financial assets or financial liabilities as at 31 December 2021 as the Sub-Fund ceased operations on 30 April 2021.

There were no transfers between the levels for the year ended 31 December 2021.

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

8 Financial instruments and associated risks (continued)

(e) Fair value of financial instruments (continued)

The tables below summarise the Sub-Funds' classification of investments, into the above hierarchy levels as at 31 December 2020:

Praude Total Return Fund	Level 1	Level 2	Level 3	Total
	EUR	EUR	EUR	EUR
Financial assets at fair value through profit or loss				
Listed equity securities	40,056,585	-	-	40,056,585
Investment funds	50,830	-	-	50,830
Corporate bonds	-	4,506,279	-	4,506,279
Warrants	-	8,018	-	8,018
	40,107,415	4,514,297	-	44,621,712
Praude Pure Equity Fund	Level 1	Level 2	Level 3	Total
	EUR	EUR	EUR	EUR
Financial assets at fair value through profit or loss				
Listed equity securities	17,228,384	-	-	17,228,384
Investment funds	43,714	-	-	43,714
Corporate bonds	-	480,239	-	480,239
Warrants	-	10,000	-	10,000
<i>Derivative assets</i>				
Futures	6,230	-	-	6,230
	17,278,328	490,239	-	17,768,567
	Level 1	Level 2	Level 3	Total
	EUR	EUR	EUR	EUR
Financial liabilities at fair value through profit or loss				
<i>Derivative liabilities</i>				
Futures	(6,495)	-	-	(6,495)
	(6,495)	-	-	(6,495)

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

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

9 Shares

The ICAV issues ordinary participating shares (“Shares”) and management shares of no par value. Only holders of the management shares have the right to vote at any general meeting of the ICAV.

There are two management shares currently in issue which are held by the AIFM (31 December 2020: Same).

Share capital transactions for the year ended 31 December 2021 are summarised in the table below:

	Redeemable Participating Shares			In issue as at end of year
	In issue as at beginning of year	Issued during the year	Redeemed during the year	
Praude Total Return Fund				
Class A EUR	45,522	-	(158)	45,364
Praude Pure Equity Fund				
Class A EUR	17,620	-	(17,620)	-

Share capital transactions for the year ended 31 December 2020 are summarised in the table below:

	Redeemable Participating Shares			In issue as at end of year
	In issue as at beginning of year	Issued during the year	Redeemed during the year	
Praude Total Return Fund				
Class A EUR	36,228	12,169	(2,875)	45,522
Praude Pure Equity Fund				
Class A EUR	21,880	4,085	(8,345)	17,620

Shares may be issued on the first and fifteenth business day of every month (“Subscription Day”). Shares issued in a Sub-Fund or a Share Class will be in registered form and denominated in the base currency specified in the relevant Supplement for the relevant Sub-Fund or the currency attributable to the particular Share Class.

Shares have no par value and will first be issued during the Initial Offer Period for each Sub-Fund or Share Class as specified in the relevant Supplement. Thereafter, Share Classes shall be issued at the Net Asset Value per Share.

Shareholders may redeem Share Classes by applying to the Administrator on any redemption day designated in the relevant Supplement. The redemption price per Share is calculated by reference to the Net Asset Value per Share and any redemption charge to be levied.

10 Related party transactions

IAS 24 - parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

Aoife Connolly and Janice Moore are both senior employees of European & Global Investments Limited, who act as the AIFM to the ICAV.

Michael Vella is the Chief Operations Officer of Praude Asset Management Limited, who act as the Investment Manager to the ICAV.

As at 31 December 2021, the Directors are satisfied that all transactions with related parties, Directors or any other party in which they have a material interest in, are entered into in the ordinary course of business and on normal commercial terms.

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

10 Related party transactions (continued)

None of the Directors or the Secretary had any interest in the share capital of the ICAV as at 31 December 2021 (31 December 2020: Same).

Fees paid to the Directors, the Investment Manager and the AIFM are disclosed in note 5.

Consultancy fees paid to European Investment Consulting, an affiliate of the AIFM, during the year ended 31 December 2021 amounted to EUR 5,357 (31 December 2020: EUR 18,000).

