

## **FEROX INVESTMENTS ICAV**

(an Irish Collective Asset-Management Vehicle with registration number C149618 and established as an umbrella fund with segregated liability between sub-funds authorised by the Central Bank of Ireland pursuant to the European Communities (Undertaking for Collective Investment in Transferable Securities) Regulations, 2011, as amended by the European Communities (Amendment) UCITS Regulations, 2019 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (as amended) ("UCITS Regulations"))

### **AUDITED FINANCIAL STATEMENTS**

#### **FOR THE FINANCIAL YEAR ENDED**

**31 DECEMBER 2020**

**FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2020**

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## **FEROX INVESTMENTS ICAV**

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### **DIRECTORS AND OTHER INFORMATION**

DIRECTORS	Teddy Otto (Irish Resident) (Chairperson)* Elizabeth Beazley (Irish Resident)* Nicholas Curtis (UK Resident) Tom Seymour Mead (UK Resident) All Directors are non-executive *Independent Director
REGISTERED OFFICE	1 WML Windmill Lane Dublin 2 D02 F206 Ireland.
PROMOTER, INVESTMENT MANAGER AND DISTRIBUTOR	Ferox Capital LLP <sup>1</sup> 16 Berkeley Street London W1J 8DZ England.
ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT	BNP Paribas Fund Administration Services (Ireland) Limited Trinity Point 10/11 Leinster Street South Dublin D02 EF85 Ireland.
DEPOSITARY	BNP Paribas Securities Services, Dublin Branch Trinity Point 10/11 Leinster Street South Dublin D02 EF85 Ireland.
LEGAL ADVISORS AS TO IRISH LAW	Pinsent Masons 1 WML Windmill Lane Dublin 2 D02 F206 Ireland.

<sup>1</sup>Effective 6 April 2021, CQS (UK) LLP replaced Ferox Capital LLP as the Promoter, Investment Manager and Distributor of the Fund.

## **FEROX INVESTMENTS ICAV**

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### **DIRECTORS AND OTHER INFORMATION (Continued)**

LEGAL ADVISORS AS TO US LAW	Dechert LLP One International Place 40 <sup>th</sup> Floor 100 Oliver Street Boston Massachusetts 02110-2605 United States of America.
LEGAL ADVISORS AS TO UK LAW	Dechert LLP 160 Queen Victoria Street London EC4V 4QQ England.
AUDITORS	Ernst & Young Chartered Accountants Ernst & Young Building Harcourt Centre Harcourt Street Dublin 2 Ireland.
ICAV SECRETARY	Pinsent Masons Corporate Services Ireland Limited 1 WML Windmill Lane Dublin 2 D02 F206 Ireland.

### **DIRECTORS' REPORT**

The Directors of Ferox Investments ICAV (the "ICAV") submit their report together with the audited financial statements for the year ended 31 December 2020.

#### **Principal activities**

The ICAV has been authorised by the Central Bank of Ireland as an Irish Collective Asset-Management Vehicle pursuant to the Irish Collective Asset-Management Vehicles Act 2015 (the "ICAV Act 2015").

The ICAV is structured as an umbrella fund with segregated liability between sub-funds. The ICAV has one sub-fund, Chinook Global Convertible Bond Fund (the "Fund"), which launched on 13 October 2016. The ICAV is an open-ended fund.

The ICAV may provide investors with a choice of funds offering an array of investment objectives. Each fund aims to achieve its investment objective while spreading investment risks through investment in transferable securities, collective investment schemes or other permitted investments in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) ("UCITS") Regulations, 2011, as amended by the European Communities (Amendment) UCITS Regulations, 2019 (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (UCITS) Regulations 2019 (as amended) (the "Central Bank UCITS Regulations").

#### **Accounting records**

The measures taken by the Directors to secure compliance with the ICAV's obligation to keep adequate accounting records are the use of appropriate systems and procedures and employment of competent persons. The accounting records are kept at BNP Paribas Fund Administration Services (Ireland) Limited, Trinity Point, 10-11 Leinster Street South, Dublin D02 EF85, Ireland.

#### **Review of the business and future developments**

The activities of the ICAV and its future developments are set out in the Investment Manager's report. The Directors do not anticipate any change in the investment strategy of the ICAV.

#### **Results and dividends**

The results for the year are set out in the Statement of Comprehensive Income. During the year no dividends were approved or paid.

#### **Risk management objectives, policies and potential implication of Brexit**

The Fund's investment objective is to generate capital growth, whilst seeking to preserve capital, through the management of a portfolio primarily of Convertible Securities. The Fund targets returns as good as or better than those generally available in the Convertible Securities market.

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

**DIRECTORS' REPORT (Continued)****Risk management objectives, policies and potential implication of Brexit (continued)**

On 23 June 2016 a referendum was held in the United Kingdom in which a majority voted that the UK should leave the EU. On 29 March 2017, the UK Government exercised its right under Article 50 of the Treaty of the European Union ("Article 50") to leave the EU. Subsequently the UK left the EU on 31 January 2020, with an implementation period to last until 31 December 2020. This was concluded on 31 December 2020. The effects of Brexit on the Fund and the Investment Manager are not material.

**Operational risk**

The ICAV's operational risk is the risk that its and its service providers' practices, systems and controls are not adequate to prevent a loss being incurred either because of market conditions or operational difficulties. Such operational risks have been enhanced by the COVID-19 pandemic. The ICAV, its Administrator, Depositary and Investment Manager have taken numerous steps to remain fully operational during this period of uncertainty including enactment of their business continuity plans.

**Implication of COVID-19**

Since early January 2020, global financial markets have been monitoring and reacting to the Covid-19 pandemic. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak which at this point is not fully known. With regards to day to day operations, the Investment Manager and many of its service providers have invoked business continuity procedures, including remote working, to ensure the safety of staff and to enable the business to continue to operate with minimal impact. The Fund is financially stable and able to meet its obligations to shareholders and continue its business and investment strategy for the foreseeable future and therefore remains a going concern.

**Corporate Governance**

The Directors voluntarily adopted the 'Corporate Governance Code for Collective Investment Schemes and Management Companies' as published by Irish Funds in December 2011 (the "IF Code"), as the ICAV's corporate governance code. In respect of the year ended 31 December 2020, the Directors confirm compliance with the provisions of the IF Code.

**Transactions Involving Connected Persons**

Chapter 10 of the Central Bank UCITS Regulations headed 'Transactions involving Connected Persons' states in Regulation 43 that a responsible person shall ensure that any transaction between a UCITS and 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") is conducted at arm's length and is in the best interests of the shareholders of the UCITS.

**DIRECTORS' REPORT (Continued)**

**Transactions Involving Connected Persons (continued)**

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

The ICAV uses affiliates of the Investment Manager and the same investment advisor as Salar Fund Plc. The parties are connected as they share an Investment Manager. Prior to the termination of Ferox Master Fund Limited, the ICAV used the same investment advisor and shared the same investment manager as Ferox Master Fund Limited. The parties were connected through the affiliation of the Investment Manager. During the financial year ended 31 December 2020 and 31 December 2019, the ICAV did not have any investment transactions with any of the related party funds listed above.

**Directors**

The Directors of the ICAV during the year ended 31 December 2020 were:

Teddy Otto\*  
Elizabeth Beazley\*  
Nicholas Curtis  
Tom Seymour Mead

*\*Independent director*

**Independent Auditors**

The independent auditor, Ernst & Young, will continue to audit Ferox Investments ICAV in accordance with the ICAV Act 2015.

**Events after the reporting date**

There have been no events after the reporting date which impact on these financial statements other than those disclosed in note 18 to these financial statements.

**DIRECTORS' REPORT (Continued)**

**Statement of Directors' responsibilities**

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with Irish law, comprising the ICAV Act 2015.

Irish law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have prepared the financial statements in accordance with International Financial Reporting Standards ("IFRS"). Under Irish law, 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 year end date and profit or loss of the ICAV for the period and otherwise comply with the ICAV Act 2015.

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 financial statements have been prepared in accordance with IFRS and ensure that they contain the additional information required by the ICAV Act 2015; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the ICAV will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to:

- correctly record and explain the transactions of the ICAV;
- enable, at any time, the assets, liabilities, financial position and profit or loss of the ICAV to be determined with reasonable accuracy; and
- enable the Directors to ensure that the financial statements comply with the ICAV Act 2015 and enable those financial statements to be audited.

The Directors are also responsible for safeguarding the assets of the ICAV and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

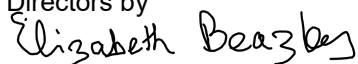
The Directors have entrusted the assets of the ICAV to the Depositary for safekeeping in accordance with the Instrument of Incorporation of the ICAV. In this regard the Directors have appointed BNP Paribas Securities Services, Dublin Branch as Depositary pursuant to the terms of the Depositary Agreement. The address at which this business is conducted is 10/11 Leinster Street South, Dublin D02 EF85, Ireland.

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

Signed for and on behalf of the board of Directors by



Director: Teddy Otto



Director: Elizabeth Beazley

19 April 2021



## **Depository's Report to the Shareholders of Ferox Investments ICAV**

We, BNP Paribas Securities Services, Dublin Branch appointed Depository to Ferox Investments ICAV ("the Fund") provide this report solely in favour of the investors of the Fund as a body for the year ended 31 December 2020 ("the Accounting Period"). This report is provided in accordance with the UCITS Regulations – European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (SI No 352 of 2011) as amended, ("the UCITS Regulations"). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

In accordance with our Depository obligation as provided for under the UCITS Regulations, we have enquired into the conduct of the Fund for the Accounting Period and we hereby report thereon to the investors of the Fund as follows;

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

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the Fund by the constitutional documents and by the UCITS Regulations; 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");
- (ii) otherwise in accordance with the provisions of the constitutional document and the Central Bank of Ireland UCITS Regulations.



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### **For and on behalf of**

BNP Paribas Securities Services, Dublin Branch  
Trinity Point  
10/11 Leinster Street South  
Dublin D02 EF85  
Ireland

Date: 19 April 2021

## **INVESTMENT MANAGER'S REPORT**

### **Summary**

2020 was a great year for the convertible product (the best in over 10 years) and an even better year for Chinook Fund as it entered its fifth year of returns. Chinook returned +26.26% in 2020 (vs TR Focus +22.84%, representing a +3.42% outperformance in 2020).

A quote from a recent report by BAML puts the year in perspective: 'From a cross-asset perspective, not only did global CBs outperform all asset classes we track-including global broad-market equities, IG and HY corporate bonds, and sovereign debt - but also their average outperformance over all other asset classes reached historical highs. In addition to absolute returns, global CBs also bested all other asset classes on a risk-adjusted basis.'

In addition to convertible bonds outperforming all asset classes that BAML track, Chinook Fund outperformed the asset class itself (as measured by the much-followed convertible Index the TR Focus Global Index USD Hedged). 2020 was quite a year for all of us. From Chinook's perspective the first quarter was the most difficult although the fund did manage a small outperformance vs the Refinitiv Focus Index in March, the biggest down month of the year. After that from April through to December the fund rose +42.05% (+7.7% outperformance vs the TR Focus Index). In just the last two months of 2020, Chinook rose +13.2% (+2.92% outperformance vs the TR Focus Index).

