

# **Variety Capital ICAV**

(an umbrella Irish Collective Asset-management Vehicle with segregated liability between sub-funds pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended)) (the "UCITS Regulations") and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019 (the "Central Bank UCITS Regulations")

Registration number C445370

## **ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**FOR THE FINANCIAL PERIOD FROM 6 JANUARY 2021  
(DATE OF REGISTRATION) TO 31 DECEMBER 2021**

### CONTENTS

General Information	3
Directors' Report and Statement of Directors' Responsibilities	4 - 6
Investment Manager's Report	7
Report of the Depositary to the Shareholders	8
Independent Auditor's Report	9 - 11
Statement of Financial Position	12
Statement of Comprehensive Income	13
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	14
Statement of Cash Flows	15
Notes to the Financial Statements	16 - 35
Schedule of Investments (Unaudited)	36 - 39
Supplementary Information (Unaudited)	
- Significant Portfolio Changes	40 - 41
- Remuneration Policy	42
- Securities Financing Transactions Disclosure	43
- Sustainable Finance Disclosure Regulation	43

**GENERAL INFORMATION**

As at 31 December 2021

**DIRECTORS**

Barry Harrington (Irish Resident)<sup>A2</sup>  
Fergus Foley (Irish Resident)<sup>\*1</sup>  
Robert Corbally (UK Resident)<sup>A2</sup>  
Graham Loughridge (UK Resident)<sup>A1</sup>  
Shane Ralph (Irish Resident)<sup>3</sup>

**MANAGER**

KBA Consulting Management Limited  
Ground Floor  
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Dublin 1  
Ireland

**DEPOSITARY**

RBC Investor Services Bank S.A., Dublin Branch  
4th Floor  
One George's Quay Plaza  
George's Quay  
D02 E440  
Dublin 2  
Ireland

**DISTRIBUTOR AND PROMOTER**

Variety Capital Limited  
Office 7  
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London  
EC4M 7JN  
United Kingdom

**INVESTMENT MANAGER TO THE VARIETY  
CKC CREDIT OPPORTUNITY FUND**

CKC Capital LLC  
60 East 42nd Street - Suite 3520  
NY 10105  
New York  
United States of America

**REGISTERED OFFICE**

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5 George's Dock  
IFSC  
D01 X8N7  
Dublin 1  
Ireland

**SECRETARY**

KB Associates  
Ground Floor  
5 George's Dock  
IFSC  
D01 X8N7  
Dublin 1  
Ireland

**ADMINISTRATOR**

RBC Investor Services Ireland Limited  
4th Floor  
One George's Quay Plaza  
George's Quay  
D02 E440  
Dublin 2  
Ireland

**AUDITORS**

Grant Thornton  
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D02 ED70  
Dublin 2  
Ireland

**LEGAL ADVISORS AS TO MATTERS OF IRISH LAW**

Walkers  
5th Floor  
The Exchange  
George's Dock  
IFSC  
D01 W3P9  
Dublin 1  
Ireland

\*Independent Non-executive Director

<sup>A</sup>Non-executive Directors

<sup>1</sup>Appointed 6 January 2021

<sup>2</sup>Appointed 25 May 2021

<sup>3</sup>Appointed 6 January 2021. Resigned 25 May 2021

### **DIRECTORS' REPORT AND STATEMENT OF DIRECTORS' RESPONSIBILITIES**

**For the financial period from 6 January 2021 (date of registration) to 31 December 2021**

The Directors present the annual report and audited financial statements for Variety Capital ICAV (the "ICAV") for the financial period from 6 January 2021 (date of registration) to 31 December 2021.

The ICAV is constituted as an open-ended umbrella fund with segregated liability between sub-funds registered in Ireland on 6 January 2021 under the Irish Collective Asset-management Vehicles Act 2015 (as amended) (the "ICAV Act 2015") and authorised by the Central Bank of Ireland as an Undertakings for Collective Investment in Transferable Securities ("UCITS") pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (S.I. No. 352 of 2011) (the "UCITS Regulations"), the ICAV Act 2015 and the Central Bank's (Supervision and Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (as amended) (the "Central Bank UCITS Regulations"). As at 31 December 2021, the ICAV has one active sub-fund, Variety CKC Credit Opportunity Fund (the "Fund") which commenced operations on 1 November 2021.

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

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

The ICAV Act 2015 requires the Directors to prepare financial statements for each financial period. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

The Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the ICAV as at the financial period end date and of the result of the ICAV for the financial period.

In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether the applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the ICAV's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the ICAV or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and increase or decrease in net assets attributable to holders of redeemable participating shares arising from operations of the ICAV and enable them to ensure that the financial statements comply with the ICAV Act 2015, the UCITS Regulations and the Central Bank UCITS Regulations. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the ICAV. In this regard they have entrusted the assets of the ICAV to RBC Investor Services Bank S.A., Dublin Branch (the "Depositary") for safe-keeping. They are responsible for such internal controls as they determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the ICAV Act 2015.

#### **Review of Business Development, Performance, Principal Activities and Future Developments**

The Investment objective of the Fund is to seek to achieve consistent risk-adjusted total returns while seeking to limit the downside and volatility of investments. The Fund is not managed in accordance with a benchmark.

A detailed review of the business and future developments is included in the Investment Manager's Report on page 7.

### **DIRECTORS' REPORT AND STATEMENT OF DIRECTORS' RESPONSIBILITIES (CONTINUED)**

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

#### **Financial Position and Results**

The financial position as at 31 December 2021 and the results for the financial period from 6 January 2021 (date of registration) to 31 December 2021 are set out on pages 12 and 13, respectively.

#### **Principal Risks and Uncertainty, Risk Management Objectives and Policies**

The principal risks and uncertainties which the Fund faces are discussed, together with the associated risk management objectives and policies, in note 8 to the financial statements.

#### **Dividends**

The Fund offers classes of shares that accumulate income only. There is no current intention to declare dividends.

Any income available for distribution will form part of the assets of the Fund and will be applied when calculating the subscription price and the redemption price as part of the proportion of the Fund which is attributable to the holders of that class of shares.

#### **Significant Events during the Financial Period**

The ICAV was registered with the Central Bank on 6 January 2021 and was authorised by the Central Bank on 21 October 2021. The Fund commenced operations on 1 November 2021.

On 9 December 2021, an updated Supplement to the Prospectus in respect of the Fund of the ICAV was noted by the Central Bank. The Supplement was updated to include specific disclosure requirements that are required under the European Union's Taxonomy Regulations.

There were no other significant events that occurred during the financial period. Significant events during the financial period are also disclosed in note 16 to the financial statements.

#### **Events since the Financial Period End**

On 25 January 2022, KBA announced that, subject to regulatory approval, it will become a member of the Waystone Group.

The Directors have noted the recent developments in the Ukraine and the sanctions being imposed on Russia by many countries as a result. Given the absence of exposure in the region, the Board of Directors' view is that those developments and sanctions are unlikely to have a significant direct adverse impact on the ICAV. Nonetheless, since the situation continues to evolve, it remains difficult at this stage to estimate all direct and indirect impacts which may arise from these emerging developments. The Board of Directors continues to monitor the developments closely and to take all the necessary actions.

There were no other material events since the financial period end which would require amendment to or disclosure in the audited financial statements. Events since the financial period end are also disclosed in note 17 to the financial statements.

#### **Soft Commission Arrangements**

No such payments have been made in the nature of soft commissions to any person/agent for execution of trades.

#### **Directors**

The names of the persons who were Directors at any time during the financial period are set out on page 3.

#### **Directors' and Secretary's Interests**

Neither the Directors nor the appointed Secretary had any interests in the shares of the ICAV, other than those set out in note 7 to the financial statements, as at their date of appointment, resignation or at any time during the financial period ended 31 December 2021.

**DIRECTORS' REPORT AND STATEMENT OF DIRECTORS' RESPONSIBILITIES  
(CONTINUED)**

**For the financial period from 6 January 2021 (date of registration) to 31 December 2021**

**Connected Persons**

The Central Bank UCITS Regulation 43(1) - Transactions involving the management company or depositary to a UCITS; and the delegates or sub-delegates of such a management company or depositary (excluding any non-group company sub-custodians appointed by a depositary); and any associated or group company of such a management company, depositary, delegate or sub-delegate ("Connected Persons") - states that any transaction carried out with a UCITS by these Connected Persons must be conducted at arm's length and in the best interests of the shareholders of the UCITS.

The Board of Directors are satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in Regulation 43(1) of the Central Bank UCITS Regulations are applied to all transactions with Connected Persons; and the Board of Directors are satisfied that transactions with Connected Persons entered into during the financial period complied with the obligations set out in Regulation 43(1).

Note 7 to these financial statements details related party transactions during the period. Details of fees paid to related parties and certain connected persons are also set out in note 6.

**Statement of Audit Information**

The Directors confirm that during the financial period from 6 January 2021 (date of registration) to 31 December 2021:

- a) So far as the Directors are aware, there is no relevant audit information of which the ICAV's statutory auditors are unaware, and
- b) The Directors have taken all steps that ought to have been taken by the Directors in order to make themselves aware of any relevant audit information and to establish that the ICAV's auditors are aware of that information.

**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, RBC Investor Services Ireland Limited (the "Administrator"). The accounting records are located at the offices of the Administrator at 4th Floor, One George's Quay Plaza, George's Quay, Dublin 2, Ireland.

**Corporate Governance Statement**

The ICAV has adopted in full the voluntary Corporate Governance Code for Irish domiciled collective investment schemes and management companies (the "Code") as published by Irish Funds, the text of which is available from Irish Funds website, [www.irishfund.ie](http://www.irishfund.ie). The ICAV has been fully compliant with the Code for the period from 6 January 2021 (date of registration) to 31 December 2021.

**Independent Auditor**

The independent auditor, Grant Thornton, Chartered Accountants and Statutory Audit Firm, who was appointed during the period to act as independent auditor, have expressed their willingness to continue in office in accordance with Section 125 of the ICAV Act 2015.

