

# **Altruid Hybrid Fund SICAV p.l.c.**

## **Annual Report and Financial Statements**

For the financial year ended 31 December 2021

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## Directors, Officer and Other Information

<i>Directors:</i>	David Robin Thomas Goldvinger Robert Nebauer Tillman Sachs
<i>Company secretary:</i>	David Griscti
<i>Registered office:</i>	26, St. Thomas Street Southern Harbour Floriana FRN 1124 Malta
<i>Country of incorporation:</i>	Malta
<i>Company registration number:</i>	SV 489
<i>Auditors:</i>	Pricewaterhouse Coopers 78 Mill Street, Zone 5 Central Business District, Qormi CBD 5090 Malta
<i>Administrator:</i>	Fexserv Fund Services Limited Nu Bis Centre Mosta Road Lija LJA 9012 Malta <i>Licensed by the Malta Financial Services Authority</i>
<i>Prime brokers:</i>	Baader Bank Aktiengesellschaft Weihenstephaner Strasse 4 85716 Unterschleissheim Germany  Britannia Global Markets Level 29, 52 Lime Street, London, EC3M 7AF, United Kingdom
<i>Investment manager:</i>	Altruid Systems Limited 26, St. Thomas Street Southern Harbour Floriana FRN 1124 Malta <i>Licensed by the Malta Financial Services Authority</i>
<i>Sponsor:</i>	Van Sterling Capital Limited 168, St. Christopher Street Valletta VLT 1467 Malta
<i>Legal advisors:</i>	David Griscti & Associates 168, St. Christopher Street Valletta VLT 1467 Malta

## Salient Statistics and Information About the Fund

Altruid Hybrid Fund SICAV p.l.c. (the “Fund”) is a collective investment scheme registered as a multi-class investment company with variable share capital as public limited liability company under the laws of Malta on 22 August 2018 and licensed by the Malta Financial Services Authority (MFSA) under the Investment Services Act, Cap. 370 of the laws of Malta as a Professional Investor Fund targeting Qualifying Investors on 24 August 2018.

As at 31 December 2021, the Fund had two classes of shares being:

- Class A Non-Voting Euro Accumulator Shares
- Class B Non-Voting Euro Accumulator Shares

On 11 September 2018, the Fund and the above shares have been granted a primary listing and have been admitted to the official list of the Malta Stock Exchange.

### Investment objective

The investment objective of the Fund is to seek to maximise the return for investor by achieving high capital appreciation over a medium-term with a low correlation to traditional asset classes. The Fund shall seek to achieve its investment objective by investing in exchange-traded assets, with a focus on exchange-traded futures contracts and at all times in accordance with the principle of risk spreading.

### Net asset value per redeemable share

The net asset value per share is determined by dividing the net asset value of redeemable shares by the shares in issue at the end of the reporting period.

	<b>Altruid Hybrid Fund SICAV p.l.c. Class A Non-Voting Euro Accumulator Shares</b>	<b>Altruid Hybrid Fund SICAV p.l.c. Class B Non-Voting Euro Accumulator Shares</b>
<b>31 December 2021</b>		
<b>Redeemable shares in issue</b>	34,009.0926	917.3008
<b>Net asset value of investor shares at official valuation date</b>	EUR 4,068,323.64	EUR 105,994.45
<b>Net asset value per redeemable share as at valuation date</b>	EUR 119.6245	EUR 115.5503
<b>Latest official valuation date</b>	31/12/2021	31/12/2021

## Directors' Report

The directors present their annual report together with the audited financial statements of Altruid Hybrid Fund SICAV p.l.c. (the "Fund") for the year ended 31 December 2021. The Fund was incorporated on 22 August 2018.

### Principal Activities

The Fund is organised under the laws of Malta as a multi-class investment company with variable share capital as public limited liability pursuant to the Companies Act (Cap. 386) and licensed by the Malta Financial Services Authority under the Investment Services Act, Cap 370 as a Professional Investor Fund targeting Qualifying Investors on 24 August 2018.

The principal activity of the Fund is to achieve its investment objectives as defined in the Offering Memorandum of the Fund.

### Review of Business

The Fund's trading strategy consists of several quantitative systematic trading approaches that apply to different time cycles. The strategy is implemented primarily by way of exchange-traded and liquid futures contracts on bonds, indices, currencies and interest rates. The strategy is largely based on different assets, time cycles, continents and currencies consistently applied to a broad diversification within the system portfolios enable.

#### *Financial key performance indicators*

The results for the year ended 31 December 2021 are shown in the statements of comprehensive income on page 17. The Fund reported a decrease in total net assets attributable to holders of redeemable shares from operations amounting to EUR 8,538 (2020: increase of EUR 256,323).

As at 31 December 2021, the net assets attributable to holders of redeemable shares at trading value of the Company amounted to EUR 4,170,187 (2020: EUR 3,678,725). The table below includes further details regarding the performance of the Fund during the reporting period, including overall net asset value (NAV) per unit. NAV/unit, level of assets under management, net subscriptions and redemptions, and the total expense ratio as key performance indicators.

Share class	Overall NAV/unit 31 December 2021 EUR	Net subscriptions & redemptions EUR	Period-to- date performance	Net asset value EUR	Total expenses ratio
Class A Non-Voting Euro Accumulator Shares	119.6245	500,000	0.47%	4,068,323	4.43%
Class B Non-Voting Euro Accumulator Shares	115.5503	-	-0.62%	105,994	

The Fund is benchmarked to the SG CTA Index which calculates the net daily rate of return for a pool of CTAs selected from the largest managers open to new investment. It is equal-weighted and reconstituted annually. The Beta measure of the Fund versus the Index is -0.040 (Class A shares) and -0.042 (Class B shares). The volatility of the Index is 7.69% compared with 5.58% (Class A shares) and 5.54% (Class B shares) of the Fund. The performance of the Index is +6.17% compared with +0.47% (Class A shares) and -0.62% (Class B shares) of the Fund.

The Investment Manager on the ongoing basis performs monitoring of asset quality and liquidity according to internal scoring system.

## **Directors' Report (continued)**

### **Review of Business (continued)**

#### *Financial risk management and exposures*

For principal risks and uncertainties, refer to Note 14 'Financial Risk Management' in the notes to the financial statements on pages 31 to 39 that details the key risk factors including market risk, credit risk and liquidity risk and the Fund's approach of managing these risks.