Chinook Fund was able to achieve these returns throughout a turbulent year by sticking to its strategy of picking interesting growth stories with solid convertible bond profiles whilst using trading techniques that allow winning trades to continue and being strict with downside stop losses. Many large global companies came to the convertible market in 2020 in order to raise financing which provided a slew of interesting opportunities for the Fund. In fact, 2020 was the largest new issuance year for the asset class since 2007 (\$159bn approx.).

Our expectations are that 2021 will carry on these trends and we are excited for the new year of convertibles ahead.

### **Q1**

January was a frustrating and mixed month for global equities. After a fairly strong first two weeks markets turned south on Coronavirus headlines and Trump's impeachment. It did feel like the markets were due a pause for breath given Q4 2019 stellar performance (Nasdaq +12%, S&P500 +8.5%, Dax +6.6%, Nikkei +8.7% and Hang Seng +8%) and whilst the MSCI AC World ended the month -1.2% within that various regions did have some fairly dramatic moves.

Chinook returned -0.23% in January, as one would expect in the generally falling equity markets. However, the TR Focus registered a large gain (+1.79%) driven by very specific factors, including being dominated by an extraordinary move in its biggest weighted name, Tesla. The U.S. equity market performance was a particularly mixed bag. The S&P500 ended the month with a small loss (-0.2%), the mid-cap Russell 200 Index suffered a -3.3% move (Chinook has an inherent mid-cap bias) while the tech heavy Nasdaq ended the month actually up +2.0%. Elsewhere most other equity markets posted negative returns with Eurostoxx -2.8%, Nikkei -1.9% and the Hang Seng -6.7%.

Chinook returned -2.21% in February as we saw a sharp sell-off in global equities in the month (MSCI AC World -8.2%, S&P -8.4%, Eurostoxx -8.6%, Nikkei -8.9%, Hang Seng -0.7%). Investors de-risked portfolios in the light of the worrying Coronavirus headlines. Chinook's returns in February were driven mainly by its delta component (sensitivity to its underlying stocks) where it performed in line with expectations in both the U.S. and Asia Ex-Japan but underperformed in Japan and Europe.

**INVESTMENT MANAGER'S REPORT**

**Q1 (continued)**

Its Bond Market return and Vol/Credit returns were in line with the Refinitiv Focus over the month. Performance in Europe on the month was mainly effected by falls in Ocado (-13%) and Safran (-15%) whilst Japan suffered from pullbacks in SBI (-15%) and Digital Garage (-17%). U.S. gains in Zillow (+21%), Nuance (+14%) and Square (+12%) were parred by a few profit warnings that dragged our overall performance (On Semi -19%, Palo Alto -21% and Nuvasive -15%).

Chinook returned -8.89% in March set against the backdrop of extraordinary market events. March saw a sharp fall in all risk assets as Coronavirus concerns escalated globally and many countries introduced lockdown measures. Central banks cut benchmark rates close to zero and announced historically large fiscal stimulus packages in an attempt to counter the economic impact of the crisis. The MSCI World Index fell -13.7% on the month led lower by European and U.S. equity markets (Eurostoxx -16.3%, S&P 500 -12.5%). Credit spreads blew out, with 5yr Xover moving from 300bps to 700bps within the month. The VIX, a volatility index which generally reflects the level of 'fear' in the market, spiked from 15 in February and hit a high of almost 90 in March, levels not seen since the 2008/2009 Financial Crisis. In addition to the impact of the Coronavirus, an oil price war between Russia and Saudi Arabia saw oil have its largest one-day drop since the start of the 1991 Iraq War. Oil in March has fallen in price from \$50 to a low of \$23, a level not seen in nearly 20 years.

However, one extraordinary aspect of this crisis was the radical change in pricing of convertibles. According to the models, our equity exposure only accounted for around half of the month's NAV drop. The balance was the cheapening of convertibles and the widening of credit spreads. This created outsized opportunities in both excess yield relative to risk and (perhaps most interestingly) cheap optionality at a time when it was particularly valuable. Equity options should not, in our view, have been this attractively priced - and certainly weren't in the listed option markets. We wrote to all investors on 25th March to highlight the tremendous opportunity.

Chinook managed a small outperformance vs the RefinitivFocus Index in March, despite starting the month with a larger delta (sensitivity to a move in the underlying stocks) and a bias to mid-cap names (the mid-cap U.S. Russell 2000 Index fell -22% in March). It was helped by its larger gamma (a measure of asymmetry) which helped it reduce Delta quickly and an overall tighter average credit spread vs the Index. Splitting down the performance on the month (particularly difficult in a month like this where so many components had very large moves) we saw a Delta return -4.99% (Refinitiv Focus Index -4.32%) and Credit/Vol return -4.5% (Refinitiv Focus Index -5.03%).

It is in months like March that performance versus a benchmark index is really tested. Although we are sorry to have recorded such a large drop in absolute performance we are glad that the methodology and disciplined approach we have employed since inception held up with such extreme moves in all risk components.

**Q2**

April saw a strong snap back. Chinook returned +7.34% vs Refinitiv Global Focus Convertible Index +6.22% (+1.12% outperformance). April saw a sharp rebound buoyed, by a view that countries would manage to slowly start reopening and economies could begin to recover whilst continuing to deal with Covid-19 restrictions.

The U.S. led the equity rally with the Nasdaq +15.4% and the S&P +12.7%. Chinook benefited from a mid-cap recovery in April with the Russell 2000 Index +13.7% in April too. Other global regions also rallied albeit at a slightly slower pace (Nikkei +6.7%, Eurostoxx +5.1%, Hang Seng +4.4%) and overall the MSCI World Index ended the month +10.6%.

**INVESTMENT MANAGER'S REPORT**

**Q2 (continued)**

Convertibles benefited from both a tightening in credit spreads and a rally in underlying equities. Chinook outperformed the Index in Delta (underlying equity performance) in Europe and Japan and outperformed in Valuation (Credit/Vol) across all regions. Chinook also outperformed in the bond market performance attribution.

Highlights of some positions that contributed to our performance on the month include Sibanye Gold +70% on the month (a new position we put on last month), BE Semi +31%, Ocado +32% and SBI in Japan +29% (where we had switched into the higher delta CB). In the U.S. we benefited from upwards stock moves in Microchip +28%, WIX.com +30% and Square +21% to name a few.

Chinook returned +4.88% in May. Global markets continued to rally led by U.S. Tech stocks, while credits continues to tighten (albeit at a slower pace). On the month S&P 500 rose +4.53%, Nasdaq +6.75%, Eurostoxx +4.18%, Nikkei +8.34% and HSI fell -6.83%. Overall the MSCI World Index gained +4.15% in May.

Chinook's delta outperformed the TR Focus in both Europe and Japan regions (where our ASCOTs helped) and underperformed in the U.S. and marginally in Asia. Chinook outperformed in Vol/Credit across regions and was in line on bond market moves.

Some standout equity moves in May where Chinook own the convertible bond include Ocado (+37%) and MTU (+17%) in Europe, SBI (+14%) in Japan and Wix (+70%), Splunk (+32%) and Docusign (+33%) in the U.S.

Chinook rose +3.45% in June, outperforming the Refinitiv Focus Index by a healthy +0.69% over the month. Equities continued to recover from March lows, with Europe playing catch up and outperforming the U.S. for the first time in almost a year. Overall the MSCI World Index for equities posted a +3.0% return, with Eurostoxx +6.0% and Hang Seng +6.4% leading stock gains. Tech remained a big factor however, as NASDAQ rose +6.0% extending its extraordinary gains this year.

The delta factor (the exposure in the underlying equities) drove positive returns on the month as one would expect but Chinook's outperformance on the month was mostly driven by the Vol/Credit factor across all regions as credit spreads tightened and equity option valuations improved. The bond market return produced a small gain and was in line with the Refinitiv Focus Index.

Specific stock moves underlying Chinook's portfolio on the month include a new position in Kingsoft in HK (+44%) and the continuing rally in Tencent in HK (+21%). In Europe Sika +11%, BEI +16% and Sibanye +16% were standouts. In the U.S., where Chinook has an approx. 60% allocation, gains were led by Square (+29%), Docusign (+21%) and ON Semi (+20%) as technology continued to lead sector performance.

The scale of some of those moves were extraordinary. We saw the strongest quarter performance for the MSCI World and S&P 500 since 1998, the latter finishing only 3% off its all-time high. The broad index levels are not too far from where we were a year ago, and markets were now clearly betting on a V-shaped economic recovery powered by historic government stimulus.

As a turbulent 1H 2020 pulled to a close, Chinook had risen +3.52% YTD, while the MSCI World Equity Index fell -7%.

**INVESTMENT MANAGER'S REPORT**

**Q3**

Chinook returned +2.69% in July. Equity markets in July were mixed but overall positive with U.S. technology stocks again leading from the front. European and Japanese stocks fell (Eurostoxx -1.8%, FTSE -4.4%, Nikkei -2.6%, Topix -4%), while U.S. and Asian stocks rallied (S&P +5.5%, Nasdaq +6.8%, China +11%, HK +0.7%). Within the U.S. equity market, large cap technology-related stocks drove the rally, with SOX +7% on the month, while mid-caps continued to underperform relatively (Russell 2000 Index +2.7% in July). The MSCI World Equity Index remained negative for the year (-2.4% YTD).

Chinook benefitted in July from exposure to technology shares in both the U.S. (DocuSign +26%, Square +24% and Zillow +19%) and Asia (Kingsoft 10%, Tencent +7%). Convertibles offer an interesting play on technology with significant upside participation but a measure of downside protection on a broad and expanding range of names.

In the EMEA region, performance was helped by its exposure to gold producer Sibanye (+28% on the month) and Swiss construction company Sika AG (+10%) despite the overall decline in European stocks.

Covid-19 related quarantine restrictions, numerous hot-spot outbreaks and increasing fears of a second wave affected sentiment in Europe, the U.S. and beyond. This was focused on airline and travel stocks, which produced some performance drag for the portfolio in July (American Airlines -15%, Southwest Airlines -10%, Amadeus -9% and Dufry -18%).

Convertibles continued to excel and new issuance went from strength to strength. YTD issuance passed \$100bn marker during the month - a level not reached over any complete year since 2007. We saw \$9.6bn of new deals in July, almost 50% higher than the average month over the last five years.

Chinook returned +5.00% in August vs Refinitiv Global Focus Convertible Bond Index +2.59%. It was another good month for global equities with nearly all major indices posting positive returns. The U.S. again led the rally with the tech heavy Nasdaq +9.6%, the S&P 500 +7% and the mid-cap Russell 2000 +5.5%. The economic and earnings data coming out of the US produced positive upward momentum, pushing indices to new intra-month highs. Japan was also another strong region with the Nikkei +6.6% and the Topix +8.2%. Chinook benefitted in August from its overweight position in Japan where we see value and are able to access the market with very little credit risk.