**Signed on behalf of the Board of Directors by:**

  
**Director**

**Director**

**Date: 26 April 2022**

**DIRECTORS' REPORT AND STATEMENT OF DIRECTORS' RESPONSIBILITIES  
(CONTINUED)**

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

**Connected Persons**

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Signed on behalf of the Board of Directors by:

  
Director

Director

Date: 26 April 2022

### INVESTMENT MANAGER'S REPORT

#### Market and Performance Overview

The Variety CKC Credit Opportunity Fund (the "Fund") launched on 1 November 2021 in the initial calm before the storm of weakness and volatility in the credit, equity and rates worlds. The first week of November was calm and similar to many weeks during 2021. Everything changed on 10 November 2021 with the release of the Consumer Price Index ("CPI") report. After that report showed inflation running at a much higher level than anyone anticipated, the credit and interest rate markets traded very poorly and became very volatile. In fact, from 10 November 2021 until the end of the month, the JP Morgan Global High Yield Index was down every single day. This run of negative days was the longest since at least September of 2015.

Fears related to the United States Federal Reserve's ("US Fed") tapering process, the emergence of the Omicron variant and its effect on public policy and high valuations combined to push high yield to its worst month since March of 2020. Compared to the roughly 1% loss in the US high yield market, the -0.41% performance of the Fund in its first month was relatively strong. Our performance was affected by the extreme weakness in the market, but it was also impacted by having to initiate positions at launch to getting it fully invested over the initial part of the month. In addition, November was a surprisingly weak month in terms of both new issue volume and new issue performance. The Veteran's Day and Thanksgiving Day holidays decreased the number of true active days in the market and the overall market volatility pushed many issuers to remain on the sidelines.

In December 2021, the Fund was up 0.71% for the month. December was a strong month for credit markets as the weakness of September, October and November created the conditions for a technically driven rally. High yield significantly outperformed the investment grade market in a low volatility melt up that was exaggerated by forced Exchange-Traded Fund ("ETF") buying and an overall lack of market participants. As is frequently the case in December, volumes were low across credit and the last few weeks of the year contained zero new issues across both the investment grade and high yield markets. As a result, trading volumes were light in both asset classes and ETF volumes gained outsized importance. Unlike in September and October when high yield performance decoupled from that of the equity markets, credit performance in December was very much in sync with that of the equity markets. Also, after a weak stretch from September through November, interest rate markets stabilized and lent a boost to credit.

Returns in December were driven primarily by the strong performance of the short duration bonds in our portfolio. After a weak stretch from September-November, high yield bonds performed well in December and short duration high yield bonds participated in the strength. In addition, we owned a few bonds which were either called or tendered at a favourable time thus increasing the return on those bonds. Trading was muted in December as is typically the case. New issue volumes were light and secondary liquidity was reduced as many market participants took time off. The new issues that did come to market performed relatively well and did enhance the month's performance.

The Fund ended the year posting a positive return of 0.30% since inception on 1 November 2021.

#### Outlook

Looking ahead into 2022, the credit markets remain in a challenged spot but we believe that they are on the verge of setting up CKC to have a potentially strong year. As the yield on front end bonds moves significantly higher, the yield on our portfolio rises. As long as we continue to identify strong credits that can withstand market and economic weakness, the risk/reward dynamic moves ever more in our favor. In addition, the dislocations that are likely to be created in 2022 should afford us substantial opportunities away from short duration bonds. We have traditionally played very strong defense in weaker markets and we will continue to do that, but the opportunity to go on offense with the odds very much in our favor may be around the corner soon.

#### January 2022





**Report of the Depositary to the Shareholders  
For the period 21 October\* to 31 December 2021**

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

In our opinion, Variety Capital ICAV (the "ICAV") has been managed for the period 21 October\* to 31 December 2021:

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

e-Signed by Willie O'Gorman  
on 2022-04-08 11:44:20 GMT

e-Signed by Eoghan Cassidy  
on 2022-04-08 11:49:33 GMT

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

**Date:** 8 April 2022

*\*Date of appointment of Depositary*

**RBC Investor Services Bank S.A.  
Dublin Branch**  
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RBC Investor Services Bank S.A., Dublin Branch  
is a branch of RBC Investor Services Bank S.A.  
Registered office: 14, Porte de France, L-4360 Esch-sur-Alzette, Luxembourg  
Registered in Ireland 905449  
Incorporated in Luxembourg with Limited Liability  
Registered in Luxembourg B 47 192

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VARIETY CAPITAL ICAV**

### **Opinion**

We have audited the financial statements of Variety Capital ICAV (the "ICAV") which comprise the Statement of financial position, the Statement of comprehensive income, the Statement of changes in net assets attributable to holders of participating shares and the Statement of cash flows for the financial period ended 31 December 2021, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and accounting standards issued by the Financial Reporting Council and promulgated by the International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, Variety Capital ICAV's financial statements:

- give a true and fair view in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union of the assets, liabilities and financial position of the ICAV as at 31 December 2021 and of its financial performance and cash flows for the financial period then ended; and
- have been properly prepared in accordance with the requirements of the Irish Collective Asset-management Vehicles Act 2015.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) ('ISAs (Ireland)') and applicable law. Our responsibilities under those standards are further described in the 'responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the ICAV in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (IAASA) Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

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

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

### **Other information**

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

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VARIETY CAPITAL ICAV (CONTINUED)

### Other information (continued)

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

We have nothing to report in this regard.

### Responsibilities of management and those charged with governance for the financial statements

As explained more fully in the directors' responsibilities statement, management is responsible for the preparation of the financial statements which give a true and fair view in accordance with Generally Accepted Accounting Practice in Ireland, including IFRS as adopted by the European Union, and for such internal control as they determine necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the ICAV's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the ICAV or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the ICAV's financial reporting process.

### Responsibilities of the auditor for the audit of the financial statements

The auditor's objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for their opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the ICAV's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

## INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF VARIETY CAPITAL ICAV (CONTINUED)

### Responsibilities of the auditor for the audit of the financial statements (continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ICAV's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the ICAV to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a matter that achieves a true and fair view.

The auditor communicates with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that may be identified during the audit.

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

This report is made solely to the ICAV's shareholders, as a body, in accordance with section 120 of the Irish Collective Asset-management Vehicles Act 2015. Our audit work has been undertaken so that we might state to the ICAV's 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.



**Niamh Meenan**

For and on behalf of

**Grant Thornton**

Chartered Accountants & Statutory Audit Firm

Dublin

26 April 2022

**STATEMENT OF FINANCIAL POSITION**  
As at 31 December 2021

	Notes	Variety CKC Credit Opportunity Fund* 31 December 2021 USD
<b>Assets</b>		
Financial assets at fair value through profit or loss		
Investments in transferable securities	9	37,304,626
Investments in financial derivative instruments	9	241,158
Cash and cash equivalents	10	1,966,768
Receivable from issuance of redeemable participating shares		8,316
Reimbursement from the Investment Manager	6	21,395
Other assets		72,234
<b>Total assets</b>		<b>39,614,497</b>
<b>Liabilities</b>		
Due to brokers		(234,280)
Payable on redemption of redeemable participating shares		(32,367)
Investment management and distribution fees payable	6	(24,769)
Manager fees payable	6	(2,763)
Performance fees payable	6	(11,437)
Depository fees payable	6	(2,675)
Administrator fees payable	6	(3,126)
Audit fees payable	6	(13,653)
Directors' fees payable	6	(3,264)
Other liabilities		(7,337)
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(335,671)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>	<b>14</b>	<b>39,278,826</b>
Redeemable participating shares – Class S USD**		27,927,440
Net Asset Value per share		USD 100.30
Redeemable participating shares – Class S EUR (Hedged)**		133,351,460
Net Asset Value per share		EUR 100.16
Redeemable participating shares – Class S GBP (Hedged)**		157,687,274
Net Asset Value per share		GBP 100.20

\* The Fund commenced operations on 1 November 2021.

\*\* This share class was launched on 1 November 2021.

Signed on behalf of the Board of Directors on 26 April 2022 by:

  
\_\_\_\_\_  
Director

\_\_\_\_\_  
Director

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

# Variety Capital ICAV

## STATEMENT OF FINANCIAL POSITION

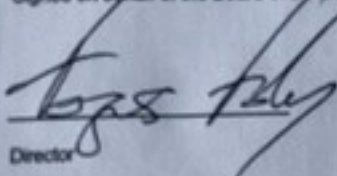
As at 31 December 2021

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Administrator fees payable	6	(3,126)
Audit fees payable	6	(13,653)
Directors' fees payable	6	(3,264)
Other liabilities		(7,337)
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(335,671)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>	<b>14</b>	<b>39,278,826</b>
Redeemable participating shares – Class S USD**		27,927,440
Net Asset Value per share		USD 100.30
Redeemable participating shares – Class S EUR (Hedged)**		133,351,460
Net Asset Value per share		EUR 100.16
Redeemable participating shares – Class S GBP (Hedged)**		157,687,274
Net Asset Value per share		GBP 100.20

\* The Fund commenced operations on 1 November 2021.

\*\* This share class was launched on 1 November 2021.

Signed on behalf of the Board of Directors on 26 April 2022 by:

  
Director

\_\_\_\_\_  
Director

**STATEMENT OF COMPREHENSIVE INCOME**

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

	Notes	Variety CKC Credit Opportunity Fund* 31 December 2021 USD
<b>Income</b>		
Net losses on financial assets and financial liabilities at fair value through profit or loss	13	(291,961)
<b>Total investment loss</b>		<b>(291,961)</b>
<b>Expenses</b>		
Investment management and distribution fees	6	(39,463)
Manager fees	6	(5,596)
Performance fees	6	(11,437)
Depositary fees	6	(2,675)
Administrator fees	6	(3,126)
Audit fees	6	(13,653)
Directors' fees	6	(3,791)
Establishment expenses	6,14	(108,742)
Other expenses		(11,487)
Reimbursement from the Investment Manager	6	21,395
<b>Total operating expenses</b>		<b>(178,575)</b>
<b>Finance costs</b>		
Interest expense		(3,923)
<b>Total finance costs</b>		<b>(3,923)</b>
<b>Decrease in net assets attributable to holders of redeemable participating shares</b>		<b>(474,459)</b>

\* The Fund commenced operations on 1 November 2021.

