

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

For the year ended 31 December 2023

PRAUDE FUNDS ICAV

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PRAUDE FUNDS ICAV

ICAV and Other Information

Directors of the ICAV

Aoife Connolly (Irish resident)* (resigned 30 June 2023)
Janice Moore (Irish resident)* (resigned 4 August 2023)
Michael Vella (Maltese resident)*
Conor Gill (Irish Resident)* (appointed 3 July 2023)
Miriam Walsh (Irish Resident)* (appointed 7 September 2023)
Kevin Farrugia (Maltese resident)* (appointed 3 October 2023)

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
Ireland

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 2023

The Directors present their report and the financial statements for Praude Funds ICAV (the "ICAV") for the year ended 31 December 2023.

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 initial Sub-Fund of the ICAV is the Praude Total Return Fund which was authorised on 6 April 2018 and commenced operations on 2 May 2018. The Praude Micro and Small Cap Fund which was authorised on 27 June 2023 and commenced operations on 25 July 2023. Praude Total Return Fund and Praude Micro and Small Cap Fund are individually the "Sub-Fund", together the "Sub-Funds".

During the year ended 31 December 2023, the Sub-Funds of the ICAV were the Praude Total Return Fund and the Praude Micro and Small Cap Fund.

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

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 12.

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".

Global markets had a generally positive year in 2023 despite significant volatility. There were new and continued geopolitical tensions in various regions culminating at a global level impacting market volatility and economies. The Directors and Investment Manager continue to actively monitor the global environment and its impact on the financial position of the Sub Funds.

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 please refer to note 17.

Financial position, results and dividends

The financial position and the results of the Fund for the year are set out on pages 17 to 24 of the financial statements. The Directors do not propose the payment of a dividend in respect of the Shares of the Fund for the year ended 31 December 2023 (31 December 2022: same).

Results for the year

The results for the year are set out on page 19.

PRAUDE FUNDS ICAV

Directors' Report (continued) For the year ended 31 December 2023

Directors and Secretary's interests

The Directors and Secretary are as stated on page 3.

The following Directors served during the year:

Aoife Connolly (resigned 30 June 2023)
Janice Moore (resigned 4 August 2023)
Michael Vella
Conor Gill (appointed 3 July 2023)
Miriam Walsh (appointed 7 September 2023)
Kevin Farrugia (appointed 3 October 2023)

None of the Directors nor the Secretary had any interest in the share capital of the ICAV as at 31 December 2023.

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

Miriam Walsh and Conor Gill, appointed as Directors of the ICAV during the period, 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 the Investment Manager, Director of the Investment Manager and is on the Investment Committee of the Investment Manager.

Kevin Farrugia is a Director 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 2023, 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, depository, 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 (2022: same).

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 2023

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 2023

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 four 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 2023


Statement of Corporate Governance (continued)

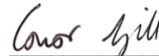
(c) Internal Control and Risk Management Systems in Relation to Financial Reporting

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:

 Director
Miriam Walsh
18 June 2024

 Director
Conor Gill
18 June 2024

PRAUDE FUNDS ICAV

Investment Manager's Report For the year ended 31 December 2023

Praude Total Return Fund Investment Manager's Report Financial Year 2023

During the Financial Year under review from 1st January 2023 until 31st December 2023, Praude Total Return Fund gained 11.99% whilst over the course of the past three years the Fund has returned a positive performance of +50.83%. The Fund is not managed in accordance with any benchmark. However, merely as a point of reference, one can note that during the same periods, the Euro Stoxx 50 Index and the Stoxx 600 gained 19.19% and 12.73% respectively over the one-year period whilst gaining 27.27% and 20.04% respectively over a three-year period. Furthermore, due to the composition of the Fund portfolio, reference can also be made to the FTSE Italia Star Index and the Stoxx Europe Small 200 – these indices returned +3.34% and +9.74% over 2023 and +6.31% and -1.34% respectively over the past three years. The Bloomberg Barclays EuroAgg Total Return Index (consisting of investment grade, euro-denominated, fixed-rate bonds including treasuries, government-related, corporate and securitized issuers) gained 7.19% during the year whilst the S&P Eurozone Investment Grade Corporate Bond Index returned 7.72% over the same period. Over the 3-year period these same bond indices were down -13.87% and -7.05% respectively.

During the past year inflation moved lower, with the Euro Area Harmonised Index of Consumer Prices [HICP] declining from the high of 10.6% registered in October 2022 to close 2023 at 2.9%, a level which albeit much lower than the high reached in 2022, is still higher than the target level of 2% set by the ECB. The aggressive strategy adopted back in 2022 by Central Banks of raising interest rates at a relatively fast pace has managed to control inflation and bring it down to more sustainable levels, amongst fears that the higher interest rates will effectively stagnate demand and the world economy. These fears were allayed towards the end of the year as economic data released showed that economies were still resilient, demand still healthy with a very strong job market, especially within the US, which surprised and exceeded market expectations in the last quarter of the year with much better than forecasted GDP growth. These news and indications spurred the market rally which started towards end October of last year, closing off the year strongly.

As the main refinancing rate in Europe reached its peak of 4.5% by September and inflation maintained its downward trajectory, markets started pricing in potential rate cuts to take place in 2024 as the Central Bank neared its inflation end goal, thus interest rates on Government bonds tumbled from the peaks reached in early Q4 2023, with the Italian 10 Year BTP yield falling from 5.00% to 3.47% and that on the German Bund closing the year at 2.02% from highs of 2.966% reached a few months earlier. The strategic short positions held in Government bond futures, which proved to be the main driver of performance during the previous financial year, were still maintained as the Investment Manager expected interest rates to move higher into 2023 – these positions were reduced progressively as from Q3 2023 as interest rates edged closer to the Manager's internal target levels, at which point the downside of a retraction in interest rates started outweighing the upside. The positions returned negative performance for the year as interest rates ended the year lower than were they closed 2022.

Fund flows observed during the period showed that actively managed Funds lost market share as most of the flows into Funds go directly to ETFs, which as per their nature, are composed mostly of the most liquid and larger cap securities. These flows automatically push large caps stocks at the expense of their smaller counterparts, thus large caps end up outperforming small caps and this dynamic makes it much more difficult to implement an investment policy aimed at going long on selected small cap names against synthetic short instruments as there is always an inherent size gap that effects the performance.

Since the previous year, the Manager strategically refocused the portfolio into price inelastic industries that would benefit from an inflationary environment and remain resilient during a period of economic slowdown. These positions were maintained and were amongst the top contributors to performance during the period. Glass container producers were the main sub-sector exposure in the Fund with 10.58% [as at end FY 2023] and amongst the top performers, in particular Vidrala [+22.50% in 2023] and Verallia [+10.04% in 2023]. Both companies reported positive results over the year, exhibiting strong market positions and a favourable price mix, enabling the companies to extract profitability by successfully passing on price increases to customers, increasing bottom line even with softer volumes.

PRAUDE FUNDS ICAV

Investment Manager's Report (continued) For the year ended 31 December 2023

Praude Total Return Fund Investment Manager's Report Financial Year 2023 (continued)

Another industry exposure in which the Fund holds an important exposure of 9.2% [as at end FY 2023] and contributed strongly to the Fund's annual performance were cement producer companies, namely Buzzi [+53.00% in 2023], Cementir [+55.37% in 2023] and to a lesser extent Vicat [+38.90% in 2023]. Similar to glass container producer companies, Cement producers had a very positive year, boosting revenues and bottom line with slightly lower volumes, successfully implementing a progressive price increase strategy. In the case of Cementir and Buzzi, their strong cash generation in the previous years has resulted in both these companies having a strong net cash position, making an even more compelling case for holding these positions from a valuation point of view. The North American business trends were a solid driver for these companies as the favourable price mix provided a solid performance tailwind, for Buzzi in particular due to its higher exposure towards this market. From a valuation point of view, the news early in 2024 of Holcim's intention to spin-off its North American business at a much higher valuation than the current metrics demanded for the Italian cement producers shows the attractive valuation Buzzi and Cementir are currently trading at, even after a stellar 2023.