#### *Risk posed by the COVID-19*

COVID-19 has caused significant interruption to businesses and economic activity that have been reflected in recent significant fluctuations in global stock markets. Although at this stage one cannot really predict or quantify in any meaningful detail the full impact of the current crisis on future-exchanges, we do expect that due to the systematic and self-adapting trading approach use any impact that will be registered will not be outside the fluctuations we expect. All contingency plans are in place and have been so during the recent market turmoil and these have been tested and checked accordingly.

#### *Events after reporting date*

Events in Ukraine, as a result of military action being undertaken by Russia in Ukraine, may impact on securities related to companies domiciled in Russia or Ukraine. The Fund has no exposure to securities of companies domiciled in Russia or Ukraine. Management is monitoring developments related to this military action. The potential impacts from the emerging Russo-Ukrainian conflict on the Fund remains uncertain, including but not limited to, impacts on global economic conditions, asset valuations, interest rate expectations and exchange rates.

Subsequent to year end and up to date of authorisation of the financial statements, the Fund had subscription amounting to € 1,020,000.

### **Compliance with the Standard Licence Conditions**

There were no breaches to the Fund's Standard Licence Conditions and no regulatory sanctions were imposed on the Fund by the MFSA for the period under review.

### **Directors**

The directors of the Fund who held office during the year were:

David Robin Thomas Goldvinger  
Robert Nebauer  
Tillman Sachs

### **Statement of directors' responsibilities for the financial statements**

The directors are required by the Companies Act (Cap. 386) to prepare financial statements which give a true and fair view of the state of affairs of the Fund as at the end of each reporting period and of the profit or loss for that period.

## Directors' Report (continued)

### Statement of directors' responsibilities for the financial statements (continued)

In preparing the financial statements, the directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on a going concern basis unless it is inappropriate to presume that the Fund will continue in business as a going concern.

The directors are also responsible for designing, implementing and maintaining internal control as the directors determine is necessary to enable relevant the preparation of the financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Companies Act (Cap. 386). They are also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of the Fund for the year ended 31 December 2021 are included in the Annual Report 2021, which is published in hard-copy printed form and may be made available on the Fund's website ([www.altruid.com](http://www.altruid.com)).

The directors are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the Fund's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

### Auditors

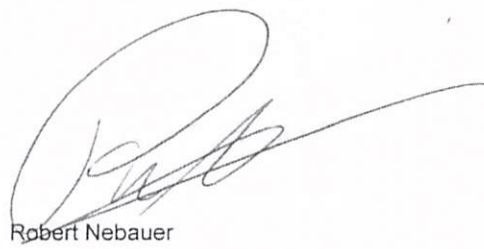
PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution for their appointment will be proposed at the Annual General Meeting.

On behalf of the Board:



David Robin Thomas Goldvinger

Director



Robert Nebauer

Director

*Registered Office:*  
26, St. Thomas Street  
Southern Harbour  
Floriana FRN 1124  
Malta

28 April 2022



## *Independent auditor's report*

To the Shareholders of Altruid Hybrid Fund SICAV p.l.c.

### *Report on the audit of the financial statements*

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#### *Our opinion*

In our opinion:

- The financial statements give a true and fair view of the financial position of Altruid Hybrid Fund SICAV p.l.c. (the "Fund") as at 31 December 2021, and of the Fund's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Our opinion is consistent with our additional report to the Board of Directors.

#### **What we have audited**

Altruid Hybrid Fund SICAV p.l.c.'s financial statements, set out on pages 16 to 40, comprise:

- the statement of financial position as at 31 December 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to holders of redeemable shares for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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#### *Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





## *Independent auditor's report - continued*

To the Shareholders of Altruid Hybrid Fund SICAV p.l.c.

### **Independence**

We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these Codes.

To the best of our knowledge and belief, we declare that we have not provided non-audit services that are prohibited under Article 18A of the Accountancy Profession Act (Cap. 281).

We have not provided any non-audit services to the Fund in the period from 1 January 2021 to 31 December 2021.

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## *Our audit approach*

### **Overview**



- Overall materiality: 1% of net asset value (“NAV”) of the Fund

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- The Fund’s accounting is delegated to the Administrator, Fexserv Fund Services Limited, which maintains its own accounting records and controls and reports to the Portfolio Manager and the Directors.
- We tailored the scope of our audit taking into account the types of investments held by the Fund, the involvement of third parties referred to above, the accounting processes and controls and the industry in which the Fund operates.

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- Valuation and existence of financial assets at fair value through profit or loss

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As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Fund, the accounting processes and controls, and the industry in which the Fund operates.



## *Independent auditor's report - continued*

To the Shareholders of Altruid Hybrid Fund SICAV p.l.c.

### **Materiality**

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

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<b><i>Overall materiality and how we determined it</i></b>	1% of NAV of the Fund
<b><i>Rationale for the materiality benchmark applied</i></b>	We have applied this benchmark as we consider it to be one of the principal considerations for principal users in assessing the financial performance of the Fund. We chose 1% based on our professional judgement, noting that it is also within the range of commonly accepted asset-related thresholds that we consider acceptable.

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We agreed with the directors that we would report to them misstatements identified during our audit above 0.1% of NAV of the Fund as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.



## *Independent auditor's report - continued*

To the Shareholders of Altruid Hybrid Fund SICAV p.l.c.

### **Key audit matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<b>Key audit matter</b>	<b>How our audit addressed the Key audit matter</b>
<p><i>Valuation and existence of financial assets at fair value through profit or loss</i></p> <p>As described in Notes 7 and 9 to the financial statements, the investment portfolio as at year end comprised of:</p> <ul style="list-style-type: none"><li>• Listed debt securities; and</li><li>• Listed futures</li></ul> <p>We focused on the valuation and existence of investments because they represent the principal element of the net asset value, which is the most significant key performance indicator of the Fund and has direct effect on the recognition of gains and losses of the investments.</p>	<ul style="list-style-type: none"><li>• We tested the valuation of the investments by agreeing the prices to an independent party source.</li><li>• We tested the existence of the investment portfolio by agreeing the holdings for investments to independent broker confirmations from Baader Bank and Britannia Global Markets.</li><li>• We also considered the Fund's disclosure for compliance with the International Financial Reporting Standards as adopted by the EU.</li></ul> <p>Our testing did not identify any material differences.</p>



## *Independent auditor's report - continued*

To the Shareholders of Altruid Hybrid Fund SICAV p.l.c.

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### *Other information*

The directors are responsible for the other information. The other information comprises the Directors, Officer and Other information, the Salient Statistics and Information about the Fund and the Directors' Report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except as explicitly stated within the *Report on other legal and regulatory requirements*.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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, 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.

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### *Responsibilities of the directors for the financial statements*

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is 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, the directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

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### *Auditor's responsibilities for the audit of the financial statements*

Our 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 our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs 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.