There are no recognised gains or losses arising in the period other than the decrease in net assets attributable to holders of redeemable participating shares of the Fund. In arriving at the results of the financial period, all amounts above relate to continuing operations.

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

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

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

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	<b>Variety CKC Credit Opportunity Fund* 31 December 2021 USD</b>
<b>Net assets attributable to holders of redeemable participating shares at beginning of the financial period</b>	-
<b>Decrease in net assets attributable to holders of redeemable participating shares</b>	<b>(474,459)</b>
Issuance of redeemable participating shares	40,253,203
Redemption of redeemable participating shares	(499,918)
<b>Net assets attributable to holders of redeemable participating shares at end of the financial period</b>	<b>39,278,826</b>

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\* The Fund commenced operations on 1 November 2021.

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



**STATEMENT OF CASH FLOWS**

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

	Variety CKC Credit Opportunity Fund* 31 December 2021 USD
<b>Cash flows from operating activities</b>	
<b>Decrease in net assets attributable to holders of redeemable participating shares</b>	<b>(474,459)</b>
<b>Changes in operating activities</b>	
Increase in financial assets at fair value through profit or loss	(37,311,504)
Increase in receivable from Investment Manager	(21,395)
Increase in other assets	(72,234)
Increase in investment management and distribution fees payable	24,769
Increase in manager fees payable	2,763
Increase in performance fees payable	11,437
Increase in administrator fees payable	3,126
Increase in depositary fees payable	2,675
Increase in audit fees payable	13,653
Increase in directors' fees payable	3,264
Increase in other liabilities	7,337
<b>Net cash used in operating activities</b>	<b>(37,810,568)</b>
<b>Cash flows from financing activities</b>	
Proceeds from redeemable participating shares	40,244,887
Payments for redeemable participating shares	(467,551)
<b>Net cash provided by financing activities</b>	<b>39,777,336</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,966,768</b>
<b>Cash and cash equivalents at the beginning of the financial period</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the financial period</b>	<b>1,966,768</b>

\* The Fund commenced operations on 1 November 2021.

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

### NOTES TO THE FINANCIAL STATEMENTS

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

#### 1. Establishment and Organisation

Variety Capital ICAV (the "ICAV") is an Irish collective asset-management vehicle constituted as an umbrella fund with segregated liability between sub-funds. The ICAV is authorised by the Central Bank of Ireland (the "Central Bank") as an Undertakings for Collective Investment in Transferable Securities ("UCITS") pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) (S.I. No. 352 of 2011) (the "UCITS Regulations"), the Irish Collective Asset-management Vehicles Act 2015 (as amended) (the "ICAV Act 2015") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (as amended) (the "Central Bank UCITS Regulations"). The ICAV was registered on 6 January 2021.

As at 31 December 2021, the ICAV has one active sub-fund in existence, Variety CKC Credit Opportunity Fund (the "Fund"). The Fund commenced operations on 1 November 2021.

Subject to the prior approval of the Central Bank, the ICAV may establish new sub-funds from time to time.

The investment objective of the Fund is to seek to achieve consistent risk-adjusted total returns while seeking to limit the downside and volatility of investments. The Fund is not managed in accordance with a benchmark. The Investment Manager will seek to achieve this objective through investment in a diversified portfolio of investment grade and high yield bonds while also seeking to capitalise on cross-market opportunities in equities and options both in the United States and globally.

#### 2. Basis of Preparation

##### a) Statement of Compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and adopted by the European Union ("EU") and Irish statute comprising the ICAV Act 2015, the UCITS Regulations and the Central Bank UCITS Regulations.

##### b) Basis of Measurement

The financial statements are prepared on a going concern basis. Quantitative and qualitative information has been evaluated about relevant conditions and events known and reasonably knowable at the date that the financial statements are issued. There were no events or conditions identified that, in the opinion of the Board when considered in the aggregate, indicate that there could be substantial doubt about the entity's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

##### c) Functional and Presentation Currency

The financial statements are presented in United States Dollar ("USD") the Fund's functional and presentational currency.

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

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

### 2. Basis of Preparation (continued)

#### d) Use of Judgements, Estimates and Assumptions

The preparation of financial statements in conformity with IFRS as adopted by the EU requires the Directors to make judgements, estimates and assumptions which affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors which are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities which are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial period in which the estimates are revised and in any future periods affected.

### 3. Significant Accounting Policies

#### Financial Assets and Financial Liabilities at Fair Value through Profit or Loss

##### *(i) Classification and subsequent measurement*

On initial recognition, the Fund classifies financial assets as measured at amortised cost or Fair value through Profit or Loss ("FVTPL").

##### *Initial measurement*

A financial asset is measured at amortised cost if it meets both the following conditions and is not designated at FVTPL:

- It is held with a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI").

All other financial assets of the ICAV are measured at FVTPL.

As all of the Fund's investments are either held for trading and/or managed and evaluated on a fair value basis, they are classified as being at fair value through profit or loss in accordance with IFRS 9. The entity is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions.

In addition, a portfolio of financial assets that meets the definition of held for trading is not held to collect contractual cash flows or held both to collect contractual cash flows and to sell financial assets. For such portfolios, the collection of contractual cash flows is only incidental to achieving the business model's objective. Consequently, such portfolios of financial assets must be measured at fair value through profit or loss.

Classification and measurement of debt assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest. A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

### 3. Significant Accounting Policies (continued)

#### Financial Assets and Financial Liabilities at Fair Value through Profit or Loss (continued)

##### (i) Classification and subsequent measurement (continued)

###### *Initial measurement (continued)*

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. All investments are measured at fair value through profit or loss.

###### *Subsequent measurement*

Financial assets at FVTPL are subsequently measured at fair value. Net gains and losses, including any foreign exchange gains and losses, are recognised in the "net gains or losses on financial assets and financial liabilities at fair value through profit or loss" in the Statement of Comprehensive Income.

Financial assets at amortised cost are subsequently measured at amortised cost using the effective interest method. Cash and cash equivalents, cash held as collateral, collateral cash due from broker, other receivables, dividends receivable, receivable from the investment manager are included in this category. Interest income on cash and cash equivalents which was calculated using the effective interest rate method is recognised as bank interest income or interest expense on the Statement of Comprehensive Income.

Financial liabilities that are held for trading are measured at fair value through profit or loss.

##### (ii) Impairment of financial assets

The ICAV recognises loss allowances of expected credit losses ("ECL") on financial assets measured at amortised cost. The financial assets at amortised cost consist of cash and cash equivalents and other receivables and prepayments as disclosed in the Statement of Financial Position. The ICAV measures loss allowances at an amount equal to lifetime ECLs, except for the following which are measured at 12-month ECLs:

- financial assets that are determined to have low credit risk at the reporting date; and
- other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the asset) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the ICAV considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the ICAV's historical experience and informed credit assessment and including forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from the default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months). The maximum period considered when estimating ECLs is the maximum contractual period over which the ICAV is exposed to credit risk.

###### *Measurement of ECLs*

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the ICAV expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

#### 3. Significant Accounting Policies (continued)

##### Financial Assets and Financial Liabilities at Fair Value through Profit or Loss (continued)

###### *(ii) Impairment of financial assets (continued)*

###### *Credit-impaired financial assets*

At each reporting date, the ICAV assesses whether financial assets carried at amortised cost are credit-impaired.

A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisations.

###### *Presentation of allowance for ECLs in the Statement of Financial Position*

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

The ICAV did not recognise any loss allowances of ECLs on financial assets measured at amortised cost during the financial period ended 31 December 2021.

###### *Write off*

The gross carrying amount of financial assets is written off when the ICAV has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. There was no impact on current disclosures in the ICAV's financial statements.

###### *(iii) Derecognition*

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

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

The Net Asset Value ("NAV") per class for subscription or redemption may be adjusted by adding or deducting an anti-dilution levy (as determined by the Directors) in accordance with the relevant provisions in the prospectus and supplement. The anti-dilution levy will be calculated by reference to the costs of dealing in the underlying investments of the Fund, including any dealing spreads, commissions and transfer taxes.

##### **Umbrella Cash Account**

Cash account arrangements have been put in place in respect of the ICAV and the Fund as a consequence of the introduction of requirements relating to subscriptions and/or redemption collection accounts. These cash accounts are not subject to the protections of the Investor Money Regulations and instead will be subject to the guidance issued by the Central Bank from time to time in relation to umbrella cash accounts.

Investors' monies may be held in an umbrella cash account in respect of each currency in which a class is denominated. The assets in the umbrellas cash account will be assets of the relevant Fund.

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

### 3. Significant Accounting Policies (continued)

#### Transaction Costs

Transaction costs are incremental costs which are separately identifiable and directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. Transaction costs do not include debt premiums or discounts, financing costs or internal administrative or holding costs. Transaction costs relate to the purchase and sale of investments. There were no transaction costs during the period ended 31 December 2021.

#### Cash and Cash Equivalents and Bank Overdrafts

Cash and cash equivalents includes cash at hand and other short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments rather than for investments or other purposes. Bank overdrafts are payable on demand.

#### NAV per Share

The NAV per share is calculated by the Administrator, dividing the NAV of each class of shares by the shares in issue of each class of shares.

#### Redeemable Participating Shares

All redeemable shares issued by the Fund of the ICAV provide the investors with the right to require redemption for cash at the value proportionate to the investor's share in the Fund's net assets at the redemption date. In accordance with International Accounting Standard ("IAS") 32 'Financial Instruments: Presentation', such instruments are classified as financial liabilities. Subject to the terms of the Prospectus, the Fund is contractually obliged to redeem shares at the NAV per share on the valuation date.