The top single equity contributor to the Fund's performance in 2023 was SOL, which was the largest single exposure throughout most of the year and whose share price rallied +57.06% over the 12-month period. The Italian Health Care and Technical gases company had another stellar year, benefiting from its strategic positioning within the health care segment and from a favourable pricing mix given that a portion of its revenues are inflation linked. The company's strong cash generation throughout the years has spurred management to grow the company in strategic areas, resulting in the performance we have seen over the past years, a strong reflection of the company's management. Tying into the Manager's strategy of creating exposure towards industries that stand to gain from an inflationary environment whilst showing resilience during periods of economic downturn, SOL's exposure of around 60% of its revenues towards the health care sector shows also its defensive qualities and hence its strong position within the Fund.

Within the top performers for the year, Orsero featured for the second year running, gaining 27.33% over the period on the back of strong results released throughout the year driven by a favourable product and price mix, including higher banana prices, and savings on energy input costs.

On the negative end of the spectrum, Adesso was amongst the worst performers, registering an 18.51% drop in share price over the 12-month period. In the first half of the year the German software company was marred by high wage costs which weighed on the bottom line, especially as capacity utilisation was low. In an attempt to anticipate their competitors, the company embarked on an aggressive drive to secure and engage top quality personnel, so much so that "Full Time Employee" growth was higher than revenue growth, in preparation for future contracts which they had in the pipeline, thus numbers were expected to be weak due to these dynamics. During the second half of the year utilisation stabilised and the company produced improved Q4 results, surprising to the upside both with revenues and EBITDA. This was reflected in the share price which partially recovered in the last two months of the year.

Another equity holding which disappointed during the period was El.en, which lost 31.58% during the year. Financial results have been weak, impacted by weakness in the Industrial Laser business segment both in Italy, mainly due to the expiry of benefits emanating from Industria 4.0 and China. This weakness will also lead to lower capacity utilisation due to the recent investments made to enhance production capacity, impacting profitability into 2024.

In conclusion, the Manager will pursue with its core strategy of investing in small to mid-cap companies, which exhibit stable and sustainable profitability, strong cash generation and driven by apt professional management. The portfolio will continue to be hedged through the short future strategy which will be actively monitored and adjusted as the necessity arises. From time to time, the Manager also invests in securities undergoing special situations, depending on the prevailing risk reward ratio and will continue to scout the market for these opportunities. Further to the equity portion of the portfolio, the Manager will also continue to look out for bonds which have an attractive risk/reward profile.

PRAUDE FUNDS ICAV

Investment Manager's Report (continued) For the year ended 31 December 2023

Praude Micro and Small Cap Fund Investment Manager's Report Financial Year 2023

The Fund was launched on the 25th of July 2023, thus the following report will review the performance of the Fund from launch date until the end of the Financial Year, 31st December 2023. During the period under review, Praude Micro & Small Cap Fund gained 8.81%. The Fund is not managed in accordance with any benchmark. However, merely as a point of reference, one can note that during the same period, the MSCI Europe Small Cap Index returned 3.42%, the MSCI Europe Micro Cap Index lost 0.83% and the FTSE Italia STAR Index was up 3.61%.

The second half of 2023 was dominated by fears of recession and stickier than expected inflation. Albeit the aggressive strategy adopted back in 2022 by Central Banks of raising interest rates at a relatively fast pace, inflation indicators renewed concerns regarding the achievability of the 2% inflation target set by the Central Bank and spurred concerns that “higher for longer” interest rates would stagnate demand and weaken the world economy. These fears were put to rest towards the end of the year as economic data released showed the economy was still resilient with healthy levels of demand and a strong labour market, especially in US. These news and indicators spurred a market rally which started at the end of October continuing till year end when, during the month of December, the US Central Bank assumed a more dovish tone which helped the market finishing the year strongly.

A key trend observed during the period was the continuation of the underperformance of small and mid-cap companies versus larger caps. This tendency was mainly due to a couple of reasons: on the one hand, smaller companies tend to be more sensitive to higher interest rates as they feel the pinch of higher financing costs more than their larger counterparts; on the other, liquidity issues was likely an additional factor that weighed on the performance of the segment. Regarding the latter, it's worth mentioning the continuous market share gain of passive strategies (notably ETFs and Index Funds) which are draining liquidity from small and mid-caps into large cap companies included in these major indices, with passively-managed funds reported to hold more assets, at this point, than their actively-managed competitors in US and doubling their market share during the last ten years in Europe as well.

Another theme related to Italy and the universe of small companies was the overhang that originated from outflows exhibited in PIR funds: as the PIR related tax benefit matured (notably, most PIR funds where subscribed in 2017-2018 and the related tax benefit accrued after a holding period of 5 years) a wave of redemptions developed in the category, causing additional selling pressure on Italian small and relatively illiquid names which formed part of the PIR allocation.

All in all, the disparity in performance between small caps and large caps is well highlighted when comparing the performance of the FTSE Italia STAR Index, which returned +3.34% on the calendar year versus +28.03% registered by the FTSEMIB Index. Thanks to a background of resilient economic data and the perception of less restrictive Central Banks, small caps recovered some ground in terms of relative performance in the rally which developed during the last two months of the year.

Against this backdrop, the Manager stayed true to the philosophy of taking advantage of short-term dislocations caused by the trends described above to find investment opportunities to be included in the portfolio. The focus was on idiosyncratic opportunities which are not necessarily linked or exposed to any broad theme or trend with, at the same time, great attention devoted to selecting industries exhibiting pricing power and resilience in the face of inflation. A good example of such an industry is industrial and medical gasses where the Fund held shares in SOL S.p.A., the second main contributor to the performance of the fund during the period, which posted sales growth for the first nine months of 2023 on the back of an especially strong performance in the medical division.

PRAUDE FUNDS ICAV

Investment Manager's Report (continued) For the year ended 31 December 2023

Praude Micro and Small Cap Fund Investment Manager's Report Financial Year 2023 (continued)

The main contributor to the performance for the period was Cementir Holding. The company has benefited from a strong pricing environment in cement and from some relief on energy costs, which were well under control and decreasing from the peak reached in 2022. An additional boost to the results achieved during the period was also attributable to the strong performance of the Turkish market which registered a notable recovery in profitability and normalisation compared to the previous subdued years. The stock trades at a substantial discount from peers and, thanks to a strong cash generation, Cementir is expected to accumulate over one third of its current market capitalisation in cash within the next few years.

On the negative side, the main detractor to the performance for the period was Vetropack Holding. As a glass container manufacturer, Vetropack is operating in an oligopolistic industry which historically has demonstrated great resilience and price discipline. However, the course of the stock was impacted over the period under review by a combination a softer demand in beverage – after some overstocking that occurred in the sector – and some overcapacity issues that are expected to be absorbed in the coming years, with notably other players like Verallia postponing planned capacity additions beyond 2026. More recently, Vetropack has also announced a restructuring program envisaging the closure of its Swiss production site in St-Prex, which for many years has been facing difficulties in terms of profitability and location. The Manager believes this move will ultimately allow for cost savings and a more efficient production footprint, with additional optionality in selling the land in St-Prex at a substantial profit. Vetropack is trading at a meaningful discount from other comparable glass container manufacturer and the Manager believes the announced restructuring coupled with the absorption of excess capacity and a recovery in demand will eventually lead to a rerating of the company's valuation.

To conclude, the Manager will continue with the strategy of investing in underfollowed small-cap companies with attractive valuations, capable management and a history of profitability and cash generation, with particular focus on idiosyncratic opportunities in the large and diverse small-cap universe.