## *Independent auditor's report - continued*

To the Shareholders of Altruid Hybrid Fund SICAV p.l.c.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Fund's ability to continue as a going concern. In particular, it is difficult to evaluate all of the potential implications that COVID-19 will have on the Fund's trade, customers and suppliers, and the disruption to its business and the overall economy.
- 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 manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



## Independent auditor's report - continued

To the Shareholders of Altruid Hybrid Fund SICAV p.l.c.

### Report on other legal and regulatory requirements

The *Annual Report and Financial Statements 2021* contains other areas required by legislation or regulation on which we are required to report. The Directors are responsible for these other areas.

The table below sets out these areas presented within the Annual Report, our related responsibilities and reporting, in addition to our responsibilities and reporting reflected in the *Other information* section of our report. Except as outlined in the table, we have not provided an audit opinion or any form of assurance.

Area of the <i>Annual Report and Financial Statements 2021</i> and the related Directors' responsibilities	Our responsibilities	Our reporting
<p><b>Directors' report</b> (on pages 4 to 6) The Maltese Companies Act (Cap. 386) requires the directors to prepare a Directors' report, which includes the contents required by Article 177 of the Act and the Sixth Schedule to the Act.</p>	<p>We are required to consider whether the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.</p> <p>We are also required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements.</p> <p>In addition, we are required to state whether, in the light of the knowledge and understanding of the company and its environment obtained in the course of our audit, we have identified any material misstatements in the Directors' report, and if so to give an indication of the nature of any such misstatements.</p>	<p>In our opinion:</p> <ul style="list-style-type: none"> <li>the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and</li> <li>the Directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386).</li> </ul> <p>We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the <i>Other information</i> section.</p>



## *Independent auditor's report - continued*

To the Shareholders of Altruid Hybrid Fund SICAV p.l.c.

Area of the Annual Report and Financial Statements 2021 and the related Directors' responsibilities	Our responsibilities	Our reporting
	<p><b>Other matters on which we are required to report by exception</b></p> <p>We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion:</p> <ul style="list-style-type: none"><li>adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us.</li><li>the financial statements are not in agreement with the accounting records and returns.</li><li>we have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit.</li></ul>	<p>We have nothing to report to you in respect of these responsibilities.</p>

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### *Other matter – use of this report*

Our report, including the opinions, has been prepared for and only for the Fund's shareholders as a body in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.



## *Independent auditor's report - continued*

To the Shareholders of Altruid Hybrid Fund SICAV p.l.c.

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### *Appointment*

We were first appointed as auditors of the Fund on 29 March 2018 for the period ended 31 December 2019. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 3 years. The Fund became listed on a regulated market on 11 September 2018.

#### **PricewaterhouseCoopers**

78, Mill Street  
Zone 5, Central Business District  
Qormi  
Malta

A handwritten signature in blue ink, appearing to read 'Lucienne Pace Ross', is written over a faint, light blue circular stamp or watermark.

Lucienne Pace Ross  
Partner  
28 April 2022



## Statement of Financial Position

	Notes	As at 31 December	
		2021 EUR	2020 EUR
<b>Assets</b>			
Financial assets at fair value through profit or loss	7	2,666,045	2,645,442
Other receivables and prepayments	5	7,716	6,793
Margin account		1,029,021	875,144
Cash and cash equivalents	10	494,665	191,388
<b>Total assets</b>		<b>4,197,447</b>	<b>3,718,767</b>
<b>Equity</b>			
Founder share capital	11	1,200	-
<b>Liabilities</b>			
Accrued expenses and other payables	6	26,060	40,042
<b>Total liabilities (excluding net assets attributable to holders of investor shares)</b>		<b>26,060</b>	<b>40,042</b>
<b>Net assets attributable to holders of redeemable shares</b>		<b>4,170,187</b>	<b>3,678,725</b>

The notes on pages 20 to 40 form an integral part of these financial statements.

These financial statements on pages 20 to 40 were authorised for issue by the Board of Directors on 28 April 2022 and were signed on its behalf by:

David Robin Thomas Goldvinger

Director

Robert Nebauer

Director

## Statement of Comprehensive Income

	Notes	Year ended 31 December	
		2021 EUR	2020 EUR
<b>Investment income</b>			
Net changes in fair value on financial assets at fair value through profit or loss		<b>137,831</b>	424,508
Interest from financial assets at fair value through profit or loss		<b>7,333</b>	24,196
Net foreign currency gains / (losses)		<b>32,138</b>	(15,618)
<b>Net investment income</b>		<b>177,302</b>	433,086
<b>Operating expenses</b>			
Management fees	4	<b>(20,738)</b>	(19,427)
Performance fees	4	<b>(45,389)</b>	(21,688)
Fund admin fees	4	<b>(18,000)</b>	(17,667)
Directors' fees	4	<b>(11,500)</b>	(12,000)
Legal and professional fees		<b>(24,151)</b>	(33,036)
Tax compliance Fees		<b>(708)</b>	(708)
Licences and fees		<b>(8,131)</b>	(7,785)
Trailer fees	4	<b>(824)</b>	(899)
Interest expense		<b>(6,575)</b>	(17,582)
Commissions and fees		<b>(24,789)</b>	(34,596)
Other operating expenses		<b>(25,035)</b>	(4,446)
<b>Total operating expenses</b>		<b>(185,840)</b>	(169,834)
<b>(Loss) / profit for the year</b>		<b>(8,538)</b>	263,252
Adjustment for formation expenses	12	-	(6,929)
<b>(Decrease) / increase in net assets attributable to holders of redeemable shares from operations</b>		<b>(8,538)</b>	256,323

The notes on pages 20 to 40 form an integral part of these financial statements.

## Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares

	Year ended 31 December	
	2021 EUR	2020 EUR
<b>Net assets attributable to holders of redeemable shares at 1 January</b>	<b>3,678,725</b>	3,838,907
Proceeds from investor redeemable shares issued	<b>500,000</b>	455,000
Redemption of redeemable shares	-	(871,505)
<b>Net increase / (decrease) from share transactions</b>	<b>500,000</b>	(416,505)
(Loss) / profit for the year	<b>(8,538)</b>	263,252
Adjustment for formation expenses (note 12)	-	(6,929)
<b>(Decrease) / increase in net assets attributable to holders of redeemable shares from operations</b>	<b>(8,538)</b>	256,323
<b>Net assets attributable to holders of redeemable shares as at 31 December (at trading value)</b>	<b>4,170,187</b>	3,678,725

The notes on pages 20 to 40 form an integral part of these financial statements.