#### Interest Income and Bank Interest

Guidance on the recognition and presentation of interest and dividend income now falls within the scope of IFRS 9. A consequential amendment to IAS 1 'Presentation of Financial Statements' has clarified that only interest income from financial assets held at amortised cost can be presented within interest income within the Statement of Comprehensive Income. The Fund's interest income from financial assets held at fair value through profit or loss is recorded as part of 'net gains or losses on financial assets and financial liabilities at fair value through profit or loss' within the Statement of Comprehensive Income.

Interest income is recognised in the Statement of Comprehensive Income on an accruals basis, using the effective interest method. The effective interest method is the rate that exactly discounts the estimated future cash payments and receipts through the expected life of the financial asset or liability (or when appropriate; a shorter period) to the carrying amount of the financial asset or financial liability. When calculating the effective interest rate, the Sub-Funds estimate future cash flows considering all contractual terms but not future credit losses. Bank interest is recognised on an accruals basis in line with the contractual terms. Interest is accrued on a daily basis.

#### Fees and Expenses

All fees and expenses are recognised in the Statement of Comprehensive Income on an accruals basis and as the related services are performed.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

**3. Significant Accounting Policies (continued)**

**Dividend Policy**

The Fund offers classes of shares that accumulate income only. There is no current intention to declare dividends.

Any income available for distribution will form part of the assets of the Fund and will be applied when calculating the subscription price and the redemption price as part of the proportion of the Fund which is attributable to the holders of that class of shares.

**Withholding Tax**

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

**Fund Expense Rebates**

Certain share classes within the Fund have fee caps in place, see the Supplement to the Prospectus for further details, with the rebate amounts being reimbursed on a monthly basis. Fund expense rebates payable at the period end date are disclosed within the Statement of Financial Position as 'Reimbursement from the Investment Manager' and amounts reimbursed during the period are disclosed in the Statement of Comprehensive Income as 'Reimbursement from the Investment Manager'.

**Due from Brokers and Due to Brokers**

Due from brokers represent receivables for securities sold that have been contracted for but not yet settled or delivered on the reporting date. These amounts are recognised at cost and include all transaction costs and commissions due in relation to the trade.

Due to brokers represent payables for securities purchased that have been contracted for but not yet settled or delivered at the reporting date. These amounts are recognised at cost and include all transaction costs and commissions due in relation to the trade.

**Receivable from Issuance of Redeemable Participating Shares and Payable on Redemption of Redeemable Participating Shares**

Receivable from issuance of redeemable participating shares represent the amounts due from investors for subscriptions that have been contracted for but not yet received and therefore are shown as a receivable at the financial period end.

Payable on redemption of redeemable participating shares represent amounts due to investors for redemptions that have been contracted for but not yet paid and therefore are shown as a payable at the financial period end.

**Net Gains/(Losses) on Financial Assets and Financial Liabilities at Fair Value through Profit or Loss**

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

**3. Significant Accounting Policies (continued)**

**Forward Contracts**

The unrealised gain or loss on open forward contracts, are calculated by reference to the difference between the contracted rate and the rate to close out the contract. Unrealised gains and losses are included in the Statement of Financial Position. Realised gains and losses, which are recognised on the maturity of a contract, include net gains/(losses) on contracts which have been settled or offset by other contracts. Realised gains or losses and changes in unrealised gains and losses are recognised in the Statement of Comprehensive Income.

**New Standards, Amendments and Interpretations effective after 1 January 2021**

A number of new standards, amendments to standards or interpretations are effective for annual periods beginning after 1 January 2021, 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.

Further, the ICAV did not early adopt any new or amended standards and does not plan to early adopt any of the standards that were issued but are not yet effective.

**4. Taxation**

Under the current tax legislation in force, the ICAV qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. Accordingly, the ICAV and the Fund are not liable to the Irish tax on its income and gains other than on the occurrence of a chargeable event.

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

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

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

In the absence of an appropriate declaration, the ICAV or its Fund will be liable to Irish tax on the occurrence of a chargeable event.

There was no chargeable event during the financial period ended 31 December 2021.

Dividends, interest and capital gains (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.



### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

#### 5. Share Capital

The minimum authorised share capital of the ICAV is EUR 2.00 represented by two Subscriber Shares of no par value issued at EUR 1.00 each. The maximum authorised share capital of the ICAV, as may be amended by the Directors from time to time and notified to shareholders, is 500,000,000,002 shares of no par value represented by two Subscriber Shares of no par value and 500,000,000,000 (five hundred billion) shares of no par value, initially designated as unclassified shares. The Directors are empowered to issue up to 500,000,000,000 shares of no par value designated as shares of any class on such terms as they think fit.

The Subscriber Shares entitle the holders to attend and vote at general meetings of the ICAV but do not entitle the holders to participate in the profits or assets of the ICAV except for a return of capital on a winding-up.

Redeemable participating shares entitle the holders to attend and vote at general meetings of the ICAV and to participate in the profits and assets of the ICAV. There are no pre-emption rights attaching to the shares. Subject to the provisions of the Instrument of Incorporation, shareholders have the right to participate in or receive profits or income arising from the acquisition, holding, management or disposal of Investments of the relevant Fund, to vote at any general meeting of the ICAV or at any meeting of the Fund or class in respect of which such shares have been issued and such other rights as may be provided in respect of shares of a particular sub-fund or class in each case as more particularly described in this Prospectus and/or the relevant supplement subject always to the UCITS Regulations, Central Bank UCITS Regulations and the ICAV Act 2015.

The liability of shareholders is limited to the amount, if any, unpaid on their shares.

Shareholders may request the Fund to redeem their shares on and with effect from any dealing day at the NAV per share on the dealing day. An anti-dilution levy may apply where there are overall net subscriptions or net redemptions on that dealing day as per Prospectus.

The Fund offers the classes set out below:

Share Class	Minimum Initial Subscription and Minimum Holding*	Minimum Subsequent Subscription*
Class S USD	10,000,000	10,000
Class S EUR (Hedged)	10,000,000	10,000
Class S GBP (Hedged)	10,000,000	10,000
Class S CHF (Hedged)	10,000,000	10,000
Class F USD	10,000,000	10,000
Class I USD	1,000,000	10,000
Class I EUR (Hedged)	1,000,000	10,000
Class I GBP (Hedged)	1,000,000	10,000
Class I CHF (Hedged)	1,000,000	10,000
Class A USD	500,000	10,000
Class A CHF (Hedged)	500,000	10,000
Class Z USD	Nil	Nil

\* All amounts are quoted in the currency of the relevant class.

The ICAV may create additional classes in the future with prior notification to and clearance by the Central Bank.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

**5. Share Capital (continued)**

The following represents the changes in the number of shares for the financial period ended 31 December 2021:

**Variety CKC Credit Opportunity Fund\***

	<b>Class S USD **</b>	<b>Class S EUR (Hedged)**</b>	<b>Class S GBP (Hedged)**</b>
Number of shares at the beginning of the financial period	-	-	-
Shares issued during the financial period	29,556.973	133,658.417	159,962.297
Shares redeemed during the financial period	(1,629.533)	(306.957)	(2,275.023)
<b>Number of shares at the end of the financial period</b>	<b>27,927.440</b>	<b>133,351.460</b>	<b>157,687.274</b>
Reported NAV of each share class	USD 2,801,228	EUR 13,356,229	GBP 15,799,600
NAV per share	USD 100.30	EUR 100.16	GBP 100.20

\* The Fund commenced operations on 1 November 2021.

\*\* This share class was launched on 1 November 2021.

**6. Fees and Expenses**

**Investment Management and Distribution Fees**

The Investment Manager and Distributor has been appointed to provide investment management and distribution services to the ICAV pursuant to the Investment Management Agreement and Distribution Agreement.

The annual management charge includes investment management fees and fees paid to the Distributor. The amount of the annual management charge for each of the various classes of the Fund is calculated as a percentage per annum of the NAV of the relevant class: Class S 0.60%, Class F 1.35%, Class I 1.20%, Class A 1.80% and Class Z Nil. The annual management charges is calculated and accrued on each dealing day and payable monthly in arrears.

The Investment Manager or the Distributor may decide, in their sole discretion, to reimburse any shareholder, intermediary, distributor or other person or otherwise provide any of them with a rebate or commission out of all or part of any fees paid by the ICAV in respect of a class. Any such rebates may be applied in paying up additional shares to be issued to the relevant shareholder.

For the financial period ended 31 December 2021, the fees charged by the Investment Manager and Distributor were USD 39,463, of which USD 24,769 remain payable at 31 December 2021.

**Performance Fees**

In addition to receiving a portion of the annual management charge, the Investment Manager is entitled to a performance fee. The performance fee will be paid out of the net assets attributable to the relevant class of shares.

The amount of the performance fee for each of the various classes of the Fund is calculated as a percentage per annum of the NAV of the relevant class: Class S 15%, Class F Nil, Class I 15%, Class A 15% and Class Z Nil.

The performance fee is calculated and accrued at each valuation point and the accrual is reflected in the NAV per share of the relevant class of shares.

The first performance fee period begins at the end of the initial offer period of the relevant class of shares and ends on the last business day in December of the following year. Subsequent performance fee periods are calculated in respect of each period of twelve months ending on the last business day in December (the "calculation period").

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**For the financial period from 6 January 2021 (date of registration) to 31 December 2021**

**6. Fees and Expenses (continued)**

**Performance Fees (continued)**

The performance fee (if payable) will crystallise on the last business day in December of a calculation period, or when a shareholder redeems, as outlined below.

The performance fee with respect to the relevant classes of shares will be equal to 15% of the appreciation (realised and unrealised) of the NAV per share of the relevant class of shares during each calculation period in excess of the higher of (i) the Adjusted High Water Mark per share and (ii) the Fixed High Water Mark per share.

In order for a performance fee to be paid, the NAV per share of the relevant class of shares at the end of a calculation period must be in excess of both the Adjusted High Water Mark per share and the Fixed High Water Mark per share.

The "Adjusted High Water Mark per share" is the initial offer price per share adjusted to neutralise artificial increases in the performance fee as a result of any new subscriptions during a calculation period. Following any calculation period in which a performance fee was earned other than performance fees crystallised on redemption, the Adjusted High Water Mark per share is reset to the NAV per share at the end of the immediately prior calculation period and will continue to be adjusted to neutralise artificial increases in the performance fee as a result of any new subscriptions.