Praude Asset Management Limited
May 2024

PRAUDE FUNDS ICAV

Report of the Depositary to the Shareholders
For the year ended 31 December 2023

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 2023 (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

18th June 2024

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

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 2023 and of the result 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 Financial Position;
- the Statement of Comprehensive Income;
- the Statement of Changes in Equity;
- the Statement of Cash Flows; and
- the related notes 1 to 19, including material accounting policy information 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: <https://iaasa.ie/publications/description-of-the-auditors-responsibilities-for-the-audit-of-the-financial-statements>. 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.

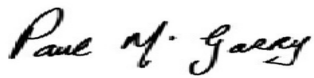
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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
PRAUDE FUNDS ICAV

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.



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

28 June 2024


PRAUDE FUNDS ICAV


Statement of Financial Position

		Praude Total Return Fund 31 December 2023	Praude Micro and Small Cap Fund* 31 December 2023
	Note	EUR	EUR
Current Assets			
Financial assets at fair value through profit or loss	4 (a)	74,315,768	30,871,370
Cash and cash equivalents	3 (f)	596,411	3,674,001
Margin cash	3 (g)	313,912	-
Receivable for securities sold		694,610	348,721
Interest receivable		12,069	-
Dividend receivable		44,806	33,140
Other assets		1,136	-
Total Current Assets		75,978,712	34,927,232
Current Liabilities			
Financial liabilities at fair value through profit or loss	3 (a), 4 (a)	(344,872)	-
Securities payable		(1,101,471)	(904,340)
Subscriptions received in advance		-	(3,500,000)
Investment management fees payable	5	(61,770)	(66,009)
AIFM fees payable	5	(3,693)	(12,500)
Performance fees payable	5	(1,358,248)	(253,536)
Administration fees payable	5	(9,772)	(15,394)
Depositary fees payable	5	(4,286)	(9,487)
Auditors' remuneration payable	5	(15,375)	(10,455)
Other payables		(29,023)	(7,176)
Total Current Liabilities		(2,928,510)	(4,778,897)
Net assets attributable to redeemable participating shareholders		73,050,202	30,148,335

*The Praude Micro and Small Cap Fund commenced operations on 25 July 2023.

Signed on behalf of the Board of Directors:

 Director
 Miriam Walsh
 18 June 2024

 Director
 Conor Gill
 18 June 2024

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

PRAUDE FUNDS ICAV

Statement of Financial Position (continued)

	Note	Praude Total Return Fund 31 December 2022 EUR
Current Assets		
Financial assets at fair value through profit or loss	4 (a)	60,228,579
Cash and cash equivalents	3 (f)	3,745,218
Margin cash	3 (g)	2,578,034
Due from broker		101,712
Interest receivable		16,063
Dividend receivable		9,435
Other assets		2,777
Total Current Assets		<u>66,681,818</u>
Current Liabilities		
Bank overdraft	3 (f)	(63,590)
Margin overdraft		(2,028,527)
Securities payable		(489,880)
Investment management fees payable	5	(53,903)
AIFM fees payable	5	(4,818)
Performance fees payable	5	(266,088)
Administration fees payable	5	(5,549)
Depository fees payable	5	(2,000)
Auditors' remuneration payable	5	(19,680)
Other payables		(26,217)
Total Current Liabilities		<u>(2,960,252)</u>
Net assets attributable to redeemable participating shareholders		<u><u>63,721,566</u></u>

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 2023 EUR	Praude Micro and Small Cap Fund* For the period ended 31 December 2023 EUR
Income			
Net realised and unrealised gain from financial assets and financial liabilities at fair value through profit or loss and foreign exchange	4 (b)	8,373,197	2,586,079
Interest income on financial assets	3 (c)	221,394	61,109
Bank interest income	3 (c)	101,518	11,573
Dividend income	3 (k)	1,551,553	52,433
Total investment income		10,247,662	2,711,194
Operating expenses			
Investment management fees	5	(694,184)	(66,009)
AIFM fees	5	(59,337)	(12,500)
Performance fees	5	(1,358,248)	(253,536)
Administration fees	5	(57,811)	(15,394)
Depositary fees	5	(33,300)	(12,655)
Directors' fees	5	(11,582)	(3,519)
Auditors' remuneration	5	(15,375)	(10,455)
Transaction costs		(159,895)	(43,036)
Establishment expenses	3 (i)	-	(10,177)
Other operating expenses	3 (e), 5	(64,580)	(10,264)
Total operating expenses		(2,454,312)	(437,545)
Finance costs			
Withholding tax	3 (k)	(92,813)	(122)
Interest expense	3 (c)	(116)	(151)
Total finance costs		(92,929)	(273)
Increase in net assets attributable to redeemable participating shareholders resulting from operations		7,700,421	2,273,376

*The Praude Micro and Small Cap Fund commenced operations on 25 July 2023.

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 Comprehensive Income (continued)

	Note	Praude Total Return Fund For the year ended 31 December 2022 EUR
Income		
Net gain on financial assets and financial liabilities at fair value through profit or loss	4 (b)	1,289,968
Interest income on financial assets	3 (c)	10,897
Bank interest income	3 (c)	128,841
Dividend income	3 (k)	1,477,100
Total investment income		<u>2,906,806</u>
Operating expenses		
Investment management fees	5	(618,671)
AIFM fees	5	(55,924)
Performance fees	5	(266,088)
Administration fees	5	(54,358)
Depositary fees	5	(34,965)
Directors' fees	5	(14,168)
Auditors' remuneration	5	(19,680)
Transaction costs	3 (i)	(60,273)
Other operating expenses	3(e), 5	(55,733)
Total operating expenses		<u>(1,179,860)</u>
Finance costs		
Withholding tax	3 (k)	(204,106)
Interest expense	3 (c)	(11,216)
Total finance costs		<u>(215,322)</u>
Increase in net assets attributable to redeemable participating shareholders resulting from operations		<u><u>1,511,624</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 2023	Praude Micro and Small Cap Fund* For the period ended 31 December 2023
	Note	EUR	EUR
Net assets attributable to redeemable participating shareholders as at beginning of the year/period		63,721,566	-
Net increase in net assets attributable to redeemable participating shareholders resulting from operations		7,700,421	2,273,376
Share Capital Transactions			
Proceeds from redeemable participating shares issued	9	2,094,002	27,874,959
Payments for redeemable participating shares redeemed	9	(465,787)	-
Net increase in net assets resulting from share transactions		1,628,215	27,874,959
Net assets attributable to redeemable participating shareholders as at 31 December		73,050,202	30,148,335

*The Praude Micro and Small Cap Fund commenced operations on 25 July 2023.

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 2022 EUR
Net assets attributable to redeemable participating shareholders as at beginning of year	58,576,070
Net increase in net assets attributable to redeemable participating shareholders resulting from operations	1,511,624
Share Capital Transactions	
Proceeds from redeemable participating shares issued	3,909,940
Payments for redeemable participating shares redeemed	<u>(276,068)</u>
Net increase in net assets resulting from share transactions	<u>3,633,872</u>
Net assets attributable to redeemable participating shareholders as at 31 December	<u><u>63,721,566</u></u>

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 2023 EUR	Praude Micro and Small Cap Fund* For the period ended 31 December 2023 EUR
Cash flows from operating activities		
Increase in net assets attributable to holders of redeemable participating shares resulting from operations	7,700,421	2,273,376
Cash flows generated by operations:		
Decrease/(Increase) in receivables and other assets	1,641,488	(381,861)
(Decrease)/Increase in other payables and accrued expenses	(924,615)	374,557
Net change in financial assets and financial liabilities at fair value through profit or loss	(13,130,726)	(29,967,030)
Net cash provided by operating activities	(4,713,432)	(27,700,958)
Cash flows from financing activities		
Proceeds from issue of redeemable participating shares	2,094,002	31,374,959
Payments for redemption of redeemable participating shares	(465,787)	-
Net cash used in financing activities	1,628,215	31,374,959
Net (decrease)/increase in cash and cash equivalents	(3,085,217)	3,674,001
Cash and cash equivalents as at the beginning of the year/period	3,681,628	-
Cash and cash equivalents as at the end of the year/period (net of overdraft)	596,411	3,674,001
Cash and cash equivalents is comprised of:		
Cash at bank	596,411	(3,674,001)
Bank overdraft	-	-
	596,411	(3,674,001)
Net cash flow from operating activities and financing activities includes:		
Dividend received	1,516,182	19,293
Interest paid	(118)	(151)
Interest received	326,906	72,682
Withholding tax paid	(92,813)	(122)

*The Praude Micro and Small Cap Fund commenced operations on 25 July 2023.