## Statement of Cash Flows

	Note	Year ended 31 December	
		2021 EUR	2020 EUR
<b>Cash flows from operating activities</b>			
Net purchases of financial assets at fair value through profit or loss		(36,649)	294,098
Interest received		7,026	23,432
Interest paid		(6,575)	(18,322)
Operating expenses paid		(193,863)	(127,190)
<b>Net cash (used in)/generated from operating activities</b>		<b>(230,061)</b>	<b>172,018</b>
<b>Net cash generated from/(used in) financing activities</b>			
Proceeds from issuance of redeemable shares		500,000	455,000
Redemptions of redeemable shares		-	(871,505)
Deposit of founder share capital		1,200	-
<b>Net cash generated from/(used in) financing activities</b>		<b>501,200</b>	<b>(416,505)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>271,139</b>	<b>(244,487)</b>
<b>Net foreign currency gains/(losses)</b>		<b>32,138</b>	<b>(15,618)</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>191,388</b>	<b>451,493</b>
<b>Cash and cash equivalents at end of year</b>	10	<b>494,665</b>	<b>191,388</b>

The notes on pages 20 to 40 form an integral part of these financial statements.

## Notes to the Financial Statements

### 1. Reporting entity

Altruid Hybrid Fund SICAV p.l.c. (the "Fund") is a collective investment scheme registered as a multi-class investment company with variable share capital as public limited liability company under the laws of Malta. The Fund was registered on 22 August 2018 (date of incorporation) with registration number SV 489 and registered address is 26, St. Thomas Street, Southern Harbour, Floriana, Malta.

This Fund is structured as a collective investment scheme and is licensed by the Malta Financial Services Authority (MFSA) under the Investment Services Act, Cap. 370 as a Professional Investor Fund targeting Qualifying Investors. No shares shall be allotted or issued to or transferred to or be beneficially owned by a person who does not fall within the definition of a Qualified Investor, as the case may be, as defined by the Offering Memorandum.

The Fund has been licensed on 24 August 2018 under Investment Services Act on the basis of a notification submitted to the MFSA.

The Fund had no employee during the period.

### 2. Summary of significant accounting policies

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

#### (a) Basis of preparation

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and adhere to the provisions of the Companies Act (Cap. 386, Laws of Malta). They have also been prepared in accordance with the requirements of the MFSA investment services rules for Collective Investment Schemes on the basis of going concern.

The financial statements have been prepared on the historical cost convention, as modified by the revaluation of financial assets (including derivative financial instruments) at fair value through profit or loss.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires directors to exercise their judgement in the process of applying the Fund's accounting policies (see Note 3 - Critical accounting estimates and judgements).

#### *Standards and amendments to existing standards effective 1 January 2021*

There are no standards, interpretations or amendments to existing standards that are effective for the first time for the financial year beginning 1 January 2021 that had a material impact on the Fund.

#### *New standards, amendments and interpretations effective after 1 January 2021 and have not been early adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning 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 Fund.

## Notes to the Financial Statements (continued)

### 2. Summary of significant accounting policies (continued)

#### (b) Functional and presentation currency

##### (i) *Functional and presentation currency*

The Fund's functional currency is the currency of denomination as stipulated in the Offering Memorandum of the Fund which is Euro ("EUR"). The performance of the Fund is measured and reported to the investors in Euro. The directors consider the Euro as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The financial statements are presented in Euro, which is the Fund's functional and presentation currency.

##### (ii) *Transactions and balances*

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency asset and liabilities are translated using the exchange rate prevailing at the statement of financial position date.

Foreign exchange gains and losses arising from translation excluding those related to financial assets carried at fair value are included within 'net foreign currency gains / (losses)' in the statement of comprehensive income.

Foreign exchange gains and losses relating to financial assets carried at fair value through profit or loss are presented in the statement of comprehensive income within 'net changes in fair value on financial assets at fair value through profit or loss'.

#### (c) Financial assets at fair value through profit or loss

##### (i) *Classification*

The Fund classifies its investments in debt securities as financial assets at fair value through profit or loss. The Fund classifies its investments based on both the Fund'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 Fund is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Fund's business model's objective. Consequently, all investments are measured at fair value through profit or loss. The Fund's policy requires the investment manager and the directors to evaluate the information about these financial assets on a fair value basis together with other related financial information.

## Notes to the Financial Statements (continued)

### 2. Summary of significant accounting policies (continued)

#### (c) Financial assets at fair value through profit or loss (continued)

##### (ii) Recognition, derecognition and measurement

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

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

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the statement of comprehensive income within "net changes in fair value on financial assets at fair value through profit or loss" in the period in which they arise.

##### (iii) Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets traded in active markets are based on quoted market prices at the close of trading on the reporting date. The Fund utilizes the last traded market price. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is the most representative of fair value.

##### (iv) Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

#### (d) Offsetting financial instruments

Financial assets and liabilities are offset, and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Fund or the counterparty.

#### (e) Margin account

Margin account represents margin deposits held in respect of open exchange-traded futures contracts.

## Notes to the Financial Statements (continued)

### 2. Summary of significant accounting policies (continued)

#### (f) Cash and cash equivalents

Cash comprises cash at bank. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant changes in value.

#### (g) Other receivables and prepayments

Other receivables and prepayments are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method less provision for impairment.

#### (h) Accrued expenses and other payables

Accrued expenses and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

#### (i) Interest from financial assets at fair value through profit or loss

Interest is recognised on a time-proportionate basis using the effective interest method. Interest from financial assets at fair value through profit or loss includes interest from debt securities.

#### (j) Redeemable shares

The Fund issues two classes of redeemable shares, which are redeemable at the holder's option and do not have identical rights. Such shares are classified as financial liabilities. Redeemable shares can be put back to the Fund at any dealing date for cash equal to a proportionate share of the Fund's net asset value attributable to the share class. Shares are redeemable monthly.

The redeemable shares are carried at amortised cost which corresponds to the redemption amount that is payable at the statement of financial position date if the holder exercises the right to put the share back to the Fund.

Redeemable shares are issued and redeemed at the holder's option at prices based on the Fund's net asset value per share at the time of issue or redemption. The Fund's net asset value per share is calculated by dividing the net assets attributable to the holders of each class of redeemable shares with the total number of outstanding redeemable shares for each respective class. In accordance with the provisions of the Fund's regulations, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per share for subscriptions and redemptions.

#### (k) Fees, commission and other expenses

Fees, commission and other expenses are recognised in profit or loss on an accrual basis.