The "Fixed High Water Mark per share" is the initial offer price per share of the respective class of shares. Following any calculation period in which a performance fee was earned other than performance fees crystallised on redemption, the Fixed High Water Mark per share is reset to the NAV per share at the end of the immediately prior calculation period.

The performance fee will be 15% of the amount by which the NAV per share achieved on the last business day of a calculation period exceeds the higher of (i) the Adjusted High Water Mark per share and (ii) the Fixed High Water Mark per share, multiplied by the number of shares in issue in the respective class of shares.

The total performance fee paid to the Investment Manager will be equal to the sum of the performance fees of each class of shares, for which performance fees are payable, at the end of the calculation period.

No performance fee is accrued or paid until the NAV per share exceeds both the Adjusted High Water Mark per share and the Fixed High Water Mark per share.

Any amount of performance fee calculated with respect to redeemed shares of any class will be calculated according to the NAV of the redeemed shares of the relevant class as at the date of redemption (as opposed to as at the end of the calculation period in which the redemption takes place). It is therefore possible that although the NAV per share of the relevant class of shares has not exceeded both the Adjusted High Water Mark per share and the Fixed High Water Mark per share for a full calculation period, a performance fee might be earned by the Investment Manager in respect of the shares redeemed where the redemption took place when the NAV per share of the relevant class of shares at redemption exceeded both the Adjusted High Water Mark per share and the Fixed High Water Mark per share.

The performance fee is normally payable to the Investment Manager in arrears within 14 calendar days of the end of each calculation period. However, in the case of shares redeemed during a calculation period, the accrued performance fee in respect of those shares will be payable within 14 calendar days after the date of redemption.

All fees and expenses are deducted prior to calculating the performance fee (which includes the performance fee, for the avoidance of doubt). The accrued performance fee will be calculated at each valuation point and deducted in arriving at the NAV of the relevant class of shares.

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

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

##### Performance Fees (continued)

The performance fee is based on net realised and unrealised gain and losses as at the end of each calculation period and as a result performance fees may be paid on unrealised gains which may subsequently never be realised. The performance fee may also adversely impact the potential returns for shareholders, particularly in circumstances where the Fund does not reach a certain size or achieve a certain target return.

The performance fee is calculated by the Administrator. The performance fee calculation is verified by the Depositary.

For the financial period ended 31 December 2021 performance fees were USD 11,437, of which USD 11,437 remain payable at 31 December 2021.

##### Manager Fees

The Manager is paid a fee based on the aggregate assets under management. The maximum fee is 0.03% of the NAV of the Fund. A minimum fee of EUR 60,000 per annum where the ICAV has one sub-fund and a further minimum fee of EUR 15,000 shall apply in respect of each subsequent sub-fund established by the ICAV. The fees of the Manager are calculated on and are accrued from each Valuation Point and are payable monthly in arrears.

Any additional fees of the Manager for additional ancillary services shall be pre-agreed with the ICAV and is at normal commercial rates, payable from the assets of the ICAV. These rates are available from the ICAV on request. The Manager will also be entitled to be reimbursed out of the assets of the ICAV for reasonable out-of-pocket expenses incurred by it.

For the financial period ended 31 December 2021, the fees charged by the Manager were USD 5,596, of which USD 2,763 remain payable at 31 December 2021.

##### Administration Fees

The Administrator is paid a fee based on the assets under management. The maximum fee is 0.0225% of NAV subject to a minimum annual fee of EUR 43,100 per annum. The Administrator is also entitled to receive a transfer agency fee subject to a minimum annual fee of EUR 24,000 out of the assets of the ICAV. The fees of the Administrator are calculated on and accrued from each valuation point and are payable monthly in arrears.

The Administrator will also be entitled to be reimbursed out of the assets of the ICAV for reasonable out-of-pocket expenses incurred by it.

For the financial period ended 31 December 2021, the fees charged by the Administrator were USD 3,126, of which USD 3,126 remain payable at 31 December 2021.

##### Depositary Fees

The Depositary is paid a fee based on the assets under management. The maximum fee is 0.025% of NAV subject to a minimum annual fee of EUR 22,000 per annum. The fees of the Depositary are calculated on and accrued from each valuation point and are payable monthly in arrears.

The Depositary will also be entitled to be reimbursed out of the assets of each Fund for reasonable out-of-pocket expenses incurred by the Depositary. The Depositary is also entitled to be reimbursed for transaction costs and sub-custodial fees which are at normal commercial rates.

For the financial period ended 31 December 2021, the fees charged by the Depositary were USD 2,675, of which USD 2,675 remain payable at 31 December 2021.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

**6. Fees and Expenses (continued)**

**Directors' Fees**

The Directors are entitled to receive a fee for their services to the ICAV at a rate to be determined from time to time by the Directors, provided that the aggregate amount of Directors' remuneration in any one year in respect of the ICAV shall not exceed EUR 40,000 (or such other higher limit as the Directors may from time to time determine and notify to shareholders). The Directors and any alternate Directors may also be entitled to be paid out-of-pocket expenses, including, but not limited to, all travelling, hotel and other expenses properly incurred by them in attending and returning from meetings of the Directors or any other meetings in connection with the business of the ICAV.

Directors who are employees or partners of the Distributor have elected to waive their entitlement to receive such remuneration.

For the financial period ended 31 December 2021, the fees charged by the Directors were USD 3,791, of which USD 3,264 remain payable at 31 December 2021.

**Auditor's Remuneration**

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	<b>31 December 2021 USD</b>
Audit of statutory financial statements (ex VAT)	11,100
Other non-audit services	7,783
<b>Total</b>	<b>18,883</b>

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For the financial period ended 31 December 2021, the fees charged by the auditor for the audit of statutory financial statements amounted to USD 13,653, of which USD 13,653 remain payable at 31 December 2021.

**Establishment Costs**

The establishment expenses of the ICAV and the initial Fund amounted to USD 108,742 during the financial period ended 31 December 2021. The establishment expenses of each subsequent sub-fund will be set out in the relevant supplement. The Directors have resolved to amortise these costs and expenses on a straight line basis over a period of five years from the date on which the initial Fund commences business. Establishment expenses in line with the above are amortised at each valuation point. The Directors may, in their absolute discretion, shorten the period over which these costs and expenses are amortised.

In accordance with IFRS, the establishment fees of USD 108,742 were fully charged in the Statement of Comprehensive Income during the financial period ended 31 December 2021 as they were incurred when the Fund launched and USD Nil was payable as at financial year end. Please refer to note 14 for a reconciliation of the financial statements NAV to the Dealing NAV for the current year.

**7. Related Parties**

IAS 24 'Related Party Disclosures' requires the disclosure of information relating to material transactions with parties who are deemed to be related to the reporting entity. 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. The Directors, the Manager and Distributor are deemed to be related parties.

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

#### 7. Related Parties (continued)

##### Transactions with parties with significant influence

###### Manager

KBA Consulting Management Limited is the ICAV's Manager under the Management Agreement. Barry Harrington is an employee of the Manager.

Faye McCrossan, the Money Laundering Reporting Officer ("MLRO"), is an employee of KB Associates, a related party of the Manager.

###### Distributor

Variety Capital Limited is the ICAV's Distributor under the Distribution Agreement. Graham Loughridge is a Director of the ICAV and Chief Executive Officer of the Distributor. Robert Corbally is a Director of the ICAV and the Chief Operating Officer of the Distributor. They are entitled to receive distributor fees for the Fund.

The fees charged by all service providers are disclosed in note 6 to the financial statements.

###### Directors' Remuneration

The members of the Board of Directors are set out on page 3. Directors' fees are disclosed in note 6.

#### 8. Risks Associated with Financial Instruments

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

The ICAV is also exposed to operational risks such as settlement and custody risk. Custody risk is the risk of loss of financial assets held in custody occasioned by the insolvency or negligence of the Depositary. Although an appropriate legal framework is in place that reduces the risk of loss of value of the financial assets and liabilities held by the Depositary, in the event of failure, the ability of the Depositary to transfer the financial assets might be impaired. The Depositary is owned by Royal Bank of Canada ("RBC"). The credit rating for RBC, the parent company, as at 31 December 2021 is AA- from S&P.

The ICAV's overall risk management programme seeks to maximise the returns derived for the level of risk to which the ICAV is exposed and seeks to minimise potential adverse effects on the ICAV's financial performance. All investments present a risk of loss of capital. The Investment Manager monitors global exposure of the Fund by utilising the commitment approach when financial derivative instruments are held. The Fund will at no stage be leveraged in excess of 100% of its NAV.

##### Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

The Investment Manager moderates market risk through careful selection of securities and other financial instruments within specified limits. In addition, the Investment Manager manages the exposure of the portfolio to the risk of adverse changes in the general level of market prices through adhering to its formal risk management process, which includes the use of systems and technology to monitor overall market and position risk on a daily basis. The Directors of the ICAV give a mandate to the Investment Manager, who manages this risk in line with the Prospectus and Supplements. The Directors of the ICAV monitor the market price risks inherent in the investment portfolio by ensuring full and timely access to relevant information from the Investment Manager. The Directors of the ICAV meet regularly and at each meeting review investment performance and overall market positions. They monitor the Investment Manager's compliance with the ICAV's objectives. The ICAV's exposure to market risk is disclosed in the Schedule of Investments.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

**8. Risks Associated with Financial Instruments (continued)**

**Market Risk (continued)**

As at 31 December 2021, the ICAV's market risk is affected by three components:

- (i) foreign currency movements ("foreign currency risk");
- (ii) interest rate movements ("interest rate risk"); and
- (iii) changes in actual instrument prices ("other price risk").

(i) Foreign currency risk

Foreign currency risk is the risk that the fair value of future cash flows from a financial instrument will be affected by changes in exchange rates and regulatory controls on currency movements.