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 2022 EUR
Cash flows from operating activities	
Increase in net assets attributable to holders of redeemable participating shares resulting from operations	1,511,624
Cash flows generated by operations:	
(Increase) in receivables and other assets	(2,227,804)
(Decrease) in other payables and accrued expenses	(653,945)
Net change in financial assets and financial liabilities at fair value through profit or loss	866,834
Net cash (used in) operating activities	<u>(503,291)</u>
Cash flows from financing activities	
Proceeds from issue of redeemable participating shares	3,909,940
Payments for redemption of redeemable participating shares	(276,068)
Net cash provided by financing activities	<u>3,633,872</u>
Net increase in cash and cash equivalents	3,130,581
Cash and cash equivalents as at the beginning of the period	<u>551,047</u>
Cash and cash equivalents as at the end of the period (net of overdraft)	<u>3,681,628</u>
Cash and cash equivalents is comprised of:	
Cash at bank	3,745,218
Bank overdraft	(63,590)
	<u>3,681,628</u>
Net cash flow from operating activities and financing activities	
Dividend received	1,476,281
Interest paid	(12,572)
Interest received	123,675
Withholding tax paid	(204,106)

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 2023

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 initial Sub-Fund of the ICAV is the Praude Total Return Fund which was authorised on 6 April 2018 and commenced operations on 2 May 2018. The Praude Micro and Small Cap Fund commenced operations on 25 July 2023. The Praude Total Return Fund and Praude Micro and Small Cap Fund are individually the “Sub-Fund”, together the “Sub-Funds”.

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

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

These financial statements have been prepared for the year ended 31 December 2023.

The financial statements of the ICAV have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”). The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRS as adapted by the EU requires the use of certain critical accounting estimates. It also requires the Board of Directors to exercise its judgment in the process of applying the ICAV’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed below. Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results.

(b) New standards and interpretations

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2023 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 2024, 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.

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2023

2 Basis of preparation (continued)

(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.

(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 Material 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 2023

3 Material 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 2023.

(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 2023

3 Material 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 2023

3 Material 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 2023, cash and cash equivalents and bank overdrafts are held with CACEIS Bank, Ireland Branch (31 December 2022: Same).

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2023

3 Material accounting policies (continued)

(g) Margin cash

Margin cash consists of cash holdings with brokers transferred as collateral against derivatives. As at 31 December 2023, margin cash was held with CACEIS Bank, Ireland Branch (31 December 2022: 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-Funds' 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.

(m) Securities Collateral

The securities collateral posted to CACEIS Bank, Paris Branch consists of government bonds. The collateral is posted to reduce counterparty exposure.

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2023

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 2023	Praude Micro and Small Cap Fund 31 December 2023
	EUR	EUR
Financial assets at fair value through profit or loss		
Treasury bills	1,801,318	-
Listed equity securities	70,581,363	30,871,370
Government bonds	725,057	-
Corporate bonds	1,177,070	-
Derivative financial instruments (note 6)	30,960	-
	<u>74,315,768</u>	<u>30,871,370</u>
Financial liabilities at fair value through profit or loss		
Derivative financial instruments (note 6)	(344,872)	-
	<u>(344,872)</u>	<u>-</u>
Praude Total Return Fund 31 December 2022		
	EUR	
Financial assets at fair value through profit or loss		
Listed equity securities	51,000,522	
Government bonds	3,991,860	
Corporate bonds	3,207,670	
Derivative financial instruments (note 6)	2,028,527	
	<u>60,228,579</u>	

(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 2023	Praude Micro and Small Cap Fund For the period ended 31 December 2023
	EUR	EUR
Net realised gain/(loss) from financial assets and financial liabilities at fair value through profit or loss and foreign exchange:		
Treasury bills	(13,236)	(5,396)
Listed equity securities	1,213,707	201,978
Corporate bonds	(484,500)	-
Rights	(550)	-
Warrants	17,858	-
Derivative financial instruments:		
Futures	(1,340,301)	-
Foreign exchange	(19,371)	(2,166)
	<u>(626,393)</u>	<u>194,416</u>

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2023

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	Praude Micro and Small Cap Fund
	For the year ended 31 December 2023	For the period ended 31 December 2023
	EUR	EUR
Net unrealised gain/(loss) from financial assets and financial liabilities at fair value through profit or loss:		
Listed equity securities	10,858,563	2,391,663
Corporate bonds	483,466	-
Derivative financial instruments:		
Futures	(2,342,439)	-
	8,999,590	2,391,663
Net realised and unrealised gain on financial assets and financial liabilities at fair value through profit or loss and foreign exchange	8,373,197	2,586,079
	Praude Total Return Fund	
	For the year ended 31 December 2022	
	EUR	
Net realised gain/(loss) from financial assets and financial liabilities at fair value through profit or loss and foreign exchange:		
Listed equity securities	7,899,376	
Corporate bonds	(157,576)	
Warrants	(9,949)	
Derivative financial instruments:		
Futures	5,408,839	
Foreign exchange	68,938	
	(247,321)	
Net unrealised gain/(loss) from financial assets and financial liabilities at fair value through profit or loss:		
Listed equity securities	(13,056,086)	
Corporate bonds	(422,404)	
Warrants	4,703	
Derivative financial instruments:		
Futures	1,554,127	
	(11,919,660)	
Net gain on financial assets and financial liabilities at fair value through profit or loss	1,289,968	

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 0.75% of the Net Asset Value of the Praude Micro and Small Cap 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 2023 to the Praude Total Return Fund amounted to EUR 694,184 (31 December 2022: EUR 618,671) of which EUR 61,770 (31 December 2022: EUR 53,903) was payable as at the year end.

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2023

5 Fees (continued)

Investment management fees (continued)

The investment management fees charged for the period ended 31 December 2023 to the Praude Micro and Small Cap Fund amounted to EUR 66,009 of which EUR 66,009 was payable as at the period end.

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 Praude Total Return Fund for the year ended 31 December 2023 amounted to EUR 59,337 (31 December 2022: EUR 55,924) of which EUR 3,693 (31 December 2022: EUR 4,818) was payable as at the year end.

The AIFM fees charged to the Praude Micro and Small Cap Fund for the period ended 31 December 2023 amounted to EUR 12,500 of which EUR 3,693 was payable as at the period 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 2023 to the Praude Total Return Fund amounted to EUR 1,358,248 (31 December 2022: EUR 266,088) of which EUR 1,358,248 (31 December 2022: EUR 266,088) was payable as at the year end.

The performance fees charged for the period ended 31 December 2023 to the Praude Micro and Small Cap Fund amounted to EUR 253,536 of which EUR 253,536 was payable as at the period end.

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.

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2023

5 Fees (continued)

Administration fees(continued)

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 2023 amounted to EUR 73,205 (31 December 2022: EUR 54,358) of which EUR 25,166 (31 December 2022: EUR 5,549) was payable as at the year end.

Depositary fees

CACEIS Bank, Ireland Branch (the “Depositary”) 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 depositary fee is subject to a minimum fee of EUR 24,000 per annum per Sub-Fund.

The depositary fees charged to the ICAV for the year ended 31 December 2023 amounted to EUR 45,955 (31 December 2022: EUR 34,965) of which EUR 13,773 (31 December 2022: EUR 2,000) was payable as at the year end.