11 Auditors' remuneration

	Year Ended 31 December 2021	Year Ended 31 December 2020
	EUR	EUR
Audit (exclusive of VAT)	15,000	15,000
Total audit fee	15,000	15,000

Except for the fees for the audit of the ICAV's financial statements, there were no other fees charged by Deloitte Ireland LLP in relation to tax advisory, other assurance or other non-audit services.

12 Soft commission arrangements

A soft commission arrangement is a means of paying a brokerage firm for its services through commission revenue. For the year ended 31 December 2021, the Sub-Funds did not enter into any soft commission arrangements (31 December 2020: Same).

13 Exchange rates

The following exchange rates were used to convert other assets and liabilities to Euro.

Currency	31 December 2021	31 December 2020
CAD	N/a	1.5588
CHF	1.0362	1.0816
DKK	7.4376	7.4435
GBP	0.8396	0.8951
HKD	N/a	9.4873
NOK	10.0282	10.4760
PLN	4.5834	4.5590
SEK	N/a	10.0485
USD	1.1372	1.2236

14 Net Asset Value comparison

31 December 2021	Net Asset Value	Shares in Issue	Net Asset Value per Share
Praude Total Return Fund			
Class A EUR	EUR 58,576,070	45,364	EUR 1,291.25

The share class of the Praude Pure Equity Fund was fully redeemed on 30 April 2021.

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

14 Net Asset Value comparison (continued)

31 December 2020	Net Asset Value	Shares in Issue	Net Asset Value per Share
Praude Total Return Fund			
Class A EUR	EUR 44,932,069	45,522	EUR 987.04
Praude Pure Equity Fund			
Class A EUR	EUR 18,049,084	17,620	EUR 1,024.35
31 December 2019	Net Asset Value	Shares in Issue	Net Asset Value per Share
Praude Total Return Fund			
Class A EUR	EUR 36,839,578	36,228	EUR 1,016.88
Praude Pure Equity Fund			
Class A EUR	EUR 25,658,410	21,880	EUR 1,172.69

15 Reconciliation of the dealing Net Asset Value to the financial statements Net Assets Value

The following table provides a reconciliation of the Net Asset Value for dealing purposes to the financial statements Net Asset Value as at 31 December 2021 and 31 December 2020.

	Praude Total Return Fund 31 December 2021 EUR
Net Asset Value for dealing purposes	58,581,040
Adjustment for write off of establishment expenses	(4,970)
	<u>58,576,070</u>

The Praude Pure Equity Fund ceased operations on 30 April 2021.

	Praude Total Return Fund 31 December 2020 EUR	Praude Pure Equity Fund 31 December 2020 EUR
Net Asset Value for dealing purposes	44,760,241	18,058,710
Adjustment for write off of establishment expenses	(8,798)	(9,626)
Adjustment for performance fee waiver	180,626	-
	<u>44,932,069</u>	<u>18,049,084</u>

16 Significant events during the year

During the financial year we saw continued impact from the coronavirus COVID-19 outbreak with further waves and lockdowns. It has been declared a global pandemic by the World Health Organisation. The nature and extent of the impact of the event is difficult to predict as, despite the development and rollout of vaccines the threat from variants and regional out breaks continues. It may adversely affect the return on the Sub-Fund and its investments and there is continued concern about the impact on the world economy. The AIFM and the Investment Manager continue to monitor the efforts of governments to contain the spread of the virus and the economic impact on the investments in the portfolios.

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2021

16 Significant events during the year (continued)

On 28 January 2021, the Directors formally made the decision that it was no longer practical or viable to continue to operate the Praude Pure Equity Fund and it was in the best interest of the Shareholders to terminate the Sub-Fund. The Sub-Fund ceased operations on 30 April 2021.

Effective 5 March 2021, the First Addendum to the Prospectus updating for sustainable finance was issued.

Effective 21 October 2021, Robert Azzopardi resigned as Director of the ICAV and Michael Vella was appointed as Director of the ICAV.

Effective 9 December 2021, the Second Addendum to the Prospectus updating further for sustainable finance was issued.

There have been no other significant events requiring disclosure in the financial statements.

17 Significant events after the year end

Announcements of potential and actual sanctions have been made by a number of countries (including the US, UK and EU) following the invasion initiated by Russia against the Ukraine on 24 February 2022. The situation, together with markedly increased fluctuations in commodity prices and foreign exchange rates, and the risk of significant adverse impact on global economies, has driven a sharp increase in volatility across markets. The Directors regard these events for the ICAV as non-adjusting events after the reporting period. The AIFM and Investment Manager continue to monitor the evolving situation and its impact on the financial position of the ICAV.