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

The following table sets out the ICAV's total exposure to foreign currency risk and the net exposure to foreign currencies in USD as at 31 December 2021:

**Variety CKC Credit Opportunity Fund**

Currency	Total Investments	Net Monetary Assets and Liabilities	Net Foreign Currency Derivatives	Net Exposure	Sensitivity of Net Exposure (5% Movement)
	31 December 2021 USD	31 December 2021 USD	31 December 2021 USD	31 December 2021 USD	31 December 2021 USD
EUR	-	14,745	14,924,149	14,938,894	746,945
GBP	-	280,128	21,001,623	21,281,751	1,064,088
<b>Total</b>	-	<b>294,873</b>	<b>35,925,772</b>	<b>36,220,645</b>	<b>1,811,033</b>

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

(ii) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. Interest rate risk arises when the ICAV invests in interest-bearing financial instruments.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

**8. Risks Associated with Financial Instruments (continued)**

**Market Risk (continued)**

(ii) Interest rate risk (continued)

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

The table below shows the interest rate risk of the ICAV as at 31 December 2021.

**Variety CKC Credit Opportunity Fund**

	Fixed	Floating	Non-interest bearing	Total
<b>Assets</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>	<b>USD</b>
Bonds	37,239,985	-	64,641	37,304,626
Forward contracts	-	-	241,158	241,158
Cash and cash equivalents	-	1,966,768	-	1,966,768
Other assets	-	-	101,945	101,945
<b>Total Assets</b>	<b>37,239,985</b>	<b>1,966,768</b>	<b>407,744</b>	<b>39,614,497</b>
<b>Liabilities</b>				
Other liabilities	-	-	(335,671)	(335,671)
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>(335,671)</b>	<b>(335,671)</b>
<b>Total</b>	<b>37,239,985</b>	<b>1,966,768</b>	<b>72,073</b>	<b>39,278,826</b>

The sensitivity analysis below is based on a change in one variable while holding all other variables constant. In practice all other variables are unlikely to remain constant, and changes in some of the variables may be correlated. In addition, as the analysis is based on historical data it cannot take account of future rate movements. The market price information represents a hypothetical outcome and is not intended to be predictive.

As at 31 December 2021, an increase in interest rates of 1% against floating financial assets at the statement of financial position date would have increased/decreased net assets by USD 19,668, 1% represents management's best estimate of a reasonable shift in value, having regard to historic market trends.

As of 31 December 2021 roughly 1% of the Fund's financial assets were held in non-interest-bearing assets. Interest-bearing financial assets are bonds listed in regulated markets. As a result, the Fund is subject to exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates. The weighted average duration of interest bearing securities on the Fund is 3.05 years.



### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

#### 8. Risks Associated with Financial Instruments (continued)

##### Market Risk (continued)

###### (iii) Other price risk

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

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

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

##### Variety CKC Credit Opportunity Fund

<u>Financial assets at fair value through profit or loss</u>	<u>31 December 2021</u>	
	<u>Fair Value</u> <u>USD</u>	<u>5% sensitivity</u> <u>USD</u>
Investments in transferable securities	37,304,626	1,865,231

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

##### Liquidity Risk

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

The Fund's overall liquidity risks are monitored on a regular basis by the Investment Manager and Directors. The Fund's dealing frequency is on a daily basis and the redemption of the redeemable participating shares is the main liquidity risk of the Fund.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

**8. Risks Associated with Financial Instruments (continued)**

**Liquidity Risk (continued)**

At 31 December 2021, the Fund's financial liabilities classified into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date were as follows:

**Variety CKC Credit Opportunity Fund**

	Less than 1 month USD	1 to 3 months USD	>3 months USD	Total USD
Due to brokers	234,280	-	-	234,280
Payable on redemption of redeemable participating shares	32,367	-	-	32,367
Investment management and distribution fees payable	24,769	-	-	24,769
Manager fees payable	2,763	-	-	2,763
Performance fees payable	-	-	11,437	11,437
Depositary fees payable	2,675	-	-	2,675
Administrator fees payable	3,126	-	-	3,126
Audit fees payable	-	-	13,653	13,653
Directors' fees payable	3,264	-	-	3,264
Other liabilities	7,337	-	-	7,337
Net assets attributable to holders of redeemable participating shares	39,278,826	-	-	39,278,826
<b>Total</b>	<b>39,589,407</b>	<b>-</b>	<b>25,090</b>	<b>39,614,497</b>

**Credit Risk**

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

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

As at 31 December 2021, RBC Investor Services Bank S.A., Dublin Depositary Branch, the counterparty of Variety CKC Credit Opportunity Fund, has a credit rating of AA- from S&P.

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

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

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

**8. Risks Associated with Financial Instruments (continued)**

**Credit Risk (continued)**

At 31 December 2021, Variety CKC Credit Opportunity Fund held bonds with external credit ratings ranged between 'BBB' through to 'CCC':

S&P credit rating	Percentage of total bonds
BBB	0.87
BBB-	2.24
BB+	14.48
BB	30.63
BB-	16.00
B+	9.75
B	10.80
B-	8.24
CCC+	1.10
CCC	0.32
Unrated	5.57
<b>Total</b>	<b>100.00</b>

**9. Fair Value Measurements**

IFRS 13, 'Fair Value Measurement', requires a fair value hierarchy for inputs used in measuring fair value that classify investments according to how observable the inputs are.

Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the ICAV. Unobservable inputs reflect the ICAV's assumptions, made in good faith, about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorised into three levels based on the inputs as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that the Fund has the ability to access at the measurement date;

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

Level 3 - Inputs that are unobservable.

There were no transfers between levels during the period.

The following table summarises the inputs used to value the ICAV's assets and liabilities measured at fair value on a recurring basis as of 31 December 2021:

**Variety CKC Credit Opportunity Fund**

	Total USD	Level 1 USD	Level 2 USD	Level 3 USD
<b>Financial assets at fair value through profit or</b>				
Investments in transferrable securities				
- Bonds	37,304,626	-	37,304,626	-
- Forward contracts	241,158	-	241,158	-
	<b>37,545,784</b>	-	<b>37,545,784</b>	-

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

**9. Fair Value Measurements (continued)**

**Assets and liabilities not carried forward at fair value through profit or loss**

Cash and cash equivalents are classified as Level 1 and all other assets and liabilities not carried at fair value are classified as Level 2. Assets and liabilities not carried at fair value are carried at amortised cost as this reflects a reasonable approximation of their fair value on the Statement of Financial Position.

**10. Cash and Cash Equivalents**

Cash balances are held by RBC Investor Services Bank S.A., Dublin Branch. As at 31 December 2021, the cash balance held at bank was:

**Variety CKC Credit Opportunity Fund**

	<b>31 December 2021</b>
	<b>USD</b>
Cash at bank	1,966,768
<b>Total</b>	<b>1,966,768</b>

**11. Exchange Rates**

The following exchange rates were used to translate assets and liabilities into USD as at 31 December 2021:

	<b>31 December 2021</b>
EUR	0.878349
GBP	0.738798

**12. Distributions**

The Directors currently do not intend to declare dividend distributions on the Variety CKC Credit Opportunity Fund.

**13. Net losses on financial assets and financial liabilities at fair value through profit or loss**

**Variety CKC Credit Opportunity Fund\***

	<b>31 December 2021</b>
	<b>USD</b>
Net realised losses on investment in transferable securities	(2,446)
Net realised losses on investment in financial derivative instruments	(739,309)
Net change in unrealised losses on investment in transferable securities	(74,680)
Net change in unrealised gains on investment in financial derivative instruments	241,158
Net currency losses on foreign exchange	(11,250)
Other fair value gains**	294,566
<b>Net realised and unrealised losses on financial assets and liabilities at fair value through profit and loss</b>	<b>(291,961)</b>

\* The Fund commenced operations on 1 November 2021.

\*\* Other fair value gains represents income earned on bond and debt instruments classified at fair value through profit or loss.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

**14. Net Asset Value Reconciliation**

The NAV in the financial statements may differ from that included in the published valuation. The differences relate to the establishment cost adjustment for the current period.

	<b>31 December 2021</b>
<b>Variety CKC Credit Opportunity Fund</b>	<b>USD</b>
<b>Net Asset Value Attributable to Holders of Redeemable Participating Shares</b>	
Valuation in accordance with dealing/published NAV	39,393,369
Adjustment for establishment costs	(102,708)
Adjustment for audit fees	(11,835)
<b>Valuation in accordance with financial statements purposes</b>	<b>39,278,826</b>

**15. Net Asset Value per Share Class**

<b>Variety CKC Credit Opportunity Fund*</b>	<b>31 December 2021</b>
NAV per share - Class S USD **	USD 100.30
NAV per share - Class S EUR (Hedged)**	EUR 100.16
NAV per share - Class S GBP (Hedged)**	GBP 100.20

\* The Fund commenced operations on 1 November 2021.

\*\* This share class was launched on 1 November 2021.

**16. Significant Events during the Financial Period**

The ICAV was registered with the Central Bank on 6 January 2021 and was authorised by the Central Bank on 21 October 2021. The Fund commenced operations on 1 November 2021.

On 9 December 2021, an updated Supplement to the Prospectus in respect of the Fund of the ICAV was noted by the Central Bank. The Supplement was updated to include specific disclosure requirements that are required under the European Union's Taxonomy Regulations.

There were no other significant events that occurred during the financial period.

**17. Events since the Financial Period End**

On 25 January 2022, KBA announced that, subject to regulatory approval, it will become a member of the Waystone Group.

The Directors have noted the recent developments in the Ukraine and the sanctions being imposed on Russia by many countries as a result. Given the absence of exposure in the region, the Board of Directors' view is that those developments and sanctions are unlikely to have a significant direct adverse impact on the ICAV. Nonetheless, since the situation continues to evolve, it remains difficult at this stage to estimate all direct and indirect impacts which may arise from these emerging developments. The Board of Directors continues to monitor the developments closely and to take all the necessary actions.

There were no other material events since the financial period end which would require amendment to or disclosure in the audited financial statements.

**18. Contingent Liabilities**

The Directors are not aware of any material contingent liabilities of the ICAV as at 31 December 2021.