The Depositary 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 Instrument authorises the Directors 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 Directors other than such persons who are directors or officers or employees of other companies affiliated to the AIFM will be entitled to remuneration for their services as determined by the Directors which shall not exceed €50,000 (excluding VAT and miscellaneous outlay) per annum. All Directors will be entitled to reimbursement by the ICAV of expenses properly incurred in connection with the business of the ICAV or the discharge of their duties.

The Directors’ fees charged to the ICAV for the year ended 31 December 2023 amounted to EUR 15,101 (31 December 2022: EUR 14,168) of which EUR Nil (31 December 2022: EUR Nil) was payable as at the year end.

Auditors’ remuneration

The auditors’ remuneration charged to the ICAV for the year ended 31 December 2023 was EUR 25,830 (31 December 2022: EUR 19,680) of which EUR 25,830 (31 December 2022: EUR 19,680) 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 2023 are as follows:

	Praude Total Return Fund For the year ended 31 December 2023 EUR	Praude Micro and Small Cap Fund For the period ended 31 December 2023 EUR
Secretary fees	14,215	2,495
Legal fees	6,967	931
VAT services fees	2,937	233
Central Bank fees	3,875	1,250
Transfer Agency fees	3,060	866
Consultancy fees	6,726	2,000
Risk management fees	9,840	698
Other expenses	13,848	1,791
	61,468	10,264

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2023

5 Fees (continued)

Other operating expenses (continued)

The total other operating expenses charged for the year ended 31 December 2022 are as follows:

	Praude Total Return Fund For the year ended 31 December 2022 EUR
Secretary fees	8,877
Legal fees	9,840
VAT services fees	2,654
Central Bank fees	8,849
Transfer Agency fees	2,188
Consultancy fees	3,924
Risk management fees	9,840
Other expenses	9,561
	55,733

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 2023, the Praude Total Return Fund entered into futures (31 December 2022: the Praude Total Return Fund entered into futures).

As at 31 December 2023, the Praude Total Return Fund held futures and the Praude Micro and Small Cap Fund did not (31 December 2022: the Praude Total Return Fund held futures).

As at 31 December 2023, the counterparty for the futures held by Praude Total Return Fund was CACEIS Bank (31 December 2022: the counterparty for the futures held by Praude Total Return Fund was CACEIS Bank).

	Praude Total Return Fund 31 December 2023 EUR	Praude Micro and Small Cap Fund 31 December 2023 EUR
Financial assets at fair value through profit or loss		
Futures	30,960	-
	30,960	-
Financial liabilities at fair value through profit or loss		
Futures	(344,872)	-
	(344,872)	-

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2023

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 2023 and 31 December 2022. The Investment Manager monitors the ICAV's credit position on an ongoing basis.

As at 31 December 2023, the Praude Total Return Fund held two corporate bonds with a credit risk classification of Non-Rated (31 December 2022: held three 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 2023

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 2023 and 31 December 2022, 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 Depository. The ICAV was also exposed to counterparty risk in respect of the derivative financial instruments entered into during the years ended 31 December 2023 and 31 December 2022. The Depository had a credit rating of A+ as at 31 December 2023 (31 December 2022: 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 2023, the Praude Total Return Fund held futures and the Praude Micro and Small Cap Fund did not hold any derivative financial instruments (31 December 2022: the Praude Total Return Fund held futures).

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued)
For the year ended 31 December 2023

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 2023:

	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	Related amounts not offset in the Statement of Financial Position		Net amount
				Financial instruments (including non-cash collateral)	Cash collateral received	
	EUR	EUR	EUR	EUR	EUR	EUR
Financial Assets						
<i>Derivative financial instruments</i>						
<i>Futures</i>						
- CACEIS Bank	30,960	-	30,960	-	-	30,960
Total	30,960	-	30,960	-	-	30,960

As at 31 December 2023, the Praude Micro and Small Cap Fund did not hold any derivative financial instruments.

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued)
For the year ended 31 December 2023

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 2022:

	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	Related amounts not offset in the Statement of Financial Position		Net amount
				Financial instruments (including non-cash collateral)	Cash collateral received	
	EUR	EUR	EUR	EUR	EUR	EUR
Financial Assets						
<i>Derivative financial instruments</i>						
<i>Futures</i>						
- CACEIS Bank	2,028,527	-	2,028,527	-	(2,028,527)	-
Total	2,028,527	-	2,028,527	-	(2,028,527)	-

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2023

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 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-Funds' total exposure to liquidity risk:

As at 31 December 2023

Praude Total Return 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	-	(344,872)	-	-	(344,872)
Securities payable	(1,101,471)	-	-	-	(1,101,471)
Investment management fees payable	(61,770)	-	-	-	(61,770)
AIFM fees payable	(3,693)	-	-	-	(3,693)
Performance fees payable	-	-	(1,358,248)	-	(1,358,248)
Administration fees payable	(9,772)	-	-	-	(9,772)
Depositary fees payable	(4,286)	-	-	-	(4,286)
Auditors' remuneration payable	-	-	(15,375)	-	(15,375)
Other payables	(29,023)	-	-	-	(29,023)
Net Asset Value attributable to holders of redeemable participating shares	-	(73,050,202)	-	-	(73,050,202)
Total financial liabilities	(1,210,015)	(73,395,074)	(1,373,623)	-	(75,978,712)

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued)
For the year ended 31 December 2023

8 Financial instruments and associated risks (continued)

(c) Liquidity risk (continued)

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

Praude Micro and Small Cap Fund	<1 Month EUR	1 - 3 Months EUR	3 - 12 Months EUR	Over 12 Months EUR	Total EUR
Liabilities					
Subscription received in advance	(3,500,000)	-	-	-	(3,500,000)
Securities payable	(904,340)	-	-	-	(904,340)
Investment management fees payable	(66,009)	-	-	-	(66,009)
AIFM fees payable	(12,500)	-	-	-	(12,500)
Performance fees payable	-	-	(253,536)	-	(253,536)
Administration fees payable	(15,394)	-	-	-	(15,394)
Depositary fees payable	(9,487)	-	-	-	(9,487)
Auditors' remuneration payable	-	-	(10,455)	-	(10,455)
Other payables	(7,176)	-	-	-	(7,176)
Net Asset Value attributable to holders of redeemable participating shares	-	(30,148,335)	-	-	(30,148,335)
Total financial liabilities	(4,514,906)	(30,148,335)	(263,991)	-	(34,927,232)

As at 31 December 2022

Praude Total Return Fund	<1 Month EUR	1 - 3 Months EUR	3 - 12 Months EUR	Over 12 Months EUR	Total EUR
Liabilities					
Bank overdraft	(63,590)	-	-	-	(63,590)
Margin overdraft	(2,028,527)	-	-	-	(2,028,527)
Securities payable	(489,880)	-	-	-	(489,880)
Investment management fees payable	(53,903)	-	-	-	(53,903)
AIFM fees payable	(4,818)	-	-	-	(4,818)
Performance fees payable	-	-	(266,088)	-	(266,088)
Administration fees payable	(5,549)	-	-	-	(5,549)
Depositary fees payable	(2,000)	-	-	-	(2,000)
Auditors' remuneration payable	-	-	(19,680)	-	(19,680)
Other payables	(26,217)	-	-	-	(26,217)
Net Asset Value attributable to holders of redeemable participating shares	-	(63,721,566)	-	-	(63,721,566)
Total financial liabilities	(2,674,484)	(63,721,566)	(285,768)	-	(66,681,818)

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2023

8 Financial instruments and associated risks (continued)

(d) 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 2023	VaR 31 December 2022
Praude Total Return Fund	5.64%	7.37%
Praude Micro and Small Cap Fund	7.51%	N/a

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

Disclosed in the table below is the total leverage employed during the years ended 31 December 2023 and 31 December 2022:

Sub-Fund	Total leverage employed using the commitment method during the year/period ended	Total leverage employed using the commitment method during the year ended 31 December 2022
Praude Total Return Fund	23.13%	56.44%
Praude Micro and Small Cap Fund	-	N/A