#### (l) Taxation

The Fund is domiciled in Malta. Under the current laws of Malta, there is no income, estate, corporation, capital gains or other taxes payable by the Fund.



## Notes to the Financial Statements (continued)

### 3. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical experience and other factors including expectations of future events that are believed to be reasonable under the circumstances. In the opinion of the directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

### 4. Fees

#### *Management fees*

The Fund appointed Altruid Systems Limited as investment manager to carry out the day-to-day management of Altruid Hybrid Fund SICAV p.l.c. which is entitled to receive management fees as follows:

Share Class	Investment Management Fee (% per annum)
Class A Non-Voting Euro Accumulator Shares	0.50%
Class B Non-Voting Euro Accumulator Shares	0.75%

The above management fees are calculated on the net asset value (NAV) of the respective share class on each valuation day and payable monthly in arrears. The fees charge for the reporting period are disclosed in the statement of comprehensive income and the outstanding management fees due to the investment manager as at 31 December 2021 amounted to EUR 1,796 (2020: EUR 1,590) as disclosed in Note 6.

#### *Performance fees*

In addition to the management fees, the investment manager may also charge the following performance fees:

Share Class	Investment Performance Fee (% per annum)
Class A Non-Voting Euro Accumulator Shares	15.00%
Class B Non-Voting Euro Accumulator Shares	17.50%

Performance fees are accrued where the NAV per share is higher than the greater of the NAV per share at launch of the share class, and the NAV per share at which the last performance fee was paid, which shall constitute the high-water mark. Any performance fee shall be payable monthly in arrears. The fees charge for the reporting period are disclosed in the statement of comprehensive income and the outstanding performance fees due to the investment manager as at 31 December 2021 amounted to Nil (2020: EUR 19,434) as disclosed in Note 6.

#### *Directors' fees*

The directors shall receive for their services as directors such remuneration as may be determined by the Fund in general meeting from time to time which shall not exceed EUR 12,000 per annum. Directors' fees shall be payable quarterly in arrears. The fees charge for the reporting period are disclosed in the statement of comprehensive income and the outstanding directors' fees due to the directors as at 31 December 2021 amounted to Nil (2020: EUR 2,500) as disclosed in Note 6.

## Notes to the Financial Statements (continued)

### 4. Fees (continued)

#### *Trailer fees*

The Fund will charge 0.75% on the NAV of the Class B Non-Voting Euro Accumulator Shares on each valuation day and payable monthly in arrears to cater for the payment of trailer fees to third parties in respect of the Class B Non-Voting Euro Accumulator Shares. No trailer fees shall be paid on the Class A Non-Voting Euro Accumulator Shares, accordingly no charge shall be accrued on the NAV of the Class A Non-Voting Euro Accumulator Shares to cater for such trailer fees. The fees charge for the reporting period are disclosed in the statement of comprehensive income and the outstanding trailer fees due as at 31 December 2021 amounted to EUR 68 (2020: EUR 68) as disclosed in Note 6.

#### *Fund administration fees*

The Fund has appointed Fexserv Fund Services Limited as administrator to provide administrative services to the Fund. The Fund is liable to pay to the administrator an administration fee of 5.00 basis points per annum calculated on the NAV of the respective share class, and such fee shall be payable on a monthly basis in arrears and shall be subject to a minimum annual fee of EUR 18,000 and is subject to a twelve-month review. Out-of-pocket expenses are included in basis point fee. The fees charge for the reporting period are disclosed in the statement of comprehensive income and the fund administration fees due as at 31 December 2021 amounted to EUR 4,500 (2020: Nil).

#### *Subscription fees*

The Fund may also charge a subscription fee in respect to both classes of shares of up to five percent (5%) of the subscription amount. No subscription fees have been charged during the period.

#### *Prime broker fees*

The Fund shall pay the prime brokers such brokerage fees as may be applicable from time to time, which vary depending upon the value of the transaction and the relevant exchange or trading venue, provided that it is envisaged that total prime brokerage fees shall not exceed EUR 25,000 in any calendar year. Furthermore, Baader Bank shall charge an administration fee of 75 basis points per year on cash balances held in its cash account as well as on the margin account. In addition, the Fund shall pay Baader Bank a fee of EUR 100 per month for EMIR reporting.

#### *Audit fees*

Fees charged (inclusive of VAT) by the auditor for services rendered during the financial year ended 31 December 2021, which are included within 'legal and professional fees' relate to the annual statutory audit amounting to EUR 10,620 which are still outstanding as at year-end (2020: EUR 7,670).

**Notes to the Financial Statements (continued)****5. Other receivables and prepayments**

	<b>2021</b>	2020
	<b>EUR</b>	EUR
Prepayments	<b>3,871</b>	3,255
Accrued interest receivable	<b>3,845</b>	3,538
	<b>7,716</b>	6,793

**6. Accrued expenses and other payables**

	<b>2021</b>	2020
	<b>EUR</b>	EUR
Performance fees payable	-	19,434
Directors fees payable	-	2,500
Management fees payable	<b>1,796</b>	1,590
Trailer fees payable	<b>68</b>	68
Fund administration fees payable	<b>4,500</b>	-
Other payables	<b>19,696</b>	16,450
	<b>26,060</b>	40,042

**7. Financial assets at fair value through profit or loss**

	<b>2021</b>	<b>% of</b>	2020	<b>% of</b>
	<b>EUR</b>	<b>NAV</b>	EUR	<b>NAV</b>
<b>Financial assets at fair value</b>				
Debt securities	<b>2,666,045</b>	<b>63.93</b>	2,645,442	71.91

The Fund invests in listed futures settled on a daily basis and therefore included within the margin account.