**19. Soft Commission Arrangements**

No such payments have been made in the nature of soft commissions to any person/agent for execution of trades.

**20. Approval of Financial Statements**

The financial statements were approved and authorised for issue by the Board of Directors on 26 April 2022.

## Variety Capital ICAV

### SCHEDULE OF INVESTMENTS (Unaudited)

As at 31 December 2021

(expressed in USD)				Acquisition	Fair	% Net
Description	Nominal	Currency		cost	Value	Assets
<b>1) INVESTMENTS</b>						
<b>A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>						
<b>1) LISTED SECURITIES : BONDS</b>						
UNITED STATES						
AMC Networks Inc 5% 01/04/2024	379,000	USD		385,159	382,669	0.97
Apache Corp 3.25% 15/04/2022	33,000	USD		33,033	33,042	0.08
B&G Foods Inc 5.25% 01/04/2025	600,000	USD		615,894	613,194	1.56
DISH DBS Corp 5.875% 15/07/2022	1,005,000	USD		1,031,945	1,023,804	2.61
EQT Corp 3% 01/10/2022	1,905,000	USD		1,929,765	1,920,792	4.89
Icahn Enterprises LP / Icahn Enterprises Finance Corp 6.75% 01/02/2024	500,000	USD		507,750	501,585	1.28
MGM Resorts International 6.75% 01/05/2025	607,000	USD		641,903	639,122	1.63
MPT Operating Partnership LP / MPT Finance Corp 5% 15/10/2027	449,000	USD		472,764	470,916	1.20
MPT Operating Partnership LP / MPT Finance Corp 5.25% 01/08/2026	1,000	USD		1,030	1,030	-
NortonLifeLock Inc 5% 15/04/2025	2,296,000	USD		2,322,021	2,320,338	5.91
Steel Dynamics Inc 5% 15/12/2026	331,000	USD		340,516	340,259	0.87
Targa Resources Partners LP / Targa Resources Partners Finance Corp 5.875% 15/04/2026	825,000	USD		864,456	859,238	2.19
Tenet Healthcare Corp 4.625% 15/07/2024	1,274,000	USD		1,293,107	1,295,390	3.30
Tenet Healthcare Corp 6.75% 15/06/2023	378,000	USD		404,559	405,488	1.03
Western Digital Corp 1.5% 01/02/2024	148,000	USD		148,370	149,598	0.38
				<u>10,992,272</u>	<u>10,956,465</u>	<u>27.90</u>
<b>TOTAL LISTED SECURITIES : BONDS</b>				<b>10,992,272</b>	<b>10,956,465</b>	<b>27.90</b>
<b>BOND INTEREST ACCRUED</b>					<b>142,963</b>	<b>0.36</b>
<b>TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING</b>				<b>10,992,272</b>	<b>11,099,428</b>	<b>28.26</b>
<b>B) OTHER TRANSFERABLE SECURITIES DEALT ON ANOTHER REGULATED MARKET</b>						
<b>1) OTHER ORGANISED MARKET : BONDS</b>						
CANADA						
1011778 BC ULC / New Red Finance Inc 5.75% 15/04/2025	610,000	USD		635,900	635,034	1.62
				<u>635,900</u>	<u>635,034</u>	<u>1.62</u>
FRANCE						
Altice France SA 8.125% 01/02/2027	147,000	USD		157,290	157,005	0.40
				<u>157,290</u>	<u>157,005</u>	<u>0.40</u>

## Variety Capital ICAV

### SCHEDULE OF INVESTMENTS (Unaudited) As at 31 December 2021 (continued)

(expressed in USD)					
Description	Nominal	Currency	Acquisition cost	Fair Value	% Net Assets
<b>B) OTHER TRANSFERABLE SECURITIES DEALT ON ANOTHER REGULATED MARKET (continued)</b>					
<b>1) OTHER ORGANISED MARKET : BONDS (continued)</b>					
IRELAND					
Ardagh Packaging Finance PLC / Ardagh Holdings USA Inc 5.25% 30/04/2025	200,000	USD	207,000	207,392	0.53
			<u>207,000</u>	<u>207,392</u>	<u>0.53</u>
LUXEMBOURG					
Nielsen Co Luxembourg SARL 5% 01/02/2025	44,000	USD	44,715	44,747	0.11
			<u>44,715</u>	<u>44,747</u>	<u>0.11</u>
UNITED STATES					
Abercrombie & Fitch Management Co 8.75% 15/07/2025	1,432,000	USD	1,548,618	1,544,527	3.93
Albertsons Cos Inc / Safeway Inc / New Albertsons LP / Albertsons LLC 7.5% 15/03/2026	1,488,000	USD	1,592,160	1,590,672	4.05
Alliance Data Systems Corp 4.75% 15/12/2024	87,000	USD	88,523	88,862	0.23
American Airlines Inc 11.75% 15/07/2025	262,000	USD	323,202	324,364	0.83
Amkor Technology Inc 6.625% 15/09/2027	647,000	USD	689,009	684,474	1.74
Aramark Services Inc 6.375% 01/05/2025	624,000	USD	652,860	654,214	1.67
Arconic Corp 6% 15/05/2025	563,000	USD	590,170	590,148	1.50
Boyd Gaming Corp 8.625% 01/06/2025	1,445,000	USD	1,551,203	1,550,080	3.95
Caesars Entertainment Inc 6.25% 01/07/2025	900,000	USD	947,853	946,296	2.41
CCO Holdings LLC / CCO Holdings Capital Corp 4% 01/03/2023	133,000	USD	133,333	133,476	0.34
CCO Holdings LLC / CCO Holdings Capital Corp 5.5% 01/05/2026	2,942,000	USD	3,042,911	3,036,173	7.73
CDW LLC / CDW Finance Corp 4.125% 01/05/2025	9,000	USD	9,304	9,274	0.02
Colfax Corp 6.375% 15/02/2026	107,000	USD	111,079	110,721	0.28
Covanta Holding Corp 6% 01/01/2027	1,152,000	USD	1,192,110	1,194,117	3.04
Crown Americas LLC / Crown Americas Capital Corp VI 4.75% 01/02/2026	445,000	USD	460,019	458,083	1.17
Forterra Finance LLC / FRTA Finance Corp 6.5% 15/07/2025	691,000	USD	731,596	735,376	1.87
Golden Nugget Inc 6.75% 15/10/2024	448,000	USD	450,016	448,784	1.14
Hillenbrand Inc 5.75% 15/06/2025	286,000	USD	301,585	301,029	0.77
Hill-Rom Holdings Inc 4.375% 15/09/2027	305,000	USD	319,488	318,916	0.81
Korn Ferry 4.625% 15/12/2027	61,000	USD	63,440	62,941	0.16
Level 3 Financing Inc 5.25% 15/03/2026	3,000,000	USD	3,096,000	3,077,430	7.83
MicroStrategy Inc 0% 15/02/2027	89,000	USD	65,860	64,641	0.16
Pilgrim's Pride Corp 5.875% 30/09/2027	368,000	USD	389,620	388,814	0.99
Scientific Games International Inc 5% 15/10/2025	94,000	USD	96,920	96,734	0.25
TransDigm Inc 8% 15/12/2025	676,000	USD	713,200	713,085	1.82

## Variety Capital ICAV

### SCHEDULE OF INVESTMENTS (Unaudited)

As at 31 December 2021 (continued)

(expressed in USD) Description	Nominal	Currency	Acquisition cost	Fair Value	% Net Assets
<b>B) OTHER TRANSFERABLE SECURITIES DEALT ON ANOTHER REGULATED MARKET (continued)</b>					
<b>1) OTHER ORGANISED MARKET : BONDS (continued)</b>					
UNITED STATES (continued)					
Uber Technologies Inc 8% 01/11/2026	1,877,000	USD	2,001,351	2,004,279	5.10
Vail Resorts Inc 6.25% 15/05/2025	81,000	USD	84,848	84,958	0.22
WESCO Distribution Inc 7.125% 15/06/2025	187,000	USD	198,172	198,987	0.51
William Carter Co 5.5% 15/05/2025	190,000	USD	197,838	198,991	0.51
William Carter Co 5.625% 15/03/2027	369,000	USD	382,376	381,302	0.97
XPO Logistics Inc 6.25% 01/05/2025	180,000	USD	188,041	188,941	0.48
Yum! Brands Inc 7.75% 01/04/2025	1,082,000	USD	1,143,539	1,144,302	2.91
			<u>23,356,244</u>	<u>23,324,991</u>	<u>59.39</u>
<b>TOTAL OTHER ORGANISED MARKET : BONDS</b>			<b>24,401,149</b>	<b>24,369,169</b>	<b>62.05</b>
<b>BOND INTEREST ACCRUED</b>				<b>394,431</b>	<b>1.00</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES DEALT ON ANOTHER REGULATED MARKET</b>			<b>24,401,149</b>	<b>24,763,600</b>	<b>63.05</b>
<b>C) OTHER TRANSFERABLE SECURITIES</b>					
<b>1) OTHER TRANSFERABLE SECURITIES : BONDS</b>					
BERMUDA ISLANDS					
Digicel Group Holdings Ltd 10% 01/04/2024	1,250,000	USD	1,259,435	1,254,750	3.19
NCL Corp Ltd 1.125% 15/02/2027	37,000	USD	35,104	34,876	0.09
			<u>1,294,539</u>	<u>1,289,626</u>	<u>3.28</u>
UNITED STATES					
DISH Network Corp 2.375% 15/03/2024	125,000	USD	122,188	120,156	0.31
			<u>122,188</u>	<u>120,156</u>	<u>0.31</u>
<b>TOTAL OTHER TRANSFERABLE SECURITIES : BONDS</b>			<b>1,416,727</b>	<b>1,409,782</b>	<b>3.59</b>
<b>BOND INTEREST ACCRUED</b>				<b>31,816</b>	<b>0.08</b>
<b>TOTAL OTHER TRANSFERABLE SECURITIES</b>			<b>1,416,727</b>	<b>1,441,598</b>	<b>3.67</b>