European equity returns on the month were Dax +5% and Eurostoxx +3%, while the FTSE continued to struggle (+1%) as final Brexit negotiations point increasingly toward a 'no deal' outcome. Asian markets were somewhat muted (HK +2.4%, Taiwan -0.6%) with U.S./China relations remaining strained as the Trump administration imposed executive orders on both TikTok and WeChat.

Chinook trading strategy to allow 'winners to run' whilst locking in profits on the majority of the position helped the fund outperform strongly on the month. In August names like Workday (+33%), Zillow (+25%), Square (+23%) and Ocado (+22%) continued to deliver (forgive the pun!) excellent upside returns. Square stock (SQ US), for example, has now risen +205% in the last 5 months alone. Other highlights include Zalando +20% (a new position), Dufry +17%, Tag Immo +13% in Europe, Southwest Airlines +22% and American Airlines +17% in the U.S. and in Japan gains in both Suzuki +25% and SBI +9%.

Chinook returned -0.46% in September vs -0.65% for the Refinitiv Focus Index. Whilst we were disappointed to see our run of strong positive returns take a small reverse, it should be noted that the MSCI dropped -3.6% on the month.

**INVESTMENT MANAGER'S REPORT**

**Q3 (continued)**

After an incredible five month positive run for the Nasdaq (+53%), tech for once dropped back, with the NASDAQ losing -5.2%. Despite this, convertibles in general - and Chinook in particular - remain resilient. Converts are designed to participate in the upside and protect against the downside - and so have been working as they should.

Investor concerns came to the fore. With new lockdown measures introduced in many countries to try to curb a second wave of Covid-19 infections, concerns focused on rising unemployment and the general economic fallout as governments increased spending to keep many businesses afloat. The upcoming U.S. election also remained a focal point. We saw a pullback on nearly all major global equity indices in September. Falls in September were led by HK -6.8% and then U.S. (S&P 500 -3.9%).

European markets fared slightly better with the Eurostoxx -2.4%, Dax -1.4% and FTSE -1.6%. Japan actually outperformed returning a small positive return on the month with Nikkei +0.2% and Topix +0.5%.

With delta (sensitivity to underlying stock move) the greatest driver of returns for Chinook some standout moves on the month include Exact Science +35% (after positive cancer screening test data), Zillow +18% (+300% since March 2020) and Nuance +11% in the U.S.. Then in Europe, the standout was online retailer Zalando +9% (a new position) and SBI in Japan +12% (online brokerage). Dragging on performance for the month were Kingsoft in HK -7% (was +70% since May), MTU Aerospace in Europe -9% and Chinese (though U.S. listed) social media company Joyy Inc -5%.

**Q4**

Chinook returned +0.38% in October. Whilst this small gain would not normally be noteworthy, it is remarkable in the context of how equity markets performed during the month: the MSCI Global Equity Index fell -2.5% in October. This negative month for global equity markets was despite a positive start, as Covid fears and the US election result began weighing on sentiment. European equities fared worst with DAX - 9.5%, Eurostoxx -7.5% and the FTSE -5%. Even the technology heavy U.S. NASDAQ, that had done so well YTD, failed to hold on to early gains. It was up over +7% at the mid-month point, only to fall over -10% and closed -2.5% for October. The S&P 500 similarly fell -3% and markets in Japan recorded losses with the Nikkei -2.5%. The only bright spots were Asia, where the Hang Seng closed +2.8% and in the U.S. where the mid-cap Russell 2000 Index closed +2% (favouring our mid-cap bias).

Our gains were from positive idiosyncratic moves at the position level. Highlights on the month include positive contributions from Asia-ex where Tencent +16% and Japan where Sanei Architecture +16%. In Europe with Dufry +22%, getting a boost from an investment from Alibaba and the U.S. where Exact Science rose +21% after positive results from its cancer testing screening product. On the downside a few names took a breather after the phenomenal rise of the past seven months, including UK's Ocado -17% and a few names in the U.S. such as Zillow -13% (+320% since March 2020 to end of Sept 2020) and Shopify -10% (+217% since March 2020 to end Sept 2020).

Chinook returned +7.70% in November vs Refinitiv Focus +6.46%, recording it's best month since inception and outperforming the benchmark index by +1.24%. This was more than twice the return of the MSCI at the time (+9.5%YTD) - an extraordinary result. Global markets had one of their strongest months on record after positive COVID-19 vaccine data gave hope to a way out of the crisis and the U.S. election result marked the end of the Trump presidency. Europe led gains with Eurostoxx +18%, Dax +15% and the FTSE +12%. While the U.S., which has outperformed other regions year to date, still posted healthy returns with S&P +11%, Nasdaq +12% and the mid-cap Russell 2000 Index +18% (Chinook has a mid-cap bias).

**INVESTMENT MANAGER'S REPORT**

**Q4 (continued)**

In Asia-ex, HK rallied 9% and in Japan the Nikkei rose 15% (while the more mid-cap heavy Topix Index was +11%). Overall the MSCI World index posted an impressive +12% gain on the month.

There were quite a few standout stock moves on the month where Chinook had exposure. In Europe, travel related stocks like Dufray rose +46% and Amadeus +40%. Aerospace stocks like MTU gained +35% and Safran +35%. In Japan, Suzuki leapt +26% and SBI +18%, leading our gains. In Asia, new issue name Flight Centre's stock continued to recover posting a +52% return on the month. In the U.S., names that had been underperforming played catch up with Palo Alto +33% and Guidewire +27% and again travel names featured with airlines AAL adding +25% and LUV +17%.

Global convertibles posted their best monthly return on record in November and so far 2020 is the best year for Global convertibles since 2009. The new issue market for convertibles remained buoyant and active with global issuance now exceeding \$145bn YTD, the most since 2007 (of this, the U.S. had seen the most since 2001).

Chinook returned +5.11% in December (vs Refinitiv Focus Index +3.59%). This leaves Chinook +26.26% in 2020 (vs Refinitiv Focus +22.84%, representing a +3.42% outperformance).

In December, global equity markets rose again with the EuroStoxx +1.7%, S&P +3.7%, Nasdaq +5.7%, Japan's Topix (mid-cap) +2.8% and HK +3.4%. Overall, the MSCI Global Index was +4.5%. Some December highlights from underlying stock names that Chinook owned include Asia where new issue name Xiaomi rose +25%, Innolux in Taiwan +40% and HK based computer software maker Kingsoft gained +29%. In Europe, food ordering service Delivery Hero was +25%, new issue Lufthansa Airlines gained +12% and tech company BE Semi was +13%. In the U.S. we benefited from another new issue e-commerce platform company Pinduoduo which gained +28% on the month, RealPage which was approached by PE and then rose +26%, Palo Alto a winner in the cyber-security space +21% and Zillow a long-term winner of the fund jumping another +20% on the month (+182% in 2020).

**Outlook**

Convertible bonds in 2021 continue, in our opinion, to offer an exceptional opportunity for investors. Convertibles perform well in periods of volatile recovery. With central banks saturating markets with liquidity (and some equity markets, like Europe still below their pre-Covid highs), we can see that recovery continuing. The volatility is likely to be from two sources: Covid related news (good and bad) and valuation swings between growth and value. We also foresee no let-up in the demand for capital from issuers and the positive wave of issuance is likely to be a key driver of returns for quite a while. 2021 may well continue to be a "golden era" for the asset class.

**Ferox Capital LLP**  
**February 2021**

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FEROX INVESTMENTS ICAV**

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

#### **Opinion**

We have audited the financial statements of Ferox Investments ICAV ('the ICAV') for the year ended 31 December 2020, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Net Assets attributable to holders of redeemable participating shares, Statement of Cash flows and notes to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the ICAV as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the Irish Collective Asset-management Vehicles Act 2015, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

#### **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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the ICAV in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

In auditing the financial statements, we have concluded that the directors' use of the 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. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the ICAV's ability to continue as a going concern.



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FEROX INVESTMENTS ICAV**

### **Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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.

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 or apparent material misstatements, 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.

### **Opinions on other matters prescribed by the Irish Collective Asset-management Vehicles Act 2015**

In our opinion the information given in the directors' report is consistent with the financial statements.

### **Respective responsibilities**

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

As explained more fully in the directors' responsibilities statement set out on page 4, the directors are responsible for the preparation of the financial statements in accordance with the applicable financial reporting framework that give a true and fair view, and for such internal control as they 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 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.

#### **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 (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.

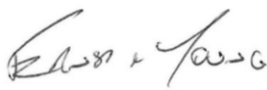
A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf).

This description forms part of our auditor's report.

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF FEROX INVESTMENTS ICAV

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

Our report is made solely to the ICAV's members, 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 members 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.



Ernst & Young  
Ernst & Young Chartered Accountants

Dublin

26 April 2021

# **FEROX INVESTMENTS ICAV**

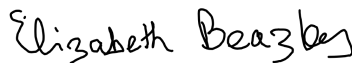
## **STATEMENT OF FINANCIAL POSITION** **As at 31 December 2020**

<b>Chinook Global Convertible Bond Fund</b>	<b>Notes</b>	<b>2020 US\$</b>	<b>2019 US\$</b>
<b>Assets</b>			
Financial assets at fair value through profit or loss			
- transferable securities	3(ii)	54,654,538	46,298,157
- financial derivative instruments	3(ii)	1,923,194	2,211,192
Cash and cash equivalents	2(d)	-	2,916,743
Due from broker	6	360,000	360,990
Interest receivable		82,283	111,301
Other receivables and prepayments		19,444	45,432
<b>Total assets</b>		<b>57,039,459</b>	<b>51,943,815</b>
<b>Liabilities</b>			
Financial liabilities at fair value through profit or loss			
- financial derivative instruments	3(ii)	28,668	30,917
Due to broker	6	905,872	2,872,482
Bank overdraft		818,956	-
Investment management fee payable	5	-	1,117
Accrued expenses and other payables		3,148	10,171
Administration fee payable	5	5,723	6,185
Depositary fee payable	5	1,768	1,599
Audit fee payable	5	27,000	37,626
Interest payable		7,605	722
Middle office fee payable	5	661	634
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>1,799,401</b>	<b>2,961,453</b>
<b>Net assets attributable to holders of redeemable participating shares</b>	<b>16</b>	<b>55,240,058</b>	<b>48,982,362</b>

Approved by the Directors on 19 April 2021



Director: Teddy Otto



Director: Elizabeth Beazley

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

**FEROX INVESTMENTS ICAV**
**STATEMENT OF COMPREHENSIVE INCOME**  
**For the financial year ended 31 December 2020**

<b>Chinook Global Convertible Bond Fund</b>	<b>Notes</b>	<b>2020 US\$</b>	<b>2019 US\$</b>
<b>Income</b>			
Interest income		319,771	467,132
Net gain on transferable securities, financial derivative instruments and foreign exchange	3(i)	8,637,125	7,101,553
Net effect of share class hedging		1,987,337	(73,420)
Other income		13,480	7,525
<b>Total income</b>		<b>10,957,713</b>	<b>7,502,790</b>
<b>Expenses</b>			
Investment management fee	5	-	23,271
Other operating expenses	5	74,233	33,795
Administration fee	5	67,303	66,734
Audit fee	5	27,000	44,171
Directors' fee	5	10,564	15,604
Legal fee		19,214	10,526
Depository fee	5	19,976	19,817
Middle office fee	5	6,301	2,913
<b>Total expenses</b>		<b>224,591</b>	<b>216,831</b>
<b>Operating (loss)/profit</b>		<b>10,733,122</b>	<b>7,285,959</b>
<b>Finance costs</b>			
Interest expense		30,282	12,633
<b>Total finance costs</b>		<b>30,282</b>	<b>12,633</b>
<b>Increase in net assets from operations attributable to holders of participating shares before tax</b>		<b>10,702,840</b>	<b>7,273,326</b>
Withholding tax	2(j), 10	(9,941)	(10,944)
<b>Net income attributable to holders of redeemable participating shares</b>		<b>10,692,899</b>	<b>7,262,382</b>

There are no recognised gains or losses other than those dealt with in the Statement of Comprehensive Income. All amounts in respect of the year ended 31 December 2020 and 31 December 2019 arose solely from continuing operations.