## Notes to the Financial Statements (continued)

### 8. Financial instrument by category

31 December 2021	Financial assets/ (liabilities) at fair value through profit or loss EUR	Financial assets/ (liabilities) at amortised cost EUR	Total EUR
<b>Assets as per statement of financial position</b>			
Financial assets at fair value through profit or loss	2,666,045	-	2,666,045
Other receivables	-	3,845	3,845
Margin account	-	1,029,021	1,029,021
Cash and cash equivalents	-	494,665	494,665
<b>Total</b>	<b>2,666,045</b>	<b>1,527,531</b>	<b>4,193,576</b>
<b>Liabilities as per statement of financial position</b>			
Accrued expenses and other payables	-	(26,060)	(26,060)
Net assets attributable to holders of redeemable shares	-	(4,170,187)	(4,170,187)
<b>Total</b>	<b>-</b>	<b>(4,196,247)</b>	<b>(4,196,247)</b>
31 December 2020	Financial assets/ (liabilities) at fair value through profit or loss EUR	Financial assets/ (liabilities) at amortised cost EUR	Total EUR
<b>Assets as per statement of financial position</b>			
Financial assets at fair value through profit or loss	2,645,442	-	2,645,442
Other receivables	-	3,538	3,538
Margin account	-	875,144	875,144
Cash and cash equivalents	-	191,388	191,388
<b>Total</b>	<b>2,645,442</b>	<b>1,070,070</b>	<b>3,715,512</b>
<b>Liabilities as per statement of financial position</b>			
Accrued expenses and other payables	-	(40,042)	(40,042)
Net assets attributable to holders of redeemable shares	-	(3,678,725)	(3,678,725)
<b>Total</b>	<b>-</b>	<b>(3,718,767)</b>	<b>(3,718,767)</b>

## Notes to the Financial Statements (continued)

### 9. Derivative financial instruments

The Fund holds open futures contracts. Futures are contractual obligations to buy or sell financial instruments on a future date at a specified price established in an organised market. The futures contracts are collateralised by cash or marketable securities.

#### At 31 December 2021

Primary underlying risk	Long exposure		Short exposure	
	Notional amount	Number of contracts	Notional amount	Number of contracts
	EUR		EUR	
Financials	18,780,921	108	-	-
Indices	2,492,681	71	-	-
Currencies	5,336,916	25	(2,816,682)	(40)
Commodities	891,571	27	(126,138)	(5)
Metals	-	-	(145,163)	(2)
	<b>27,502,089</b>	<b>231</b>	<b>(3,087,983)</b>	<b>(47)</b>

#### At 31 December 2020

Primary underlying risk	Long exposure		Short exposure	
	Notional amount	Number of contracts	Notional amount	Number of contracts
	EUR		EUR	
Financials	19,514,013	179	-	-
Indices	282,607	9	-	-
Currencies	1,583,374	25	(220,735)	(3)
Commodities	1,216,600	46	(20,782)	(1)
	<b>22,596,594</b>	<b>259</b>	<b>(241,517)</b>	<b>(4)</b>

Gains/losses on open futures are cash settled on a daily basis.

The value of futures depends upon the price of the financial instruments, such as commodities, underlying them. The prices of futures, including currency futures, are highly volatile, and price movements of futures contracts, can be influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies, and changes in foreign exchange rates.

In addition, investments in futures are also subject to the risk of the failure of any of the exchanges on which the Fund's positions trade or of its clearing houses or counterparties.

## Notes to the Financial Statements (continued)

### 9. Derivative financial instruments (continued)

The investment manager actively assesses, manages and monitors risk exposure on derivatives on a contract basis, a sector basis (e.g., financials derivatives, commodities derivatives, etc.) and on an overall basis in accordance with established risk parameters. Due to the speculative nature of the Fund's derivative trading activity, the Fund is subject to the risk of substantial losses from derivatives trading.

### 10. Cash and cash equivalents

For the purposes of statement of cash flows, cash and cash equivalents comprise the following:

	2021 EUR	2020 EUR
Cash at bank	494,665	191,388

### 11. Share capital

The initial share capital of the Fund is one thousand two hundred Euros (EUR 1,200) divided into one thousand two hundred shares (1,200) with no nominal value (the "founder shares"). The founder shares shall be the only class of shares in the Fund to carry voting rights. All other classes of shares shall not, unless the terms under which they are issued provide otherwise, be entitled to vote.

During the year ended 31 December 2021, the founder share capital was transferred from the legal advisor's clients' monies account to the Fund's bank account. The founder shares did not form part of the net asset value of the Fund as at 31 December 2020 and was thus disclosed in the financial statements by way of this note only. In the opinion of the directors, this disclosure reflects the nature of the Fund's business as an investment company.

The Fund may issue up to a maximum of five billion (5,000,000,000) shares having no nominal value which may be issued as shares of any class to amortised investors. All issued redeemable shares are fully paid. The Fund's redeemable shares are subject to a minimum holding and subscription amount. Under extraordinary circumstances, the Fund also has the ability to suspend redemptions if this is deemed to be in the best interest of all shareholders.

During the year ended 31 December 2021, the number of shares issued, redeemed and outstanding were as follows:

	Class A Non- Voting Euro Accumulator Shares	Class B Non- Voting Euro Accumulator Shares	Total
<b>At 31 December 2020</b>	30,000.0004	917.3008	30,917.3008
Issue of redeemable shares	4,009.0922	-	4,009.0922
<b>At 31 December 2021</b>	<b>34,009.0926</b>	<b>917.3008</b>	<b>34,926.3934</b>

## Notes to the Financial Statements (continued)

### 11. Redeemable shares (continued)

The amounts received and paid on creation and redemption of shares is disclosed in the statement of changes in net assets attributable to holders of redeemable shares.

### 12. Adjustment for formation expenses

Net assets attributable to holders of redeemable shares represent a liability in the statements of financial position and are carried at the value of the Fund's net assets. Timing differences exist in recognition of formation expenses and between IFRS and the methodology applied by the Fund in determining the NAV per share in accordance with the offering memorandum. All formation expenses have been fully amortised during the year ended 31 December 2020, therefore the formation cost asset was fully offset on the face of the Statement of Financial Position, which did not require any adjustment.

### 13. Taxation

The Maltese tax regime for collective investment schemes is based on the classification of funds into prescribed or non-prescribed funds in terms of the conditions set out in the Collective Investment Schemes (Investment Income) Regulations, 2001 (as amended). In general, a prescribed fund is defined as a resident fund, which has declared that the value of its assets situated in Malta amount to at least eighty-five percent of the value of the total assets of the fund. A non-prescribed fund is a fund which does not qualify as a prescribed fund.

On the basis that the Fund is currently classified as a non-prescribed fund for Maltese income tax purposes, then the Fund should not be subject to Maltese income tax on its income and gains, other than any income from immovable property situated in Malta (if any).

Maltese resident investors, therein may be subject to 15% final withholding tax on capital gains realised on redemption, liquidation or cancellation of units in the Fund.

Nevertheless, the Maltese resident investor may however request the Fund not to effect the deduction of the said 15% final withholding tax in which case the investor would be required to declare the gains in his/her Maltese income tax return and will be subject to tax at the normal rates of tax.

Any gains or profits derived on the transfer or redemption of units in the Fund by investors who are not resident in Malta should not be chargeable to Maltese income tax, subject to the satisfaction of certain statutory conditions.

In the case of the Fund's foreign investments, any capital gains, dividends, interest and other gains or profits may be subject to tax imposed by the country of origin concerned and such taxes may not be recoverable by the Fund or by its investors under Maltese domestic tax laws.