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2023

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 2023:

31 December 2023	Praude Total Return Fund EUR	Praude Micro and Small Cap Fund EUR
Net financial assets and financial liabilities at fair value through profit or loss	73,970,896	30,871,370
Net financial assets and financial liabilities movement if market prices had increased/(decreased) by 5%	+/- 3,698,545	+/- 1,543,569

The following table details the movement in net assets that would result if market prices of the investments held by the Sub-Fund had increased/(decreased) by 5% as at 31 December 2022

31 December 2022	Praude Total Return Fund EUR
Net financial assets and financial liabilities at fair value through profit or loss	60,228,579
Net financial assets and financial liabilities movement if market prices had increased/(decreased) by 5%	+/- 3,011,429

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 2023

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 2023:

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				
Treasury bills	1,801,318	-	-	1,801,318
Listed equity securities	-	-	70,581,363	70,581,363
Government bonds	725,057	-	-	725,057
Corporate bonds	-	1,177,070	-	1,177,070
Futures	-	-	30,960	30,960
Cash and cash equivalents	596,411	-	-	596,411
Margin cash	313,912	-	-	313,912
Receivable for securities sold	-	-	694,610	694,610
Interest receivable	-	-	12,069	12,069
Dividend receivable	-	-	44,806	44,806
Other assets	-	-	1,136	1,136
Total Assets	3,436,698	1,177,070	71,364,944	75,978,712
Liabilities				
Financial liabilities at fair value through profit or loss				
Futures	-	-	(344,872)	(344,872)
Securities payable	-	-	(1,101,471)	(1,101,471)
Investment management fees payable	-	-	(61,770)	(61,770)
AIFM fees payable	-	-	(3,693)	(3,693)
Performance fees payable	-	-	(1,358,248)	(1,358,248)
Administration fees payable	-	-	(9,772)	(9,772)
Depository fees payable	-	-	(4,286)	(4,286)
Auditors' remuneration payable	-	-	(17,564)	(17,564)
Other payables	-	-	(26,834)	(26,834)
Total Liabilities	-	-	(2,928,510)	(2,928,510)
Total interest sensitivity gap	3,436,698	1,177,070	68,436,434	73,050,202

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued)
For the year ended 31 December 2023

8 Financial instruments and associated risks (continued)

(d) Market risk (continued)

(iii) Interest rate risk (continued)

Praude Micro and Small Cap 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	-	-	30,871,370	30,871,370
Cash and cash equivalents	3,674,001	-	-	3,674,001
Receivable for securities sold	-	-	348,721	348,721
Dividend receivable	-	-	33,140	33,140
Total Assets	3,674,001	-	31,253,231	34,927,232
Liabilities				
Subscription received in advance	-	-	(3,500,000)	(3,500,000)
Securities payable	-	-	(904,340)	(904,340)
Investment management fees payable	-	-	(66,009)	(66,009)
AIFM fees payable	-	-	(12,500)	(12,500)
Performance fees payable	-	-	(253,536)	(253,536)
Administration fees payable	-	-	(15,394)	(15,394)
Depositary fees payable	-	-	(9,487)	(9,487)
Auditors' remuneration payable	-	-	(10,455)	(10,455)
Other payables	-	-	(7,176)	(7,176)
Total Liabilities	-	-	(4,778,897)	(4,778,897)
Total interest sensitivity gap	3,674,001	-	26,474,334	30,148,335

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2023

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 2022:

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	-	-	51,000,522	51,000,522
Government bonds	3,991,860	-	-	3,991,860
Corporate bonds	-	3,207,670	-	3,207,670
Futures	-	-	2,028,527	2,028,527
Cash and cash equivalents	3,745,218	-	-	3,745,218
Margin cash	2,578,034	-	-	2,578,034
Due from broker	-	-	101,712	101,712
Interest receivable	-	-	16,063	16,063
Dividend receivable	-	-	9,435	9,435
Other assets	-	-	2,777	2,777
Total Assets	10,315,112	3,207,670	53,159,036	66,681,818
Liabilities				
Margin overdraft	(2,028,527)	-	-	(2,028,527)
Investment management fees payable	-	-	(53,903)	(53,903)
AIFM fees payable	-	-	(4,818)	(4,818)
Performance fees payable	-	-	(266,088)	(266,088)
Administration fees payable	-	-	(5,549)	(5,549)
Depositary fees payable	-	-	(2,000)	(2,000)
Auditors' remuneration payable	-	-	(19,680)	(19,680)
Other payables	-	-	(26,217)	(26,217)
Total Liabilities	(2,092,117)	-	(868,135)	(2,960,252)
Total interest sensitivity gap	8,222,995	3,207,670	52,290,901	63,721,566

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2023

8. Financial instruments and associated risks (continued)

(d) Market risk (continued)

(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 its 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 its 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.

Currency risk is managed in the Sub-Funds by monitoring its 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-Funds' foreign denominated financial assets and financial liabilities as at 31 December 2023 is as follows:

Praude Total Return Fund

	Financial Assets/ Financial Liabilities EUR	Net Other Assets/ (Liabilities) EUR	Exposure EUR	Impact to Net Assets of a 10% Currency Movement EUR	Impact to Net Assets %
CHF	4,366,118	187	4,366,305	436,631	0.60%
GBP	1,895,567	299,865	2,195,432	219,543	0.30%
NOK	199,018	2,462	201,480	20,148	0.03%
PLN	-	56	56	6	0.00%
USD	1,867,036	21,764	1,888,800	188,880	0.26%

Praude Micro and Small Cap Fund

	Financial Assets/ Financial Liabilities EUR	Net Other Assets/ (Liabilities) EUR	Exposure EUR	Impact to Net Assets of a 10% Currency Movement EUR	Impact to Net Assets %
CHF	3,101,664	1,353	3,103,017	310,302	1.03%
GBP	1,658,476	34,123	1,692,599	169,260	0.56%
SEK	741,092	90	741,182	74,118	0.25%

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2023

8 Financial instruments and associated risks (continued)

(d) Market risk (continued)

(iv) Currency risk (continued)

The carrying amount of the Sub-Funds' foreign denominated financial assets and financial liabilities as at 31 December 2022 is as follows:

Praude Total Return Fund

	Financial Assets/ Financial Liabilities EUR	Net Other Assets/ (Liabilities) EUR	Exposure EUR	Impact to Net Assets of a 10% Currency Movement EUR	Impact to Net Assets %
CHF	4,455,143	(265,694)	4,189,449	418,945	0.66%
GBP	779,261	539,993	1,319,254	131,925	0.21%
NOK	359,574	56,897	416,471	41,647	0.07%
PLN	-	50	50	5	0.00%
USD	1,517,353	30,941	1,548,294	154,829	0.24%

(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.

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

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2023

8 Financial instruments and associated risks (continued)

(e) Fair value of financial instruments (continued)

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 2023 (31 December 2022: 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 2023:

Praude Total Return Fund	Level 1	Level 2	Level 3	Total
	EUR	EUR	EUR	EUR
Financial assets at fair value through profit or loss				
Treasury bills	1,801,318	-	-	1,801,318
Listed equity securities	70,581,363	-	-	70,581,363
Government bonds	725,057	-	-	725,057
Corporate bonds	1,177,070	-	-	1,177,070
<i>Derivative assets</i>				
Futures	30,960	-	-	30,960
	74,315,768	-	-	74,315,768
Praude Micro and Small Cap Fund	Level 1	Level 2	Level 3	Total
	EUR	EUR	EUR	EUR
Financial assets at fair value through profit or loss				
Listed equity securities	30,871,370	-	-	30,871,370
	30,871,370	-	-	30,871,370

There were no transfers between the levels for the year ended 31 December 2023.

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2023

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 2022:

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	51,000,522	-	-	51,000,522
Government bonds	3,991,860	-	-	3,991,860
Corporate bonds	3,207,670	-	-	3,207,670
<i>Derivative assets</i>				
Futures	2,028,527	-	-	2,028,527
	60,228,579	-	-	60,228,579

There were no transfers between the levels for the year ended 31 December 2022.