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

**FEROX INVESTMENTS ICAV****STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE PARTICIPATING SHARES****For the financial year ended 31 December 2020**

	<b>2020</b>	<b>2019</b>
<b>Chinook Global Convertible Bond Fund</b>	<b>US\$</b>	<b>US\$</b>
Net assets at the beginning of the year	48,982,362	101,771,273
Net income attributable to holders of redeemable participating shares	10,692,899	7,262,382
Issue of redeemable participating shares	13,720,034	247,646
Redemption of redeemable participating shares	<u>(18,155,237)</u>	<u>(60,298,939)</u>
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>	<b><u>55,240,058</u></b>	<b><u>48,982,362</u></b>

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

**FEROX INVESTMENTS ICAV**
**STATEMENT OF CASH FLOWS**
**For the financial year ended 31 December 2020**

	<b>2020</b>	<b>2019</b>
	<b>US\$</b>	<b>US\$</b>
<b>Chinook Global Convertible Bond Fund</b>		
<b>Cash flows from operating activities:</b>		
Net income attributable to holders of redeemable participating shares	10,692,899	7,262,382
<b>Adjustments to reconcile net gain attributable to holders of redeemable participating shares to net cash provided by operating activities:</b>		
Net (increase)/decrease in financial assets at fair value through profit or loss	(8,068,383)	51,059,238
Net decrease in financial liabilities at fair value through profit or loss	(2,249)	(1,223,826)
Decrease in other receivables	55,996	1,597,328
(Decrease)/increase in other payables	(1,978,759)	2,625,799
<b>Net cash provided by operating activities</b>	<u>699,504</u>	<u>61,320,921</u>
<b>Cash flows from financing activities:</b>		
Proceeds from issue of redeemable participating shares	13,720,034	247,646
Redemption of redeemable participating shares	(18,155,237)	(60,892,091)
<b>Net cash used in financing activities</b>	<u>(4,435,203)</u>	<u>(60,644,445)</u>
Net(decrease)/increase in cash and cash equivalents	(3,735,699)	676,476
Cash and cash equivalents at beginning of the year	<u>2,916,743</u>	<u>2,240,267</u>
<b>Cash and cash equivalents at end of the year</b>	<u><u>(818,956)</u></u>	<u><u>2,916,743</u></u>
<b>Supplementary cash flow information:</b>		
Interest received	346,761	584,424
Interest paid	(23,399)	(12,262)
Dividend received	-	6,895

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

**NOTES TO THE FINANCIAL STATEMENTS**  
**For the financial year ended 31 December 2020**

**1. ORGANISATION**

Ferox Investments ICAV (the "ICAV") is an open-ended umbrella Irish Collective Asset-management Vehicle with segregated liability between its funds and is registered under the laws of Ireland pursuant to the Irish Collective Asset-management Vehicle Act 2015 (the "ICAV Act") and is authorised by the Central Bank of Ireland (the "Central Bank") pursuant to the European Communities Undertakings for Collective Investment in Transferable Securities ("UCITS") Regulations, 2011, as amended by the European Communities (Amendment) UCITS Regulations, 2019 (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (UCITS) Regulations 2019 (as amended), (the "Central Bank UCITS Regulations"). The ICAV was registered and authorised on 28 January 2016 and 30 August 2016 respectively under registration number C149618. The ICAV commenced operations on 13 October 2016.

The ICAV may provide investors with a choice of funds offering an array of investment objectives. The assets of each fund are invested separately in accordance with the investment objective and policies of the fund. As at 31 December 2020, the ICAV has established one sub-fund, Chinook Global Convertible Bond Fund (the "Fund"). Additional sub-funds may be established by the ICAV from time to time with the prior approval of the Central Bank.

The Fund's investment objective is to generate capital growth, whilst seeking to preserve capital, through the management of a portfolio primarily of convertible securities. The Fund targets returns as good as or better than those generally available in the convertible securities market.

The Fund aims to achieve its investment objective while spreading investment risks through investment in transferable securities, liquid financial assets, collective investment schemes or other permitted investments in accordance with the UCITS Regulations.

The ICAV's investment activities are managed by Ferox Capital LLP (the "Investment Manager") with the administration of the ICAV delegated to BNP Paribas Fund Administration Services (Ireland) Limited (the "Administrator").

Shares are issued and can be redeemed as EUR, GBP and US\$ shares. The Fund has ten main classes of shares. Class F CHF, Class A EUR Shares, Class F EUR, Class M EUR Shares, Class F GBP, Class M GBP, Class R GBP Shares, Class A USD Shares, Class F USD Shares and Class M USD Shares, which are available for investment.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**(a) Basis of preparation**

*Statement of compliance*

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU and Irish statute comprising the ICAV Act, the UCITS Regulations and the Central Bank UCITS Regulations.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) *Basis of preparation (continued)*

*Statement of compliance (continued)*

The financial statements have been prepared on a going concern basis.

The financial statements have been prepared on a historical cost basis, except for financial instruments classified at fair value through profit or loss.

The financial statements are presented in US dollars (US\$) and all values are rounded to the nearest US\$1 except where otherwise indicated.

*Relevant industry standards and amendments to existing standards effective 1 January 2020*

*Definition of Material – Amendments to IAS 1 and IAS 8*

The IASB has made amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors which use a consistent definition of materiality throughout International Financial Reporting Standards and the Conceptual Framework for Financial Reporting, to clarify when information is material and incorporate some of the guidance in IAS 1 about immaterial information.

In particular, the amendments which became effective 1 January 2020 clarify:

- that the reference to obscuring information addresses situations in which the effect is similar to omitting or misstating that information, and that an entity assesses materiality in the context of the financial statements as a whole, and
- the meaning of 'primary users of general purpose financial statements' to whom those financial statements are directed, by defining them as 'existing and potential investors, lenders and other creditors' that must rely on general purpose financial statements for much of the financial information they need.

The amendment to the definition of materiality had no impact on the preparation of these financial statements.

There are no other standards, interpretations or amendments to existing standards that are effective that would be expected to have a significant impact on the ICAV.

*New standards, amendments and interpretations issued but not effective for the year beginning 1 January 2020 and not early adopted*

There are no standards, interpretations or amendments to existing standards that are not yet effective that would be expected to have a significant impact on the ICAV.



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) *Financial instruments*

(i) *Classification and measurement*

The Fund classifies its investments in accordance with the requirements of IFRS 9 Financial Instruments ("IFRS 9").

- All financial assets previously held at fair value continue to be measured at fair value through profit or loss ("FVPL").
- Debt instruments and equity instruments, other than investments in subsidiaries and associates, are acquired for the purpose of generating short-term profit and are required to be measured at FVPL.
- Investments in subsidiaries and associates are measured at fair value in accordance with IFRS 10 – Consolidated Financial Statements and IAS 28 – Investments in Associates and Joint Ventures, respectively, as the Fund is an investment entity.
- Financial assets previously classified as loans and receivables are held to collect contractual cash flows and give rise to cash flows representing solely payments of principal and interest. Thus, such instruments continue to be measured at amortised cost under IFRS 9.
- The classification of financial liabilities under IFRS 9 relates to the element of gains or losses for financial liabilities designated as at FVPL attributable to changes in credit risk. IFRS 9 requires that such element be recognised in other comprehensive income (OCI), unless this treatment creates or enlarges an accounting mismatch in profit or loss, in which case, all gains and losses on that liability (including the effects of changes in credit risk) should be presented in profit or loss. The Fund has not designated any financial liabilities at FVPL. Therefore, this requirement has not had an impact on the valuation of the Fund's assets or liabilities.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) *Financial instruments (continued)*

(ii) *Recognition*

All purchases and sales of financial instruments are recognised on the trade date, which is the date that the Fund commits to purchase or sell an asset and require delivery of assets within the financial period generally established by regulation or convention in the market place.

(iii) *Derecognition*

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition in accordance with IFRS 9.

The Fund derecognises a financial liability when the obligation specified in the contract is discharged, is cancelled or expires.

Realised gains and losses on disposals of financial instruments are calculated using the first-in-first-out ("FIFO") method.

(iv) *Initial measurement*

Financial instruments categorised at fair value through profit or loss are recognised initially at fair value, with transaction costs for such instruments being recognised directly in the Statement of Comprehensive Income.

(v) *Subsequent measurement*

After initial measurement, the Fund measures financial instruments which are classified at FVPL with changes in fair value recognised in the Statement of Comprehensive Income within net gain/(loss) on transferable securities, financial derivative instruments and foreign exchange. Fair value is the amount for which an asset could be exchanged, or a liability settled, between knowledgeable, willing parties in an arm's length transaction. The fair value of financial instruments is based on their quoted market prices on a recognised exchange or sourced from a reputable broker/counterparty, in the case of non-exchange traded instruments, at the reporting date without any deduction for estimated future selling costs.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) *Financial instruments (continued)*

(v) *Subsequent measurement (continued)*

- Investments in debt securities are valued at their last traded price.
- Investments in listed option contracts are valued based at the prices reported by the relevant exchange.
- Warrants are valued at the quoted price.
- Forward currency contracts are valued at the close-of-business rates as reported by the pricing vendors utilised by the Administrator to the ICAV.

If a quoted market price is not available on a recognised stock exchange or from a reputable broker/counterparty, the fair value of the financial instruments may be estimated by the Investment Manager, acting as the Competent Person appointed by the Directors and approved for such purposes by BNP Paribas Securities Services, Dublin Branch ("the Depositary"), using valuation techniques, including use of recent arm's length market transactions, referencing to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

The Fund records its derivative activities on a fair value basis. Fair values are determined by using quoted market prices, models and broker quotations.

Where the Fund has assets and liabilities with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for offsetting risk positions and applies the last price to the net open position as appropriate.

The Fund's investments must be capable of being valued frequently on a mark-to-market basis including the use, where appropriate, of matrix pricing according to the minimum frequency rules under the UCITS Regulations.