There have been no other significant events since the year end that require disclosure in these financial statements.

18 Statement of portfolio changes

A statement of changes in the composition of the ICAV's portfolio is available to shareholders free of charge upon request from the Administrator.

19 Approval of the financial statements

The financial statements were approved by the Board of Directors on 21 June 2022.

PRAUDE FUNDS ICAV

Schedule of Investments Praude Total Return Fund For the year ended 31 December 2021

Quantity	Description	Fair Value EUR	As a % of Net Asset Value
Listed Equity Securities			
Austria			
32,990	VIENNA INSURANCE GROUP AG	821,451	1.40%
33,821	VIENNA INTERNATIONAL AIRPORT	899,639	1.54%
		<u>1,721,090</u>	<u>2.94%</u>
France			
15,473	CIMENT VICAT SA	557,028	0.95%
102,065	CNP ASSURANCES	2,219,914	3.79%
2,538	LACROIX GROUP SA	109,388	0.19%
19,743	MG INTERNATIONAL	232,967	0.40%
15,130	SA VENCIA	925,956	1.58%
		<u>4,045,253</u>	<u>6.91%</u>
Germany			
23,947	ADESSO	5,004,923	8.54%
158,163	DELTICOM AG	1,012,243	1.73%
15,832	HHLA NAMEN AKT	325,506	0.56%
15,857	OH B AG	570,852	0.97%
42,253	WACKER CONSTR EQUIP NAMEN AKT	1,066,466	1.82%
59,078	WUESTENROT-WUERTTENBERGISCHE.NAMEN AKT	1,043,317	1.78%
		<u>9,023,307</u>	<u>15.40%</u>
Greece			
100,000	PROFILE SYSTEMS & SOFTWARE SA	600,000	1.02%
133,674	PUBLIC POWER CORP OF GREECE	1,256,536	2.15%
		<u>1,856,536</u>	<u>3.17%</u>
Ireland			
163,313	DOLE	1,912,882	3.26%
41,318	GLANBIA PLC	508,211	0.87%
191,600	IRISH CONTL GROUP UNITS	866,990	1.48%
		<u>3,288,083</u>	<u>5.61%</u>
Italy			
137,894	AUTO STRADE MERIDIONALI NAPOLI	3,847,242	6.56%
15,398	A VIO SPA REG SHS	180,156	0.31%
233,479	BASICNET	1,342,504	2.29%
607,396	BIM AZ.	19,861	0.03%
88,818	BUZZI UNICEM SPA	1,685,322	2.88%
30,000	DANIELI AND CO SPA NON CONV	516,000	0.88%
135,563	EL.EN	2,112,072	3.61%
1,175,301	FNM SPA	721,635	1.23%
20,347	GPI SPA	331,656	0.57%
14,817	ITALIAN WINE BRANDS SPA	614,906	1.05%
185,419	OPENJOBMETIS	2,382,634	4.07%
9,353	OPENJOBMETIS AZ	120,186	0.21%
279,803	ORSERO NM AZ. NOMINATIVA	3,315,666	5.66%
174,317	SOL	3,686,805	6.29%
		<u>20,876,645</u>	<u>35.64%</u>

PRAUDE FUNDS ICAV

Schedule of Investments (continued) Praude Total Return Fund (continued) For the year ended 31 December 2021

Quantity	Description		Fair Value EUR	As a % of Net Asset Value
Listed Equity Securities (continued)				
Norway				
899,745	KOMPLETT BANK ASA		693,551	1.18%
			693,551	1.18%
Poland				
91,169	WARSAW SE		823,900	1.41%
			823,900	1.41%
Spain				
165,569	FAES FARMA SA		575,849	0.98%
27,320	GRUPO CATALANA OCCIDENTE SA		819,600	1.40%
92,663	TALGO S.A.		503,160	0.86%
20,821	VIDRALA SA		1,803,099	3.08%
			3,701,708	6.32%
Switzerland				
11,659	BERGBAHNEN ENGELBERG-TRUEBSEE-TITLIS AG		506,350	0.87%
10,450	HELVETIA HLDG - REGISTERED SHS		1,083,173	1.85%
4,162	SWISS LIFE HOLDING N-NAMEN REGISTERED		2,245,387	3.83%
524	VILLARS HOLDING NOM.		389,403	0.66%
			4,224,313	7.21%
The Netherlands				
51,000	ASR NEDERLAND N.V.		2,065,500	3.52%
236,266	CEMENTIR HOLDING N.V.		1,979,909	3.38%
42,206	FUGRO --- BEARER AND REGISTERED SHS		290,588	0.50%
44,186	NN GROUP N.V.		2,103,695	3.59%
			6,439,692	10.99%
United Kingdom				
141,966	TRAINLINE - REGISTERED SHS		471,755	0.81%
			471,755	0.81%
Total Listed Equity Securities			57,165,833	97.59%