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 2022: Same).

Share capital transactions for the year ended 31 December 2023 are summarised in the table below:

	Redeemable Participating Shares			
	In issue as at beginning of year	Issued during the year	Redeemed during the year	In issue as at end of year
Praude Total Return Fund				
Class A EUR	48,120	1,464	(327)	49,257
Praude Micro and Small Cap Fund				
Class A EUR	-	27,716	-	27,716

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2023

9 Shares (continued)

Share capital transactions for the year ended 31 December 2022 are summarised in the table below:

	Redeemable Participating Shares			
	In issue as at beginning of year	Issued during the year	Redeemed during the year	In issue as at end of year
Praude Total Return Fund				
Class A EUR	45,364	2,956	(200)	48,120

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.

Miriam Walsh and Conor Gill are both senior employees of European & Global Investments Limited, who act as the AIFM to the ICAV.

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

Kevin Farrugia is on the Investment Committee of the Investment Manager.

As at 31 December 2023, 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.

None of the Directors or the Secretary had any interest in the share capital of the ICAV as at 31 December 2023 (31 December 2022: 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 2023 amounted to EUR 8,726 (31 December 2022: EUR 3,924).

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2023

11 Auditors' remuneration

	Year Ended	Year Ended
	31 December 2023	31 December 2022
	EUR	EUR
Audit (exclusive of VAT)	21,000	16,000
Total audit fee	21,000	16,000

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 2023, the Sub-Funds did not enter into any soft commission arrangements (31 December 2022: Same).

13 Exchange rates

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

Currency	31 December 2023	31 December 2022
CHF	0.9297	0.9875
GBP	0.8666	0.8873
NOK	11.2185	10.5135
PLN	4.3438	4.6813
SEK	11.1325	N/a
USD	1.1047	1.0673

14 Net Asset Value comparison

31 December 2023	Net Asset Value	Shares in Issue	Net Asset Value per Share
Praude Total Return Fund			
Class A EUR	EUR 73,050,202	49,257	EUR 1,483.05
Praude Micro and Small Cap Fund			
Class A EUR	EUR 30,148,335	27,716	EUR 1,087.76
31 December 2022	Net Asset Value	Shares in Issue	Net Asset Value per Share
Praude Total Return Fund			
Class A EUR	EUR 63,721,566	48,120	EUR 1,324.22
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

PRAUDE FUNDS ICAV

Notes to the Financial Statements (continued) For the year ended 31 December 2023

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 2023 and 31 December 2022.

	Praude Total Return Fund 31 December 2023	Praude Micro and Small Cap Fund 31 December 2023
	EUR	EUR
Net Asset Value for dealing purposes	73,047,706	30,156,771
Adjustment for write off of establishment expenses	-	(8,436)
Adjustment for over accrual of organisation costs	85	-
Adjustment for over accrual of directors' fees	2,411	-
	<u>73,050,202</u>	<u>30,148,335</u>

	Praude Total Return Fund 31 December 2022
	EUR
Net Asset Value for dealing purposes	63,722,748
Adjustment for write off of establishment expenses	(1,182)
	<u>63,721,566</u>

16 Significant events during the year

Aoife Connolly resigned as Director on 30 June 2023.

Janice Moore resigned as Director on 4 August 2023.

Conor Gill was appointed as Director on 3 July 2023.

Miriam Walsh was appointed as Director on 7 September 2023.

Kevin Farrugia was appointed as Director on 3 October 2023.

The Praude Micro and Small Cap Fund commenced operations on 25 July 2023.

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

17 Significant events after the year end

There have been no 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 18 June 2024.

PRAUDE FUNDS ICAV

Schedule of Investments Praude Total Return Fund For the year ended 31 December 2023

Quantity	Description	Fair Value EUR	As a % of Net Asset Value
Treasury Bills			
Germany			
750,000	GERM TREA BILL 15-05-24	739,880	1.02%
1,070,000	GERM TREA BILL 20-03-24	1,061,438	1.45%
		<u>1,801,318</u>	<u>2.47%</u>
	Total Treasury Bills	<u>1,801,318</u>	<u>2.47%</u>
Listed Equity Securities			
Finland			
68,680	AIFORIA TECHNOLOGIES OYJ	232,825	0.32%
4,350	STORA ENSO OYJ	54,484	0.07%
3,606	UPM-KYMMENE CORP	122,820	0.17%
		<u>410,129</u>	<u>0.56%</u>
France			
194,209	CARREFOUR SA	3,217,072	4.40%
29,220	CIMENT VICAT SA	959,877	1.31%
16,698	GROUPE GUILLIN	515,968	0.70%
4,315	GUERBET SA	84,143	0.12%
4,360	LAURENT PERRIER	527,560	0.72%
13,614	LINEDATA SERVICES	756,938	1.04%
10,092	MG INTERNATIONAL	57,524	0.08%
15,130	SAVENCIA	832,150	1.14%
83,136	VERALLIA SASU	2,898,121	3.97%
		<u>9,849,353</u>	<u>13.48%</u>
Germany			
21,527	ADESSO	2,312,000	3.17%
15,243	FRAPORT AG	834,707	1.14%
17,574	OHB SE	752,607	1.03%
42,253	WACKER CONSTR EQUIP	771,540	1.06%
41,857	WUESTENROT-WUERTTEMBERGISCHE.NAMEN AKT	558,372	0.76%
		<u>5,229,226</u>	<u>7.16%</u>
Greece			
100,826	GR SARANTIS REG	844,922	1.16%
106,607	HELLENIC EXCHANGES SA REGISTERED SHARES	565,017	0.78%
478,617	INTRALOT SA REGISTERED SHARES	505,420	0.69%
119,010	PIRAEUS FIN HLG REGISTERED SHS	380,832	0.52%
25,326	PIRAEUS PORT AUTHORITY SA REGISTERED SHARES	587,563	0.80%
200,000	PROFILE SYSTEMS & SOFTWARE SA	850,000	1.16%
		<u>3,733,754</u>	<u>5.11%</u>
Ireland			
796,920	DALATA HOTEL GROUP PLC	3,681,770	5.04%
167,813	DOLE	1,867,036	2.55%
175,249	IRISH CONTL GROUP UNITS	758,828	1.04%
432,158	ORIGIN ENTERPRISES PLC	1,486,624	2.04%
29,421	SMURFIT KAPPA GROUP PLC	1,055,625	1.45%
		<u>8,849,883</u>	<u>12.12%</u>

PRAUDE FUNDS ICAV

Schedule of Investments (continued) Praude Total Return Fund (continued) For the year ended 31 December 2023