(c) *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis, or realise the asset and settle the liability simultaneously. Refer to note 4 for more information regarding offsetting.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) *Cash and cash equivalents*

Cash and cash equivalents include amounts due from banks on demand and interest bearing deposits with original maturities of three months or less. Cash on hand or on deposit is held for the purpose of meeting short-term cash commitments rather than for investment or other purposes. Cash and cash equivalents are held with BNP Paribas Luxembourg and amounted to an overdrawn balance of US\$(822,101) at the reporting date (31 December 2019: US\$2,913,887). The Fund operates under a Fund Asset Model whereby a collection account is held in the name of the Fund to collect subscription monies and pay redemption monies. The monies held in the collection accounts are considered an asset of the Fund and are disclosed in the statement of financial position within cash and cash equivalents. Investor monies held in collection accounts at 31 December 2020 is US\$3,145 (2019: US\$2,856).

(e) *Foreign currency translation*

*Functional and presentation currency*

Items included in the Fund's financial statements are measured and presented using the currency of the primary economic environment in which it operates (the "functional currency"). This is US Dollar ("US\$"), which is the currency that best reflects the nature of the Fund's global operations.

Monetary assets and liabilities denominated in currencies other than US\$ are translated into US\$ at the closing rates of exchange at the reporting date. Transactions during the financial year, including purchases and sales of securities and income and expenses, are translated at the rate of exchange prevailing on the date of the transaction. Foreign currency translation gains and losses are included in the Statement of Comprehensive Income within net gain/(loss) on transferable securities, financial derivative instruments and foreign exchange.

(f) *Use of estimates*

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilised in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

(g) *Going concern*

The Fund's management has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

**2. SIGNIFICANT ACCOUNTING POLICIES (continued)**

*(h) Dividend income*

Dividends are credited to the Statement of Comprehensive Income on the dates on which the relevant securities are listed as “ex-dividend”. Dividend income is shown gross of any non-recoverable withholding taxes, which is disclosed separately in the Statement of Comprehensive Income, and net of any tax credits.

*(i) Interest income and expense*

Interest income and interest expense are recorded on an effective yield basis in the Statement of Comprehensive Income.

*(j) Taxation*

Uncertainties exist with respect to the interpretation of complex tax regulations on foreign withholding tax. Given the wide range of international investments, differences arising between the actual investment income and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax expense already recorded. The ICAV establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it invests. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective investment’s domicile. As the ICAV assesses the probability for litigation and subsequent cash outflow with respect to taxes as remote, no liability or contingent liability has been recognised for the years ended 31 December 2020 and 31 December 2019.

*(k) Redeemable participating shares*

Redeemable participating shares are redeemable at the shareholder’s option and are classified as financial liabilities.

The redeemable participating shares can be redeemed on any dealing day for cash equal to a proportionate share of the Fund’s net asset value (“NAV”). The Fund’s NAV per share is calculated by dividing the net assets attributable to holders of redeemable participating shares with the total number of outstanding redeemable shares.

*(l) Expenses*

All expenses, including management fees, are recognised in the Statement of Comprehensive Income on an accrual basis.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) *Net gain/(loss) on transferable securities, financial derivative instruments and foreign exchange*

Net gain/(loss) on transferable securities, financial derivative instruments and foreign exchange includes all realised and unrealised fair value changes and foreign exchange differences.

(n) *Transaction costs*

Transaction costs are incremental costs, which are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. Transaction costs are included in net prices of debt and derivatives and are not readily identifiable.

3. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(i) *Net gain or loss on transferable securities, financial derivative instruments at fair value through profit or loss and foreign exchange*

	31 December 2020 US\$	31 December 2019 US\$
For the year ended:		
Net realised gain/(loss) on financial assets and liabilities at fair value through profit or loss and foreign exchange	6,567,935	(2,573,200)
Movement in unrealised gain/(loss) on financial assets and liabilities at fair value through profit or loss and foreign exchange	2,069,190	9,674,753
	8,637,125	7,101,553

(ii) *Fair value of financial instruments*

Investments measured and reported at fair value are classified and disclosed in one of the following categories:

**Level 1** - Quoted prices that are available in active markets for identical investments as of the reporting date.

**Level 2** - Pricing inputs (the underlying information used to calculate the price) including inputs sourced from the multiple broker quotes. Investments which are included in this category include convertible bonds, forward currency contracts, warrants, option contracts and contracts for difference.

**Level 3** - Pricing inputs are unobservable for the investment and include situations where there is little, if any, market activity for the investment. The inputs into the determination of fair value require significant judgement or estimation. Investments for which only one broker quotation is available, or when observable prices are not available for these securities, the Investment Manager uses one or more valuation techniques for which sufficient and reliable data is available.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

3. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(ii) *Fair value of financial instruments (continued)*

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The assessment of the significance of a particular input to the fair value measurement in its entirety requires judgement, and considers factors specific to the investment. Changes in the observability of valuation inputs may result in a reclassification for certain financial assets or liabilities. Reclassification impacting Level 3 investments will be reported as transfers in/out of the Level 3 category as of the beginning of the financial year in which reclassifications occur.

The following table summarises the valuation of the Fund's financial assets and financial liabilities by the above fair value hierarchy levels as at:

**31 December 2020**

	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
<b>Chinook Global Convertible Bond Fund</b>				
<b>Financial assets</b>				
- Equity securities	422,889	-	-	422,889
- Debt instruments	-	54,231,649	-	54,231,649
- Financial derivative instruments				
Contracts for difference	-	25,839	-	25,839
Forward currency contracts	-	1,151,448	-	1,151,448
Option contracts	-	580,899	-	580,899
Warrants	-	165,008	-	165,008
<b>Financial assets at fair value through profit or loss</b>	<u>422,889</u>	<u>56,154,843</u>	<u>-</u>	<u>56,577,732</u>
<b>Financial liabilities</b>				
- Financial derivative instruments				
Forward currency contracts	-	(28,668)	-	(28,668)
<b>Financial liabilities at fair value through profit or loss</b>	<u>-</u>	<u>(28,668)</u>	<u>-</u>	<u>(28,668)</u>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

3. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(ii) *Fair value of financial instruments (continued)*

The following table summarises the valuation of the Fund's financial assets and financial liabilities by the above fair value hierarchy levels as at:

**31 December 2019**

	<b>Level 1 US\$</b>	<b>Level 2 US\$</b>	<b>Level 3 US\$</b>	<b>Total US\$</b>
<b>Chinook Global Convertible Bond Fund</b>				
<b>Financial assets</b>				
- Debt instruments	-	46,298,157	-	46,298,157
- Financial derivative instruments				
Forward currency contracts	-	1,395,546	-	1,395,546
Option contracts	-	550,066	-	550,066
Warrants	-	265,580	-	265,580
<b>Financial assets at fair value through profit or loss</b>	<b>-</b>	<b>48,509,349</b>	<b>-</b>	<b>48,509,349</b>
<b>Financial liabilities</b>				
- Financial derivative instruments				
Contracts for difference	-	(4,950)	-	(4,950)
Forward currency contracts	-	(25,967)	-	(25,967)
<b>Financial liabilities at fair value through profit or loss</b>	<b>-</b>	<b>(30,917)</b>	<b>-</b>	<b>(30,917)</b>

The fair values of financial assets and financial liabilities traded in active markets are based on quoted market prices at the close of trading on the reporting date. The quoted market price used for financial assets held by the Fund is the last traded market price for both financial assets and financial liabilities. There were no transfers between levels during the year (31 December 2019: Nil).

All other assets and liabilities held by the Fund at the reporting dates 31 December 2020 and 31 December 2019 are carried at amortised cost; their carrying values are a reasonable approximation of fair value. Cash and cash equivalents have been classified at Level 1, due to the liquid nature of the asset. All other assets and liabilities held, outside of those discussed above, have been classified at Level 2.



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

3. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(iii) *Derivative contracts*

Typically, derivative contracts serve as components of the Fund's investment strategy and are utilised primarily to structure and hedge investments to enhance performance and reduce risk inherent in the portfolio of the Fund (the Fund does not designate any derivatives as hedges for hedge accounting purposes as described under IFRS 9). The derivative contracts that the Fund holds or issues are forward currency contracts, options, warrants and contracts for difference.

One of the differences in the risk associated with OTC contracts and exchange-traded contracts is regarding credit risk. The Fund has credit risk from OTC contracts when two conditions are present (i) the OTC contracts have unrealised gains, net of any collateral, and/or margin balances and (ii) the counterparty to the contract may default. The credit risk related to exchange-traded contracts is reduced by having the exchange's clearing house act as a central counterparty for the transaction. However, margin balances are subject to counterparty risk with the broker.

*Contracts for difference ("CFDs")*

CFDs represent OTC agreements that obligate two parties to exchange cash flows at specified intervals based upon or calculated by reference to changes in specified prices or rates for a specified amount of an underlying asset or otherwise deemed notional amount. The payment flows are usually netted against each other, with the difference being paid by one party to the other. Therefore amounts required for the future satisfaction of the CFD may be greater or less than the amount recorded. The ultimate gain or loss depends upon the prices at which the underlying financial instruments of the CFD are valued at the CFD's settlement date and is included in the Statement of Comprehensive Income within net gain/(loss) on transferable securities, financial derivative instruments and foreign exchange.

*Forward currency contracts*

Forward currency contracts are OTC agreements entered into by the Fund which represent a firm commitment to buy or sell an underlying asset, or currency at a specified value and point in time based upon an agreed or contracted quantity. The realised/unrealised gain or loss is equal to the difference between the value of the contract at the onset and the value of the contract at settlement date/reporting date and is included in the Statement of Comprehensive Income within net gain/(loss) on transferable securities, financial derivative instruments and foreign exchange.

*Option contracts*

Bond options represent OTC option contracts with major multinational brokers which allow the Fund to invest solely in the optionality component of a predetermined specific notional amount of a convertible bond. The resulting movement is unrealised appreciation/depreciation and is recorded in the Statement of Comprehensive Income within net gain/(loss) on transferable securities, financial derivative instruments and foreign exchange.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

3. FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

(iii) *Derivative contracts (continued)*

*Option contracts (continued)*

Option contracts give the right, but not the obligation, to buy or sell within a limited time, a specific financial instrument at a contracted price that may also be settled in cash, based on differentials between specified indices or prices. Options written create an obligation to buy or sell within a limited time, the specific financial instrument at a contracted price that may also be settled in cash, based on differentials between specified indices or prices.

*Warrants*

A warrant is a derivative security that gives the holder the right to purchase securities (usually equity) from the issuer at a specific price within a certain timeframe. Warrants which are traded on an active market are valued at the quoted price.

The Fund may purchase warrants to speculate on the price movements of the financial instrument underlying the warrant, or for use as an economic hedge against certain equity positions held in the Fund's portfolio holdings. The Fund purchases warrants through listed markets. Warrants purchased by the Fund provide the Fund with the opportunity to purchase the underlying asset at an agreed-upon value either on (European style) or at any time before (American style) the expiration of the warrant.

The prices paid with regard to purchasing warrants are marked to market in accordance with Note 2 and the resulting gains or losses are recorded in the Statement of Comprehensive Income within net gain/(loss) on transferable securities, financial derivative instruments and foreign exchange.