The redemption or transfer of shares and any distribution on a winding-up of the Fund may result in a tax liability for the shareholders according to the tax regime applicable in their respective countries of incorporation, establishment, residence, citizenship, nationality, domicile or other relevant jurisdiction.

## Notes to the Financial Statements (continued)

### 14. Financial risk management

The Fund has exposure to the following risks from financial instruments:

- credit risk
- liquidity risk
- market risk (including price risk, interest rate risk and currency risk)

The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the broker. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the broker, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired.

The Fund's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance. The Fund's policy allows it to use derivative financial instruments to both moderate and create certain risk exposures.

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

The management of these risks is carried out by the investment manager under policies approved by the directors. The directors provide written principles for overall risk management, as well as written policies covering specific areas, such as foreign currency risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments and the investment of excess liquidity.

The Fund's use of leverage and borrowings can increase the Fund's exposure to these risks, which in turn can also increase the potential returns the Fund can achieve. The investment manager manages these exposures on an individual securities level. The Fund has specific limits on these instruments to manage the overall potential exposure. These limits include the ability to borrow against the assets of the Fund up to a maximum 10% of the net asset value.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

#### (a) Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund.

The main concentration to which the Fund is exposed arises from the Fund's investments in debt securities. The Fund is also exposed to counterparty credit risk on trading derivative products, cash and cash equivalents, margin account and other receivable balances.



## Notes to the Financial Statements (continued)

### 14. Financial risk management (continued)

#### (a) Credit risk (continued)

The Fund's policy to manage this risk is to invest in exchange-listed corporate bonds of investment grade and sovereign bonds issued or guaranteed by the government of any country of the Organisation for Economic Co-operation and Development (OECD). As at 31 December 2021, all investments in debt securities are sovereign bonds issued by Germany with credit rating of AAA.

All other receivables, margin account, cash and cash equivalents are held by parties with no credit rating.

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

In accordance with the Fund's policy, the investment manager monitors the Fund's credit position on a daily basis; the directors review it on a quarterly basis.

The maximum exposure to credit risk before any credit enhancements at 31 December is the carrying amount of the financial assets as set out below.

	<b>2021</b>	2020
	<b>EUR</b>	EUR
Debt securities	<b>2,666,045</b>	2,645,442
Margin account	<b>1,029,021</b>	875,144
Cash and cash equivalents	<b>494,665</b>	191,388
Other receivables	<b>3,845</b>	3,538
	<b>4,193,576</b>	3,715,512

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss. Management considers the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

## Notes to the Financial Statements (continued)

### 14. Financial risk management (continued)

#### (b) Liquidity risk

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

The Fund is exposed to the daily settlement of margin calls on derivatives and to monthly cash redemptions of redeemable shares. Its policy is therefore to invest the majority of its assets in investments that are traded in an active market and can be readily disposed.

The Fund has the ability to borrow in the short term to ensure settlement. No such borrowings have arisen during the period. The maximum amount available to the Fund from this borrowing facility is limited to 10% of the net asset value.

In order to manage the Fund's overall liquidity, under extraordinary circumstances, the Fund has the ability to suspend redemptions if this is deemed to be in the best interest of all shareholders. The Fund did not withhold any redemptions or implement any suspension during 2021.

In accordance with the Fund's policy, the investment manager monitors the Fund's liquidity position on a daily basis; the directors review it on a quarterly basis.

The table below analyses the Fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows and are based on ordinary redemption periods.

	<b>Less than 30 days EUR</b>	<b>1 month to 1 year EUR</b>
<b>At 31 December 2021</b>		
Accrued expenses and other payables	26,060	-
Net assets attributable to holders of redeemable shares	1,042,547	3,127,640
<b>Contractual cash out flows (excluding derivatives)</b>	<b>1,068,607</b>	<b>3,127,640</b>
	<b>Less than 30 days EUR</b>	<b>1 month to 1 year EUR</b>
<b>At 31 December 2020</b>		
Accrued expenses and other payables	40,042	-
Net assets attributable to holders of redeemable shares	919,681	2,759,044
<b>Contractual cash out flows (excluding derivatives)</b>	<b>959,723</b>	<b>2,759,044</b>

## Notes to the Financial Statements (continued)

### 14. Financial risk management (continued)

#### (b) Liquidity risk (continued)

Redeemable shares are redeemed on demand at the holder's option. However, the directors do not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

The Fund manages its liquidity risk by investing predominantly in securities that it expects to be able to liquidate within 30 days or less. The following table illustrates the expected liquidity of assets held:

#### At 31 December 2021

	Less than 30 days EUR	1 month to 3 months EUR	3 to 6 months EUR	Over 6 months EUR
Total assets	1,531,402	-	-	2,666,045

#### At 31 December 2020

	Less than 30 days EUR	1 month to 3 months EUR	3 to 6 months EUR	Over 6 months EUR
Total assets	1,073,325	-	1,004,455	1,640,987

#### (c) Market risk

Market risk is the risk that changes in market prices, such as interest rates, equity prices, foreign exchange rates and credit spreads (not relating to changes in the obligor's/issuer's credit standing) will affect the Fund's income or the value of their holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

#### *Management of market risks*

The Fund's strategy for the management of market risk is driven by Fund's investment objective. The Fund's market risk is managed by the directors in accordance with policies and procedures in place and market positions are monitored on a regular basis.

## Notes to the Financial Statements (continued)

### 14. Financial risk management (continued)

#### (c) Market risk (continued)

##### (i) Exposure to market price risk

Price risk is the risk that the value of the investments 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 in the market.

As at 31 December 2021, the Fund is not exposed to market price risk (2020: Nil).

##### (ii) Exposure to interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and future cash flow. The Fund holds fixed interest securities that expose the Fund to fair value interest rate risk. The Fund also holds margin accounts and cash and cash equivalents that expose the Fund to cash flow interest rate risk. The Fund's policy requires the investment manager to manage this risk by measuring the mismatch of the interest rate sensitivity gap of financial assets and calculating the average duration of the portfolio of fixed interest securities. The average effective duration of the Fund's portfolio is a measure of the sensitivity of the fair value of the Fund's fixed interest securities to changes in market interest rates.

The Fund's exposure to interest rate risk is summarised in the table below:

	<b>2021</b>	2020
	<b>EUR</b>	EUR
Assets held at fixed rates	<b>2,666,045</b>	2,645,442
Assets held at variable rates	<b>1,523,686</b>	1,066,532
	<b>4,189,731</b>	3,711,974

At period end, the impact of a shift in interest rates of 50 basis points on the net assets of the Fund (with all other variables remaining constant) would be immaterial.