Quantity/ Principal	Amount	Description	Currency	Maturity Date	Fair Value EUR	As a % of Net Asset Value
Corporate Bonds						
Luxembourg						
2,900,000		SUPERSTRADA PEDEMONT FL.R	EUR	30/06/2047	2,930,334	5.00%
					2,930,334	5.00%
Total Corporate Bonds					2,930,334	5.00%

PRAUDE FUNDS ICAV

Schedule of Investments (continued)
Praude Total Return Fund (continued)
For the year ended 31 December 2021

Quantity/ Principal Amount	Description	Currency	Maturity Date	Fair Value EUR	As a % of Net Asset Value
Rights					
Luxembourg					
165,569	FAES FARMA 30.12.21 RIGHT	EUR	25/01/2022	29,720	0.05%
				29,720	0.05%
Total Rights				29,720	0.05%
Quantity/ Principal Amount	Description	Currency	Maturity Date	Fair Value EUR	As a % of Net Asset Value
Warrants					
Luxembourg					
989,843	D AMICO INTL WARRANT 30.06.22	EUR	30/06/2022	5,246	0.01%
				5,246	0.01%
Total Warrants				5,246	0.01%
Quantity	Description	Currency	Maturity Date	Fair Value EUR	As a % of Net Asset Value
Futures - Assets					
(106)	EURO-BTP FUTURE MAR22	EUR	31/03/2022	265,520	0.45%
(68)	EURO-BUND FUTURE MAR22	EUR	31/03/2022	208,880	0.36%
				474,400	0.81%
Total Futures - Assets				474,400	0.81%
Total financial assets at fair value through profit or loss				60,605,533	103.46%
Other liabilities in excess of other assets				(2,029,463)	(3.46%)
Net Asset Value attributable to redeemable participating shareholders				58,576,070	100.00%

The Praude Pure Equity Fund did not hold any financial assets or financial liabilities as at 31 December 2021 as the Sub-Fund ceased operations on 30 April 2021.

PRAUDE FUNDS ICAV

Remuneration Policy (unaudited) For the year ended 31 December 2021

The information provided below relates to the AIFM

The AIFM has implemented a remuneration policy pursuant to the principles laid down in Schedule 2 of the AIFM Regulations and the AIF Rulebook. This remuneration policy shall be consistent with and shall promote sound and effective risk management and shall focus on the control of risk-taking behaviour of senior management, risk takers, employees with control functions and employees receiving total remuneration that falls within the remuneration bracket of senior management and risk takers whose professional activities have a material impact on the risk profiles of the AIFM and the Sub-Funds.

In line with the provisions of the AIFM Regulations and the ESMA Guidelines on Remuneration, each of which may be amended from time to time, the AIFM applies its remuneration policy and practices in a manner which is proportionate to its size and that of the ICAV, its internal organisation and the nature, scope and complexity of its activities.

Further details relating to the current remuneration policy of the AIFM are available on www.egifunds.com. This includes a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits. A paper copy will be made available upon request free of charge by the AIFM.

PRAUDE FUNDS ICAV

Sustainable Finance Disclosure Regulations (unaudited) For the year ended 31 December 2021

“Sustainability risk” is defined in the EU’s Sustainable Finance Disclosure Regulation (2019/2088) as an environmental, social or governance event or condition which, if it occurs, could cause an actual or potential material negative impact on the value of an investment.

The Sub-Funds of the ICAV do not promote environmental or social characteristics, nor do they have sustainable investment as its objective. The investments underlying the Sub-Funds do not take into account the EU criteria for environmentally sustainable economic activities. Each Sub-Fund is therefore considered as an “Article 6” financial product in accordance with the SFDR.