4. OFFSETTING FINANCIAL ASSETS AND LIABILITIES

The Fund may be eligible to present net on the Statement of Financial Position, certain financial assets and financial liabilities according to criteria described in Note 2. At 31 December 2020 and 31 December 2019 no financial assets and financial liabilities met the eligibility criteria and none were presented net on the Statement of Financial Position.

## FEROX INVESTMENTS ICAV

### NOTES TO THE FINANCIAL STATEMENTS (Continued) For the financial year ended 31 December 2020

#### 4. OFFSETTING FINANCIAL ASSETS AND LIABILITIES (continued)

The following tables provide information on the potential financial impact of netting for instruments subject to an enforceable master netting arrangement or similar agreement as at:

31 December 2020		Amounts	Net amount	Gross amounts		
	Gross	offset in the	presented on	not offset in the statement		
	amounts of	statement of	the statement	of financial position		
	recognised	financial	of financial	Financial	Cash	Net amount
	assets	position	position	instruments	Collateral	
	US\$	US\$	US\$	US\$	US\$	US\$
<b>Financial assets</b>						
BNP Paribas Securities Services	55,996,833	-	55,996,833	(1,753,496)	-	54,243,337
Daiwa Securities America Inc	4,395	-	4,395	-	-	4,395
Nomura Securities	485,351	-	485,351	-	-	485,351
Mizuho Bank Ltd.	451,153	-	451,153	-	-	451,153
<b>Total financial assets at fair value through profit or loss</b>	<b>56,937,732</b>	<b>-</b>	<b>56,937,732</b>	<b>(1,753,496)</b>	<b>-</b>	<b>55,184,236</b>
<b>31 December 2020</b>						
	Gross	Amounts	Net amount	Gross amounts		
	amounts of	offset in the	presented on	not offset in the statement		
	recognised	statement of	the statement	of financial position		
	liabilities	financial	of financial	Financial	Cash	Net amount
	US\$	position	position	instruments	Collateral	
	US\$	US\$	US\$	US\$	US\$	US\$
<b>Financial liabilities</b>						
BNP Paribas Securities Services	(1,753,496)	-	(1,753,496)	1,753,496	-	-
<b>Total financial liabilities at fair value through profit or loss</b>	<b>(1,753,496)</b>	<b>-</b>	<b>(1,753,496)</b>	<b>1,753,496</b>	<b>-</b>	<b>-</b>

# **FEROX INVESTMENTS ICAV**

## **NOTES TO THE FINANCIAL STATEMENTS (Continued)** **For the financial year ended 31 December 2020**

### **4. OFFSETTING FINANCIAL ASSETS AND LIABILITIES (continued)**

The following tables provide information on the potential financial impact of netting for instruments subject to an enforceable master netting arrangement or similar agreement as at:

<b>31 December 2019</b>						
	<b>Gross amounts of recognised assets US\$</b>	<b>Amounts offset in the statement of financial position US\$</b>	<b>Net amount presented on the statement of financial position US\$</b>	<b>Gross amounts not offset in the statement of financial position</b>		
				<b>Financial instruments US\$</b>	<b>Cash Collateral US\$</b>	<b>Net amount US\$</b>
<b>Financial assets</b>						
BNP Paribas Securities Services	50,877,016	-	50,877,016	(2,673,154)	-	48,203,862
Nomura Securities	668,803	-	668,803	-	-	668,803
Mizuho Bank Ltd.	241,263	-	241,263	(230,245)	-	11,018
<b>Total financial assets at fair value through profit or loss</b>	<b>51,787,082</b>	<b>-</b>	<b>51,787,082</b>	<b>(2,903,399)</b>	<b>-</b>	<b>48,883,683</b>
<b>31 December 2019</b>						
	<b>Gross amounts of recognised liabilities US\$</b>	<b>Amounts offset in the statement of financial position US\$</b>	<b>Net amount presented on the statement of financial position US\$</b>	<b>Gross amounts not offset in the statement of financial position</b>		
				<b>Financial instruments US\$</b>	<b>Cash Collateral US\$</b>	<b>Net amount US\$</b>
<b>Financial liabilities</b>						
BNP Paribas Securities Services	(2,673,154)	-	(2,673,154)	2,673,154	-	-
Nomura Securities	-	-	-	-	-	-
Mizuho Bank Ltd.	(230,245)	-	(230,245)	230,245	-	-
<b>Total financial liabilities at fair value through profit or loss</b>	<b>(2,903,399)</b>	<b>-</b>	<b>(2,903,399)</b>	<b>2,903,399</b>	<b>-</b>	<b>-</b>

The gross amounts of recognised financial assets and financial liabilities disclosed in the above tables have been measured in the Statement of Financial Position at fair value. Refer to Note 8 for further details of risk management of financial assets and financial liabilities.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

**5. FEES AND EXPENSES**

*Investment Management Fee*

Under the Investment Management Agreement, the ICAV pays to the Investment Manager a maximum fee at an annual rate equal to the percentage of the average daily net asset value ("NAV") of the relevant Class of the Fund. The investment management fee accrues daily and is calculated and paid monthly in arrears. The Investment Manager receives a management fee from the Fund calculated and based on the rates outlined below:

<b>Class</b>	<b>Investment Management Fee</b>	<b>Class</b>	<b>Investment Management Fee</b>
Class F CHF Accumulating	0.25%	Class A USD Accumulating	0.50%
Class A EUR Accumulating	0.50%	Class F USD Accumulating	0.25%
Class F EUR Accumulating	0.25%	Class F USD Distributing	0.25%
Class F EUR Distributing	0.25%	Class M USD Accumulating	-
Class M EUR Accumulating	-		
Class F GBP Accumulating	0.25%		
Class F GBP Distributing	0.25%		
Class M GBP Accumulating	-		
Class R GBP Accumulating	0.50%		

Effective 22 February 2019, the Investment Manager waived their entitlement in full to receive their investment management fee until further notice.

The Investment Manager may from time to time, at its sole discretion, use part of its investment management fee to remunerate certain financial intermediaries and may pay reimbursements or rebates to certain institutional shareholders. Total investment management fee accrued at 31 December 2019 and amounts charged during the year ended 31 December 2019 are disclosed in the Statement of Financial Position and in the Statement of Comprehensive Income respectively.

In addition, the Investment Manager is entitled to be reimbursed its reasonable vouched out-of-pocket expenses. Where the Investment Manager's expenses are attributable to the ICAV as a whole, they will be borne on a pro rata basis by the Fund.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

5. FEES AND EXPENSES (continued)

*Administration Fee*

The Administrator is entitled to receive out of the assets of the Fund a fee at an annual rate which will not exceed 0.1% of the average NAV of the Fund, subject to a minimum fee of US\$55,000 per annum (plus any applicable taxes). This fee accrues and is calculated on each dealing day and is paid monthly in arrears. The Administrator is also entitled to charge to the Fund all agreed fees and transaction charges, at normal commercial rates, together with reasonable out-of-pocket expenses (plus any applicable taxes), it incurs on behalf of the Fund in the performance of its duties under the Administration Agreement, which is paid monthly in arrears. Effective 1 March 2019, the Administrator waived receipt of their minimum fee of US\$55,000 for 12 months. Effective 1 March 2020, the Administrator reinstated receipt of their minimum fee of US\$55,000.

Total administration fee accrued at the reporting date and amounts charged during the financial year are disclosed in the Statement of Financial Position and in the Statement of Comprehensive Income respectively.

*Middle Office Fee*

The Administrator is also eligible to receive a middle office fee for middle office services provided to the ICAV. The fee is charged at an annual rate of 0.015% per annum of the NAV of the Fund and is subject to a minimum annual fee of US\$60,000 at a Ferox Capital LLP relationship level (plus VAT, if any thereon).

Total middle office fee accrued at the reporting date and amounts charged during the financial year are disclosed in the Statement of Financial Position and in the Statement of Comprehensive Income respectively.

*Depositary Fee*

The Depositary is entitled to receive out of the assets of the Fund an annual fee, accrued at each valuation point and payable monthly in arrears, which shall not exceed 0.04% per annum of the NAV of the Fund subject to a minimum annual fee of US\$20,000 (plus VAT, if any) thereon. Effective 1 March 2019, the Depositary waived receipt of their minimum fee of US\$20,000 for 12 months. Effective 1 March 2020, the Depositary reinstated receipt of their minimum fee of US\$20,000.

Total depositary fee accrued at the reporting date and amounts charged during the financial year are disclosed in the Statement of Financial Position and in the Statement of Comprehensive Income respectively.

*Directors' Fees*

The Directors are entitled to a fee by way of remuneration for their services at a rate to be determined from time to time by the Directors. All Directors are entitled to reimbursement by the ICAV of expenses properly incurred in connection with the business of the ICAV or the discharge of their duties. The aggregate amount of Directors' remuneration in any one year shall not exceed €120,000 without the approval of the Directors. Directors' fees were fully paid at the reporting date (31 December 2019: US\$1,957 was prepaid for Directors' fees). Total Directors' fees charged for the financial year are disclosed in the Statement of Comprehensive Income.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

5. FEES AND EXPENSES (continued)

*Directors' Fees (continued)*

Included in this amount are fees paid to Carne Global Financial Services Limited ("Carne"), an independent governance firm, in respect of director support services for Elizabeth Beazley and Teddy Otto. The amount charged during the financial year was US\$3,321 (2019: US\$3,715) and is for services provided directly by the Directors which are payable by the Fund and do not constitute "other services" as defined by the Central Bank. At the reporting date Tom Seymour Mead is an executive Director of Ferox Capital Management Limited and a Partner of Ferox Capital LLP. Up to the date of resignation, 2 September 2020, Nicholas Curtis was a non-executive Director of Ferox Capital Management Limited. Nicholas Curtis and Tom Seymour Mead were not in receipt of a director's fee during the financial year ended 31 December 2020 (2019: Nil).

*Auditor fees and services*

The following table presents a summary of accountant fees and services for the financial year ended 31 December 2020 and 2019:

<b>Chinook Global Convertible Bond Fund</b>	<b>2020 US\$</b>	<b>2019 US\$</b>
Auditor fees regarding annual report	27,000	44,171
Fees for tax compliance services	13,268	27,073
<i>Other operating expenses</i>		
<b>Chinook Global Convertible Bond Fund</b>	<b>2020 US\$</b>	<b>2019 US\$</b>
Corporate services fee expense	6,667	8,833
Directors insurance expense	1,284	-
FATCA compliance fee expense	2,153	4,500
Financial statement fees expense	10,000	10,000
Tax reporting expense	13,268	27,073
Organisation cost expense	21,740	(38,615)
Other expenses	19,121	22,004
	<b>74,233</b>	<b>33,795</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

6. DUE FROM AND TO BROKERS

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the reporting date, respectively.

The majority of the amounts due from and due to brokers are held with the Depositary. There is a right of offset based on the master netting agreement in place between long and short positions subject to meeting eligibility criteria however none met this criteria and the financial statements have been presented on a gross basis at 31 December 2020 and 31 December 2019. The Depositary and broker credit ratings are disclosed in Note 8.