Quantity	Description	Fair Value EUR	As a % of Net Asset Value
Listed Equity Securities (continued)			
Italy			
46,867	ACEA SPA	648,171	0.89%
496,826	BANCA MONTE DEI PASCHI DI SIENA SPA	1,513,332	2.07%
50,802	BASICNET	231,149	0.32%
106,472	BUZZI UNICEM SPA	2,932,239	4.01%
91,088	DANIELI AND CO SPA NON CONV	1,976,610	2.71%
46,064	DEFENCE TECH H - REGISTERED SHARES	197,615	0.27%
138,715	EL.EN	1,352,471	1.85%
514,222	EMAK SPA	564,616	0.77%
32,784	ESPRINET AZ. POST FRAZIONAMENTO	180,148	0.25%
2,175,301	FNM SPA	983,236	1.35%
13,407	INDEL B REGISTERED SHARES	321,768	0.44%
14,417	ITALIAN WINE BRANDS SPA	273,635	0.37%
273,556	ORSERO NM AZ. NOMINATIVA	4,639,510	6.35%
85,702	SAES GETTERS	2,918,153	3.99%
184,701	SOL	5,134,688	7.03%
3,286,900	TREVI FINANZIARIA INDUSTRIALE	1,027,156	1.41%
2,990	ZIGNAGO VETRO SPA	42,637	0.06%
		<u>24,937,134</u>	<u>34.14%</u>
Norway			
572,484	KOMPLETT BANK ASA	199,018	0.27%
		<u>199,018</u>	<u>0.27%</u>
Spain			
225,847	FAES FARMA SA	713,677	0.98%
33,025	VIDRALA SA	3,097,745	4.24%
		<u>3,811,422</u>	<u>5.22%</u>
Switzerland			
15,380	BERGBAHNEN ENGELBERG-TRUEBSEE-TITLIS AG	688,187	0.94%
9,004	FLUGHAFEN ZUERICH AG	1,700,659	2.33%
43,723	VETROPACK HLDG - REGISTERED SHARES -A-	1,838,840	2.52%
220	VILLARS HOLDING NOM	138,432	0.19%
		<u>4,366,118</u>	<u>5.98%</u>
The Netherlands			
199,449	BRUNEL INTERNATIONAL N.V	2,229,839	3.05%
310,597	CEMENTIR HOLDING N.V	2,963,095	4.06%
62,316	KONINKLIJKE AHOLD DELHAIZE NV	1,621,150	2.22%
13,901	NSI NV	260,783	0.36%
		<u>7,074,867</u>	<u>9.69%</u>
United Kingdom			
7,752	FOCUSRITE PLC	52,780	0.07%
141,363	LIONTRUST ASSET MANAGEMENT PLC	1,027,739	1.40%
129,088	TRAINLINE - REGISTERED SHARES	479,378	0.65%
68,561	WATCH SWITZ GRP - REGISTERED SHS	560,562	0.77%
		<u>2,120,459</u>	<u>2.89%</u>
	Total Listed Equity Securities	<u>70,581,363</u>	<u>96.62%</u>

PRAUDE FUNDS ICAV

Schedule of Investments (continued)
Praude Total Return Fund (continued)
For the year ended 31 December 2023

Quantity Description		Fair Value EUR	As a % of Net Asset Value	
Government Bonds				
Italy				
750,000 ITALY 1.6%		725,057	0.99%	
		<u>725,057</u>	<u>0.99%</u>	
Total Government Bonds		<u>725,057</u>	<u>0.99%</u>	
Quantity/ Principal Amount Description	Currency	Maturity Date	Fair Value EUR	As a % of Net Asset Value
Corporate Bonds				
Italy				
500,000 DIASORIN SPA CV 0.00%	EUR	05/05/2028	412,918	0.57%
			<u>412,918</u>	<u>0.57%</u>
Malta				
700,000 BANK OF VALLETTA FLR	EUR	06/12/2027	764,152	1.05%
			<u>764,152</u>	<u>1.05%</u>
Total Corporate Bonds			<u>1,177,070</u>	<u>1.62%</u>
Quantity Description	Currency	Maturity Date	Fair Value EUR	As a % of Net Asset Value
Futures - Assets				
(48) FTSE/MIB 0323	EUR	31/03/2024	30,960	0.04%
			<u>30,960</u>	<u>0.04%</u>
Total Futures - Assets			<u>30,960</u>	<u>0.04%</u>
Total financial assets at fair value through profit or loss			<u>74,315,768</u>	<u>101.74%</u>

PRAUDE FUNDS ICAV

Schedule of Investments (continued) Praude Total Return Fund (continued) For the year ended 31 December 2023

Quantity Description	Currency	Maturity Date	Fair Value EUR	As a % of Net Asset Value
Futures - Liabilities				
(16) EURO BTP FUT /202403	EUR	31/03/2024	(45,880)	(0.06%)
(30) FGBL BUND 10A 0324	EUR	31/03/2024	(74,100)	(0.10%)
(30) LONG GILT FU /202403	GBP	31/03/2024	(224,892)	(0.31%)
			<u>(344,872)</u>	<u>(0.47%)</u>
Total Futures - Liabilities			<u>(344,872)</u>	(0.47%)
Other liabilities in excess of other assets			(1,265,566)	(1.74%)
Net Asset Value attributable to redeemable participating shareholders			<u>73,050,202</u>	<u>100.00%</u>
Collateral consists of:				
Nominal Security			Fair Value through Profit or Loss EUR	
300,000 GERM TREA BILL 20-03-24			297,600	
750,000 ITALY 1.6%			725,057	

PRAUDE FUNDS ICAV

Schedule of Investments (continued) Praude Micro and Small Cap Fund For the period ended 31 December 2023

Quantity	Description	Fair Value EUR	As a % of Net Asset Value
Listed Equity Securities			
France			
2,629	LAURENT PERRIER	318,109	1.06%
		<u>318,109</u>	<u>1.06%</u>
Germany			
2,023	ALZCHEM GROUP AG	52,598	0.18%
2,209	STEMMER IMAGING AG	73,339	0.24%
		<u>125,937</u>	<u>0.42%</u>
Greece			
9,000	GR SARANTIS REG	75,420	0.25%
1,350,000	LA VIPHARM SA	1,074,600	3.56%
		<u>1,150,020</u>	<u>3.81%</u>
Ireland			
379,786	DALATA HOTEL GROUP PLC	1,754,611	5.82%
353,923	ORIGIN ENTERPRISES PLC	1,217,495	4.04%
		<u>2,972,106</u>	<u>9.86%</u>
Italy			
39,121	B & C SPEAKER	717,870	2.38%
68,294	BIESSE	867,334	2.88%
39,425	DANIELI AND CO SPA NON CONV	855,523	2.84%
156,200	ELEN	1,522,950	5.05%
691,462	EMAK SPA	759,225	2.52%
171,137	ESPRINET AZ. POST FRAZIONAMENTO	940,398	3.12%
5,036,798	FNM SPA	2,276,633	7.55%
60,828	INDEL B REGISTERED	1,459,872	4.84%
171,800	ORSERO NM AZ. NOMINATIVA	2,913,728	9.66%
80,320	SOL	2,232,896	7.41%
2,879,300	TREVI FINANZIARIA INDUSTRIALE	899,781	2.98%
87,095	ZIGNAGO VETRO SPA	1,241,975	4.12%
		<u>16,688,185</u>	<u>55.35%</u>
Luxembourg			
50,210	PIOVAN S.P.A.	537,247	1.79%
73,363	VETROPACK HLDG REGISTERED SHARES	3,085,397	10.23%
		<u>3,622,644</u>	<u>12.02%</u>
Sweden			
184,775	NORDIC PAPER HOLDING AB	741,092	2.46%
		<u>741,092</u>	<u>2.46%</u>
Switzerland			
796	MEDMIX REGISTERED SHARES	16,268	0.05%
		<u>16,268</u>	<u>0.05%</u>
The Netherlands			
38,552	BRUNEL INTERNATIONAL N.V	431,011	1.43%
329,929	CEMENTIR HOLDING N.V	3,147,523	10.44%
		<u>3,578,534</u>	<u>11.87%</u>
United Kingdom			
333,958	CARD FACTORY PLC	415,448	1.38%
109,439	LIONTRUST ASSET MANAGEMENT PLC	795,644	2.64%
546,028	VERTU MOTORS REGISTERED SHARES	447,383	1.48%
		<u>1,658,475</u>	<u>5.50%</u>
	Total Listed Equity Securities	<u>30,871,370</u>	<u>102.40%</u>

PRAUDE FUNDS ICAV

Schedule of Investments (continued)
Praude Micro and Small Cap Fund (continued)
For the period ended 31 December 2023

	Fair Value EUR	As a % of Net Asset Value
Total financial assets at fair value through profit or loss	30,871,370	102.40%
Other liabilities in excess of other assets	(723,035)	(2.40%)
Net Asset Value attributable to redeemable participating shareholders	30,148,335	100.00%

PRAUDE FUNDS ICAV

Remuneration Policy (unaudited) For the year ended 31 December 2023

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 2023

“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.