## Variety Capital ICAV

### SCHEDULE OF INVESTMENTS (Unaudited)

As at 31 December 2021 (continued)

#### D) DERIVATIVES INSTRUMENTS

##### 1) FORWARD CONTRACTS

<b>Maturity</b>	<b>Counterparty</b>	<b>Currency Bought</b>		<b>Currency Sold</b>		<b>Unrealised Gain USD</b>	<b>% Net Assets</b>
31 Jan 2022	RBC Investor Services Bank S.A.	GBP	15,517,458	USD	(20,850,715)	150,907	0.38
31 Jan 2022	RBC Investor Services Bank S.A.	EUR	13,100,713	USD	(14,833,898)	90,251	0.23
<b>TOTAL FORWARD CONTRACTS</b>						<b>241,158</b>	<b>0.61</b>
<b>TOTAL DERIVATIVES INSTRUMENTS</b>						<b>241,158</b>	<b>0.61</b>
<b>TOTAL INVESTMENTS</b>						<b>37,545,784</b>	<b>95.59</b>
<b>CASH AND CASH EQUIVALENTS</b>						<b>1,966,768</b>	<b>5.01</b>
<b>OTHER ASSETS AND LIABILITIES</b>						<b>(233,726)</b>	<b>(0.60)</b>
<b>TOTAL NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES</b>						<b>39,278,826</b>	<b>100.00</b>

#### ANALYSIS OF TOTAL ASSETS

<b>Description</b>	<b>% Total Assets</b>
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING	28.02
OTHER TRANSFERABLE SECURITIES DEALT ON ANOTHER REGULATED MARKET	62.51
OTHER TRANSFERABLE SECURITIES	3.64
DERIVATIVES INSTRUMENTS	0.61
CASH AND CASH EQUIVALENTS	4.96
OTHER ASSETS	0.26
<b>TOTAL ASSETS</b>	<b>100.00</b>

Supplementary Information (Unaudited)

Significant Portfolio Changes

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

Purchases\*

Security	Nominal	Cost (USD)	% of Total Purchases
Molina Healthcare Inc 5.375% 15/11/2022	3,000,000	3,183,402	4.31
Travel + Leisure Co 4.25% 01/03/2022	3,094,000	3,127,088	4.23
Level 3 Financing Inc 5.25% 15/03/2026	3,000,000	3,103,438	4.20
CCO Holdings LLC / CCO Holdings Capital Corp 5.5% 01/05/2026	3,000,000	3,103,358	4.20
Sally Holdings LLC / Sally Capital Inc 5.625% 01/12/2025	2,829,000	2,921,301	3.95
NortonLifeLock Inc 5% 15/04/2025	2,524,000	2,569,305	3.47
EQT Corp 3% 01/10/2022	2,356,000	2,392,714	3.24
Nuance Communications Inc 5.625% 15/12/2026	2,000,000	2,114,063	2.86
Uber Technologies Inc 8% 01/11/2026	1,933,000	2,073,985	2.80
Albertsons Cos Inc / Safeway Inc / New Albertsons LP / Albertsons LLC 7.5% 15/03/2026	1,488,000	1,618,388	2.19
Jaguar Holding Co II / PPD Development LP 5% 15/06/2028	1,458,000	1,614,225	2.18
Boyd Gaming Corp 8.625% 01/06/2025	1,480,000	1,601,600	2.17
Abercrombie & Fitch Management Co 8.75% 15/07/2025	1,432,000	1,590,037	2.15
Tenet Healthcare Corp 4.625% 15/07/2024	1,502,000	1,546,527	2.09
Covanta Holding Corp 6% 01/01/2027	1,233,000	1,306,255	1.77
Digicel Group Holdings Ltd 10% 01/04/2024	1,250,000	1,269,435	1.72
Ford Motor Co 9% 22/04/2025	1,000,000	1,230,688	1.66
Yum! Brands Inc 7.75% 01/04/2025	1,091,000	1,168,317	1.58
Caesars Entertainment Inc 6.25% 01/07/2025	1,085,000	1,166,364	1.58
Cedar Fair LP / Canada's Wonderland Co / Magnum Management Corp 5.375% 01/06/2024	1,104,000	1,144,940	1.55
Ascend Learning LLC 6.875% 01/08/2025	1,100,000	1,144,038	1.55
MPT Operating Partnership LP / MPT Finance Corp 5% 15/10/2027	1,074,000	1,135,220	1.54
DISH DBS Corp 5.875% 15/07/2022	1,074,000	1,122,534	1.52
MGM Resorts International 6.75% 01/05/2025	1,000,000	1,059,000	1.43
Targa Resources Partners LP / Targa Resources Partners Finance Corp 5.875% 15/04/2026	1,000,000	1,050,926	1.42
Silgan Holdings Inc 4.75% 15/03/2025	1,000,000	1,021,719	1.38
Golden Nugget Inc 6.75% 15/10/2024	1,000,000	1,007,688	1.36
United States Treasury Note/Bond 1.25% 30/11/2026	1,000,000	1,000,783	1.35
Forterra Finance LLC / FRTA Finance Corp 6.5% 15/07/2025	737,000	799,062	1.08

\*Listed above are the largest cumulative investment purchases in excess of 1% of total investment purchases during the period ended 31 December 2021.

Supplementary Information (Unaudited) (continued)

Significant Portfolio Changes (continued)

For the financial period from 6 January 2021 (date of registration) to 31 December 2021

Sales\*

Security	Nominal	Proceeds (USD)	% of Total Sales
Travel + Leisure Co 4.25% 01/03/2022	3,094,000	3,131,700	8.54
Molina Healthcare Inc 5.375% 15/11/2022	3,000,000	3,107,847	8.48
Sally Holdings LLC / Sally Capital Inc 5.625% 01/12/2025	2,829,000	2,888,244	7.88
Nuance Communications Inc 5.625% 15/12/2026	2,000,000	2,123,089	5.79
Jaguar Holding Co II / PPD Development LP 5% 15/06/2028	1,458,000	1,581,114	4.31
Ford Motor Co 9% 22/04/2025	1,000,000	1,233,370	3.36
Cedar Fair LP / Canada's Wonderland Co / Magnum Management Corp 5.375% 01/06/2024	1,104,000	1,145,542	3.13
Ascend Learning LLC 6.875% 01/08/2025	1,100,000	1,145,128	3.12
Silgan Holdings Inc 4.75% 15/03/2025	1,000,000	1,022,264	2.79
United States Treasury Note/Bond 1.25% 30/11/2026	1,000,000	1,002,865	2.74
MPT Operating Partnership LP / MPT Finance Corp 5% 15/10/2027	625,000	662,188	1.81
Berry Global Inc 4.875% 15/07/2026	565,000	596,152	1.63
Modulaire Global Finance Plc 8% 15/02/2023	558,000	583,966	1.59
Golden Nugget Inc 6.75% 15/10/2024	552,000	555,911	1.52
Goodyear Tire & Rubber Co 5% 31/05/2026	500,000	516,250	1.41
II-VI Inc 5% 15/12/2029	500,000	506,458	1.38
HUB International Ltd 5.625% 01/12/2029	500,000	501,250	1.37
Coty Inc/HFC Prestige Products Inc/HFC Prestige International US LLC 4.75% 15/01/2029	500,000	500,000	1.36
PDC Energy Inc 6.25% 01/12/2025	445,000	472,813	1.29
EQT Corp 3% 01/10/2022	451,000	458,108	1.25
MGM Resorts International 6.75% 01/05/2025	393,000	416,431	1.14

\*Listed above are the largest cumulative investment sales in excess of 1% of total investment sales during the period ended 31 December 2021.

### Supplementary Information (Unaudited) (continued)

#### Remuneration Policy

The Manager has designed and implemented a remuneration policy (the "Policy") in line with the provisions of S.I. 257 of 2013 European Union (Alternative Investment Fund Managers) Regulations 2013 ("AIFM Regulations"), S.I. 352 of 2011 European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) ("UCITS Regulations") and of the ESMA Guidelines on sound remuneration policies under the UCITS Directive and AIFMD (the "ESMA Guidelines").

The Manager's remuneration policy applies to its identified staff whose professional activities might have a material impact on the ICAV's risk profile and so covers senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profile of the ICAV. The Manager's policy is to pay identified staff a fixed component with the potential for identified staff to receive a variable component. It is intended that the fixed component will represent a sufficiently high proportion of the total remuneration of the individual to allow the Manager to operate a fully flexible policy, with the possibility of not paying any variable component. When the Manager pays a variable component as performance related pay certain criteria, as set out in the Manager's remuneration policy, must be adhered to. The various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the relevant staff rank and professional activity as well as best market practice. The Manager's remuneration policy is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the funds it manages.

These disclosures are made in respect of the remuneration policies of the Manager. The disclosures are made in accordance with the ESMA guidelines.

Total remuneration (in EUR) paid to the identified staff of the Manager fully or partly involved in the activities of the ICAV that have a material impact on the ICAV's risk profile during the financial year to 31 December 2021:

<b>Fixed remuneration</b>	<b>EUR</b>
Senior management	1,232,664
Other identified staff	-
<b>Variable remuneration</b>	
Senior management	110,724
Other identified staff	-
<b>Total remuneration paid</b>	<b>1,343,388</b>

Number of identified staff – 16

**Supplementary Information (Unaudited) (continued)**

**Securities Financing Transactions Disclosure**

A Securities Financing Transaction (“SFT”) is defined as per Article 3(11) of the Securities Financing Transactions Regulations as:

- a repurchase transaction;
- securities or commodities lending and securities or commodities borrowing;
- a buy-sell back transaction or sell-buy back transaction; or
- a margin lending transaction.

UCITS are required to disclose the use of SFTs and Total Return Swaps. For the financial period ended 31 December 2021, Variety CKC Credit Opportunity Fund did not trade in any SFTs or Total Return Swaps.

**Sustainable Finance Disclosure Regulation (“SFDR”)**

The Fund does not promote environmental or social characteristics, and does not have as objective sustainable investment (as provided by articles 8 or 9 of SFDR). The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities (article 7 Taxonomy Regulation).