The Fund is also exposed to interest rate risk on financials futures contracts with notional amount of EUR 18,780,921 (2020: EUR 19,514,013) as disclosed in Note 9.

The direct exposure in debt securities with different maturity dates over the time bands is illustrated in the table below. The investment manager monitors such exposure on a regular basis.

## Notes to the Financial Statements (continued)

### 14. Financial risk management (continued)

#### (c) Market risk (continued)

##### (ii) Exposure to interest rate risk (continued)

Maturities of debt securities as at 31 December 2021:

	<b>Up to 3 months EUR</b>	<b>3 to 6 months EUR</b>	<b>Over 6 months EUR</b>
Financial assets at fair value through profit or loss	-	-	<b>2,666,045</b>

Maturities of debt securities as at 31 December 2020:

	<b>Up to 3 months EUR</b>	<b>3 to 6 months EUR</b>	<b>Over 6 months EUR</b>
Financial assets at fair value through profit or loss	-	1,004,455	1,640,987

##### (iii) Exposure to currency risk

The Fund holds both monetary and non-monetary assets denominated in currencies other than the Euro, the functional currency. Foreign currency risk, as defined in IFRS 7, arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities.

The Fund does not enter into any foreign exchange hedging transactions for the purpose of managing its exposure to foreign exchange movements (both monetary and non-monetary).

## Notes to the Financial Statements (continued)

### 14. Financial risk management (continued)

#### (c) Market risk (continued)

##### (iii) Exposure to currency risk (continued)

The table below summarises the Fund's material monetary and non-monetary assets and liabilities, which are denominated in a currency other than the Euro at reporting date.

#### At 31 December 2021

	Monetary assets EUR	Non- monetary assets EUR	Monetary liabilities EUR	Non- monetary liabilities EUR	Net exposure EUR
GBP	-	-	(47,872)	-	(47,872)
CHF	29,279	-	-	-	29,279
USD	437,140	-	-	-	437,140
CAD	-	-	(22,158)	-	(22,158)
AUD	-	-	(22,245)	-	(22,245)
HKD	-	-	(7,084)	-	(7,084)
JPY	34,004	-	-	-	34,004
SGD	11,922	-	-	-	-
	<b>512,345</b>	-	<b>(99,359)</b>	-	<b>412,986</b>

#### At 31 December 2020

	Monetary assets EUR	Non- monetary assets EUR	Monetary liabilities EUR	Non- monetary liabilities EUR	Net exposure EUR
GBP	7,264	-	-	-	7,264
CHF	2,663	-	-	-	2,663
USD	210,451	-	-	-	210,451
CAD	2,359	-	-	-	2,359
AUD	14,787	-	-	-	14,787
HKD	13,274	-	-	-	13,274
JPY	21,856	-	-	-	21,856
SGD	8,823	-	-	-	8,823
	<b>281,477</b>	-	-	-	<b>281,477</b>

In accordance with the Fund's policy, the investment manager monitors the Fund's currency positions on a regular basis.

## Notes to the Financial Statements (continued)

### 14. Financial risk management (continued)

#### (c) Market risk (continued)

##### (iii) Exposure to currency risk (continued)

At 31 December 2021, the Fund is mainly exposed to USD. The following table details the Fund's sensitivity to a 5% increase and decrease in USD, with all other variables held constant. A positive number below indicates an increase in net assets attributable to holders of redeemable shares where the USD strengthen. The effect is vice versa for a weakening USD.

	<b>2021</b>	2020
	<b>EUR</b>	EUR
Impact on net assets attributable to holders of redeemable shares	<b>21,857</b>	10,523

The exposure to currency risk of the remaining foreign currencies have been assessed immaterial.

#### (d) Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable shares. The amount of net asset attributable to holders of redeemable shares can change significantly on a monthly basis, as the Fund is subject to monthly subscriptions and redemptions at the discretion of shareholders, as well as changes resulting from the Fund's performance. The Fund's objective when managing capital is to safeguard the Fund's ability to continue as a going concern in order to provide returns for shareholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Fund.

In order to maintain the capital structure, the Fund's policy is to perform the following:

- Monitor the level of monthly subscriptions and redemptions relative to the assets it expects to be able to liquidate and adjust the amount of distributions the Fund pays to redeemable shareholders.
- Redeem and issue new shares in accordance with the constitutional documents of the Fund, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

The directors and investment manager monitor capital on the basis of the value of net assets attributable to redeemable shareholders.

## Notes to the Financial Statements (continued)

### 14. Financial risk management (continued)

#### (e) Fair value estimation

The fair value of financial assets traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the period end date. The Fund utilises the last traded market price for financial assets.

An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

The carrying value less impairment provision of other receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the Fund or similar financial instruments.

The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

As at 31 December 2021 and 2020, the Fund's financial assets at fair value through profit or loss are classified as Level 1 in the fair value hierarchy.



## Notes to the Financial Statements (continued)

### 15. Related party disclosures

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.

#### (a) Management fees, Performance fees and Trailer fees

The Fund is managed by Altruid Systems Limited (the “investment manager”), an investment company registered and existing under the laws of Malta, which is authorised and regulated by the MFSA. The fees charge for the reporting period are disclosed in the statement of comprehensive income and the outstanding fees due at end of year are detailed in Notes 4 and 6.

#### (b) Directors' fees

Directors' fees for the period are disclosed in the statement of comprehensive income and the outstanding fees due at end of year are detailed in Notes 4 and 6.

#### (c) Investor shareholding in the Fund

As at 31 December 2021 and 2020, the Class B Non-Voting Euro Accumulator Shares is 100% held by the investment manager.

Year-end balances with related parties are disclosed in Notes 4 and 6 to these financial statements.

### 16. Events after the reporting period

Events in Ukraine, as a result of military action being undertaken by Russia in Ukraine, may impact on securities related to companies domiciled in Russia or Ukraine. The Fund has no exposure to securities of companies domiciled in Russia or Ukraine. Management is monitoring developments related to this military action. The potential impacts from the emerging Russo-Ukrainian conflict on the Fund remains uncertain, including but not limited to, impacts on global economic conditions, asset valuations, interest rate expectations and exchange rates.

Subsequent to year end and up to date of authorisation of the financial statements, the Fund had subscription amounting to € 1,020,000.

During the period between 31 December 2021 through the date of authorisation of these financial statements, there were no material subsequent events requiring recognition or disclosure in the financial statements other than the above disclosures.