Margin accounts with brokers represent cash deposits with counterparties as collateral against open bond options, warrants and forward currency contracts. The Fund also transferred cash as collateral for transactions involving borrowed securities.

Due from brokers		S&P Credit rating	Collateral	Unsettled trade	Total
31 December 2020	COUNTERPARTY NOMURA SECURITIES	BBB+	360,000	-	360,000
			<b>360,000</b>	<b>-</b>	<b>360,000</b>
31 December 2019	NOMURA SECURITIES	A-	360,000	990	360,990
			<b>360,000</b>	<b>990</b>	<b>360,990</b>
<b>Due to brokers</b>					
31 December 2020	BNP PARIBAS LUXEMBOURG*	A+	905,872	-	905,872
			<b>905,872</b>	<b>-</b>	<b>905,872</b>
31 December 2019	BNP PARIBAS LUXEMBOURG*	A+	846,667	1,795,570	2,642,237
	MIZUHO BANK LTD	A	230,245	-	230,245
			<b>1,076,912</b>	<b>1,795,570</b>	<b>2,872,482</b>

\*The S&P long term credit rating of BNP Paribas Securities Services, the ultimate parent of the Depositary. The Depositary is not rated.

Transactions are only conducted with counterparties which have an investment grade as rated by a well known rating agency.



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

**7. SHARE CAPITAL AND REDEEMABLE PARTICIPATING SHARES**

The authorised share capital of the ICAV is 500,000,000,000 redeemable shares of no par value and 300,000 non-redeemable Management Shares of no par value issued at €1 each. Management Shares do not entitle the holders thereof to any dividend. On a winding up of the ICAV, the Management Shares entitle the holders thereof to receive the amount paid up thereon but do not otherwise entitle them to participate in the assets of the ICAV. The Management Shares are held on behalf of Ferox Capital Management International Limited.

The rights attaching to the Shares issued in any Fund or Class may, whether or not the ICAV is being wound up, be varied or abrogated with the consent in writing of the holders of three-fourths of the issued shares of that fund or class, or with the sanction of a special resolution passed at a general meeting of the Shareholders of that fund or class. The rights attaching to the shares shall not be deemed to be varied by the creation, allotment or issue of any further shares ranking *pari passu* with shares already in issue. There are no rights of pre-emption upon the issue of shares.

The net assets attributable to holders of redeemable participating shares are at all times equal to the NAV of the Fund. The participating shares which comprise the equity capital of the Fund are in substance a liability of the Fund to shareholders under IAS 32 – Financial Instruments: Presentation, as they can be redeemed at the option of the shareholders.

*Capital management*

As a result of the ability to issue, repurchase and resell shares, the capital of the Fund can vary depending on the demand for redemptions and subscriptions to the Fund.

The Fund's objectives for managing capital are:

- To invest the capital in investments meeting the description, risk exposure and expected return indicated in its prospectus.
- To achieve consistent returns while safeguarding capital by investing in a diversified portfolio, by participating in derivative and other capital markets and by using various investment strategies and hedging techniques.
- To maintain sufficient liquidity to meet the expenses of the Fund, and to meet redemption requests as they arise.
- To maintain sufficient size to make the operation of the Fund cost-efficient.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**
**7. SHARE CAPITAL AND REDEEMABLE PARTICIPATING SHARES (continued)**

The movement in the number of participating shares during the year ended 31 December 2020 was as follows:

**Chinook Global Convertible Bond Fund**

	<b>Opening</b>	<b>Subscriptions*</b>	<b>Redemptions*</b>	<b>Closing</b>
Class A EUR (Acc)	1.00	-	-	1.00
Class F Euro (Acc)	1.00	-	-	1.00
Class M EUR (Acc)	94,974.68	42,809.45	(21,869.84)	115,914.29
Class M GBP (Acc)	7,508.14	12,056.67	-	19,564.81
Class R GBP (Acc)	121,547.95	9,922.00	(20,078.56)	111,391.39
Class A USD (Acc)	44,430.22	-	(17,225.37)	27,204.85
Class F USD (Acc)	1.00	-	-	1.00
Class M USD (Acc)	110,738.66	46,740.63	(109,578.40)	47,900.89

\*There were no switch trades recorded during the year ended 31 December 2020.

The movement in the number of participating shares for the year ended 31 December 2019 was as follows:

**Chinook Global Convertible Bond Fund**

	<b>Opening</b>	<b>Subscriptions*</b>	<b>Redemptions*</b>	<b>Closing</b>
Class F CHF (Acc)	5,443.38	-	(5,443.38)	-
Class A EUR (Acc)	1.00	-	-	1.00
Class F Euro (Acc)	158,286.58	-	(158,285.58)	1.00
Class F Euro (Dist)	7,137.00	-	(7,137.00)	-
Class M EUR (Acc)	184,204.21	1,995.06	(91,224.59)	94,974.68
Class F GBP (Acc)	33,669.26	-	(33,669.26)	-
Class F GBP (Dist)	127,787.77	-	(127,787.77)	-
Class M GBP (Acc)	7,508.14	-	-	7,508.14
Class R GBP (Acc)	126,819.49	72.46	(5,344.00)	121,547.95
Class A USD (Acc)	45,327.52	25.36	(922.66)	44,430.22
Class F USD (Acc)	81,025.12	-	(81,024.12)	1.00
Class F USD (Dist)	18,814.52	-	(18,814.52)	-
Class M USD (Acc)	110,738.66	-	-	110,738.66

\*There were no switch trades recorded during the financial year ended 31 December 2019.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

**8. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

*Principles of risk management*

The principal risks and uncertainties faced by the ICAV are outlined in the prospectus. These risks include market risk (comprised of market price risk, currency risk and interest rate risk), credit risk and liquidity risk as per IFRS 7 – Financial Instruments: Disclosures (“IFRS 7”).

The management of the financial instruments is fundamental to the management of the Fund’s business. The Investment Manager is responsible, subject to the overall supervision and control of the Board of Directors (the “Board”), for managing the assets and investments of the sub-fund of the ICAV in accordance with the investment objectives and guidelines approved by the Board and policies set forth in the Prospectus and the UCITS Regulations.

The Board has delegated the day to day risk management and reporting to the Investment Manager under the investment management agreement. The Investment Manager is responsible for ensuring that the appropriate risk management processes are in place and that it is functioning adequately, with the investment management function responsible for:

- trading securities, pre and post trade compliance and monitoring risk on a day to day basis;
- monitoring levels of global exposure, position risk, leverage, counter-party risk, other risk parameters of relevance;
- overseeing the risk management process of the Investment Manager;
- setting policy on instrument types, exposure limits and trading strategies (in conjunction with the Board);
- post trade checking for breaches of investment limits whether due to market movement or otherwise; and
- liaising with the Administrator in the setting of policies relating to financial derivative instruments pricing and dealing with any pricing issues that have been escalated in accordance with agreed escalation procedures or require a decision.

*Market risk*

Market risk is the risk of loss arising from movements in observable market variables such as foreign exchange rates, prices of financial instruments and interest rates. The Fund is exposed to market risk primarily through its financial assets and liabilities.

The Investment Manager has specific processes that are in place to control market risk. Market risk is assessed by the Investment Manager in the context of the total portfolio being managed, including all derivatives. Also the Investment Manager places restrictions on gearing of the portfolio (i.e. where the level of market exposure exceeds the market value of the Fund). The Investment Manager monitors derivative use to ensure derivatives are not used to circumvent gearing/borrowing restrictions imposed by law or mandate. Specifically, in the case of use of derivative positions to achieve exposure, the Fund holds sufficient cash or appropriate equivalent assets to meet potential obligations arising from the net derivative position. In the case of derivative positions to remove or reduce exposure, the Fund holds assets, which are considered a reasonable hedge.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

8. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

*Market risk (continued)*

The Fund trades in financial instruments to take advantage of market movements. The Fund's debt instruments and trading financial instruments are susceptible to market price risk arising from uncertainties about future prices of the instrument.

*Global Exposure*

UCITS funds are required to monitor exposures on a daily basis by utilising either the commitment approach or the value at risk ("VaR") approach when financial derivative instruments ("FDI") are held. The Investment Manager utilises the commitment approach in monitoring the exposure of the Fund as the market risk can be adequately monitored through this method. Derivatives will primarily be used to gain exposure to certain asset classes in which it is not permitted to directly invest and/or for purposes of efficient portfolio management.

The Fund held derivative positions during the year ended 31 December 2020 and 31 December 2019. The Fund has primarily held forward currency contracts, options, warrants and contracts for difference. Equity securities and convertible bonds are transferable securities with derivative elements. This portfolio is monitored regularly by the Investment Manager under the commitment approach.

Breaches of the exposure limits, if any, are identified using the commitment approach, addressed by the Investment Manager and reported to the Board. Please see the credit risk section for a review of the risk and related measurements related to FDI counterparties as of 31 December 2020 and 31 December 2019.

FDI positions are subject to risks that have the potential to influence the value of the Fund. The portfolio risk is detailed in the price risk and currency risk sections which provide analyses of the potential impact to the values due to these risks. Further, an analysis of the time available to liquidate the positions held by the Fund can be found in the liquidity risk section.

*Market risk*

Market risk arises from uncertainty about future prices of financial instruments held by the Fund, whether those changes are caused by factors specific to individual financial instruments, or other factors affecting a number of similar financial instruments traded in the markets. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. Usually the maximum risk resulting from financial instruments is determined by the opening fair value of the instruments.

Market risk consists of market price risk, currency risk and interest rate risk.

*Market price risk*

Market price risk arises mainly from uncertainty about future prices of the investments held. It represents the potential loss the Fund might suffer through holding market positions in the face of price movements. The Investment Manager moderates this risk through a careful selection of securities within specified limits and ongoing monitoring of the portfolio.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

8. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

*Market price risk (continued)*

The sensitivity analysis presented shows the effect of a 5% increase or decrease in prices on the net assets of the Fund. Most of the market price sensitivity is due to the optionality embedded within the convertible bonds and bond options held by the Fund. The Fund had no direct equity exposure at the reporting date (31 December 2019: Nil). The analysis below factors in the instrument deltas in order to measure the sensitivity of the instrument values relative to changes in the underlying market prices.

Factoring in the instrument deltas in order to measure the sensitivity of the instrument values relative to changes in the underlying market prices, a 5% increase in financial assets at fair value through profit or loss would cause net assets attributable to holders of redeemable shares to increase by US\$1,800,469 (2019: US\$1,301,550). Similarly, a 5% decrease would cause net assets attributable to holders of redeemable shares to decrease by (US\$1,694,543) (2019: (US\$1,257,350)).

*Currency risk*

Currency risk, as defined by IFRS 7, arises due to financial instruments being denominated in a currency that is not the functional currency and being of a monetary nature. Relevant risk variables are generally movements in the exchange rates of non-functional currencies in which the Fund holds financial instruments.

The generation of trading profits and losses resulting from investment activity in currencies other than the functional currency creates an exposure to the non-functional currency denominated foreign exchange rate movements. This currency risk is managed using foreign exchange trades in accordance with the Fund's guidelines and restrictions. Daily monitoring is undertaken by the Investment Manager to ensure instruments used and exposures created are consistent with the investment strategy and objectives of the Fund.

Each hedged currency share class is protected against movements in the share-class currency versus the base currency throughout the year. The returns accruing to investors in each of the currency classes reflect the profits made overall throughout the year in each share class.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

8. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

*Currency risk (continued)*

The Fund's total net exposure, including foreign currency hedging within the portfolio, to fluctuations in foreign currency exchange rates at the reporting date was as follows.

The table below calculates the effect of a reasonably possible movement of the exchange rate against the US\$ at 31 December 2020 and 31 December 2019 on the net assets attributable to holders of redeemable participating shares, with all other variables held constant.

**Chinook Global Convertible Bond Fund**

	Net fair value 2020 US\$	Net fair value 2019 US\$	Change in Exchange rate %	Effect on profit for the financial year US\$ 2020 +/-	Effect on profit for the financial year US\$ 2019 +/-
<b>Currency</b>					
Australian Dollar	54,420	-	5%	2,721	-
British Pound	1,440,866	3,831,472	5%	72,043	191,574
Euro	12,219,482	8,598,914	5%	610,974	429,946
Hong Kong Dollar	3,427,820	1,429,867	5%	171,391	71,493
Japanese Yen	2,651,671	3,088,589	5%	132,584	154,429
Singapore dollar	1,030,148	-	5%	51,507	-
Swiss Franc	1,710,772	1,148,378	5%	85,539	57,419
<b>Sub-total</b>	<u>22,535,179</u>	<u>18,097,220</u>	<u>-</u>	<u>1,126,759</u>	<u>904,861</u>
US Dollar	<u>32,704,879</u>	<u>30,885,142</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total</b>	<u>55,240,058</u>	<u>48,982,362</u>	<u>-</u>	<u>1,126,759</u>	<u>904,861</u>

For share class hedging purposes, the Fund holds offsetting additional British Pound and Euro exposure. It is anticipated that the sensitivity shown would be largely offset by movements in the corresponding share capital liabilities of the Fund.

The Investment Manager generally seeks to hedge foreign currency exposure of the Fund to currencies other than the base currency through the use of spot and forward foreign exchange contracts or other methods if reducing exposure to currency fluctuations.

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The majority of interest rate risk arises on interest-bearing financial instruments recognised in the Statement of Financial Position.

## FEROX INVESTMENTS ICAV

### NOTES TO THE FINANCIAL STATEMENTS (Continued) For the financial year ended 31 December 2020

#### 8. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

##### *Interest rate risk (continued)*

The following table details the Fund's exposure to interest rate risks. It includes the Fund's assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

##### Chinook Global Convertible Bond Fund

31 December 2020	Less than 1 month US\$	1-3 months US\$	3 months to 1 year US\$	1-5 years US\$	Greater than 5 years US\$	Not subject to interest rate risk US\$	Total US\$
<b>Assets</b>							
Financial assets at fair value through profit or loss	-	1,151,448	1,642,739	26,635,302	9,054,798	18,093,445	56,577,732
Due from broker	360,000	-	-	-	-	-	360,000
Interest receivable	-	-	-	-	-	82,283	82,283
Other receivables and prepayments	-	-	-	-	-	19,444	19,444
<b>Total assets</b>	<u>360,000</u>	<u>1,151,448</u>	<u>1,642,739</u>	<u>26,635,302</u>	<u>9,054,798</u>	<u>18,195,172</u>	<u>57,039,459</u>
<b>Liabilities</b>							
Financial liabilities at fair value through profit or loss	-	28,668	-	-	-	-	28,668
Due to broker	905,872	-	-	-	-	-	905,872
Bank Overdraft	818,956	-	-	-	-	-	818,956
Interest payable	7,605	-	-	-	-	-	7,605
Accrued expenses and other payables	-	-	-	-	-	38,300	38,300
Net assets attributable to holders of redeemable participating shares	-	-	-	-	-	55,240,058	55,240,058
<b>Total liabilities</b>	<u>1,732,433</u>	<u>28,668</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,278,358</u>	<u>57,039,459</u>
<b>Total interest sensitivity gap</b>	<u>(1,372,433)</u>	<u>1,122,780</u>	<u>1,642,739</u>	<u>26,635,302</u>	<u>9,054,798</u>	<u>(37,083,186)</u>	

## FEROX INVESTMENTS ICAV

### NOTES TO THE FINANCIAL STATEMENTS (Continued) For the financial year ended 31 December 2020

#### 8. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

##### *Interest rate risk (continued)*

The following table details the Fund's exposure to interest rate risks. It includes the Fund's assets and trading liabilities at fair values, categorised by the earlier of contractual re-pricing or maturity dates.

##### **Chinook Global Convertible Bond Fund**

31 December 2019	Less than 1 month US\$	1-3 months US\$	3 months to 1 year US\$	1-5 years US\$	Greater than 5 years US\$	Not subject to interest rate risk US\$	Total US\$
<b>Assets</b>							
Financial assets at fair value through profit or loss	-	710,990	1,546,278	21,589,069	7,439,067	17,223,945	48,509,349
Cash and cash equivalents	2,916,743	-	-	-	-	-	2,916,743
Due from broker	360,990	-	-	-	-	-	360,990
Interest receivable	-	-	-	-	-	111,301	111,301
Other receivables and prepayments	-	-	-	-	-	45,432	45,432
<b>Total assets</b>	<b>3,277,733</b>	<b>710,990</b>	<b>1,546,278</b>	<b>21,589,069</b>	<b>7,439,067</b>	<b>17,380,678</b>	<b>51,943,815</b>
<b>Liabilities</b>							
Financial liabilities at fair value through profit or loss	-	-	-	-	-	30,917	30,917
Due to broker	2,872,482	-	-	-	-	-	2,872,482
Interest payable	722	-	-	-	-	-	722
Accrued expenses and other payables	-	-	-	-	-	57,332	57,332
Net assets attributable to holders of redeemable participating shares	-	-	-	-	-	48,982,362	48,982,362
<b>Total liabilities</b>	<b>2,873,204</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>49,070,611</b>	<b>51,943,815</b>
<b>Total interest sensitivity gap</b>	<b>404,529</b>	<b>710,990</b>	<b>1,546,278</b>	<b>21,589,069</b>	<b>7,439,067</b>	<b>(31,689,933)</b>	



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

8. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

*Interest rate risk (continued)*

A change of 25 basis points ("bps") in interest rates at the reporting date would have increased/(decreased) the net assets attributable to holders of redeemable participating shares by the following amounts. This analysis assumes that the interest rate curve moves in parallel by 25bps across all maturities but that all other variables remain constant.

	Net assets attributable to holders of redeemable shares	
	25 bps increase US\$	25 bps decrease US\$
<b>As at 31 December 2020</b>		
Debt instruments	(177,734)	177,734
Broker interest	(2,047)	2,047
	<u>(179,781)</u>	<u>179,781</u>
	25 bps increase US\$	
	25 bps decrease US\$	
<b>As at 31 December 2019</b>		
Debt instruments	(152,106)	152,106
Broker interest	7,292	(7,292)
	<u>(144,814)</u>	<u>144,814</u>

*Credit risk*

Credit risk is the risk that an issuer or counterparty will be unable to meet a commitment that it has entered into with the Fund. It is the Fund's policy to enter into financial instruments with a range of reputable counterparties. The Investment Manager only permits trading with approved brokers. New brokers are added, subject to a formal review process that includes a review of the broker's creditworthiness, financial strength, ability to enter into legally enforceable arrangements and standing in the financial community. Therefore, the Fund seeks to avoid counterparty credit losses on its financial instruments. The Fund's maximum exposure to credit risk (not taking into account the value of any collateral or other security held) in the event that counterparties fail to perform their obligations as of 31 December 2020 and 31 December 2019 in relation to each class of recognised financial assets, other than derivatives, is the carrying amount of those assets as indicated in the Statement of Financial Position.

With respect to financial derivative instruments, credit risk arises from the potential failure of counterparties to meet their obligations under the contract or arrangement. The Fund's overall exposure to credit risk on financial derivative instruments subject to a master netting arrangement is eliminated only to the extent that financial liabilities due to the same counterparty will be settled after the assets are realised. This exposure can change substantially within a short period since it is affected by each transaction subject to the arrangement.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

8. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

*Credit risk (continued)*

**Chinook Global Convertible Bond Fund**

**31 December 2020**

Counterparty	S&P Credit rating	Cash and cash equivalents and bank overdraft US\$	Financial assets held for trading US\$	Financial liabilities held for trading US\$	Broker Balance US\$	Total US\$
BNP Paribas Luxembourg	A+*	(818,956)	55,996,833	(28,668)	(905,872)	54,243,337
Nomura Securities	BBB+	-	125,351	-	360,000	485,351
Mizuho Bank Ltd.	A-	-	451,153	-	-	451,153
Daiwa Securities America Inc	BBB+	-	4,395	-	-	4,395
		<u>(818,956)</u>	<u>56,577,732</u>	<u>(28,668)</u>	<u>(545,872)</u>	<u>55,184,236</u>

**Chinook Global Convertible Bond Fund**

**31 December 2019**

Counterparty	S&P Credit rating	Cash and cash equivalents US\$	Financial assets held for trading US\$	Financial liabilities held for trading US\$	Broker Balance US\$	Total US\$
BNP Paribas Luxembourg	A+*	2,916,743	47,959,283	(30,917)	(2,641,247)	48,203,862
Nomura Securities	A-	-	308,803	-	360,000	668,803
Mizuho Bank Ltd.	A	-	241,263	-	(230,245)	11,018
		<u>2,916,743</u>	<u>48,509,349</u>	<u>(30,917)</u>	<u>(2,511,492)</u>	<u>48,883,683</u>

\*The S&P long term credit rating of BNP Paribas Securities Services, the ultimate parent of BNP Luxembourg. BNP Luxembourg is not rated.

Transactions are only concluded with counterparties which have an investment grade as rated by a well known rating agency.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

8. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

*Credit risk (continued)*

Cash and cash equivalents are held with BNP Luxembourg. In the event of insolvency or bankruptcy of BNP Paribas Luxembourg, the Fund will be treated as a general creditor in relation to the cash held with it.

\*The S&P long term credit rating of BNP Paribas Securities Services, the ultimate parent of BNP Luxembourg. BNP Luxembourg is not rated.

**Portfolio % by rating agency category:**

**Chinook Global Convertible Bond Fund**

S&P Credit rating	31 December 2020		31 December 2019	
	Total	% of total	Total	% of total
A	1,323,480	2.42%	-	0.00%
A+	-	0.00%	850,576	1.84%
A-	3,987,505	7.30%	3,424,670	7.40%
A2	-	0.00%	1,082,465	2.34%
A3	-	0.00%	1,009,438	2.18%
Aa2	-	0.00%	536,675	1.16%
BBBu	365,402	0.67%	-	-
BBB	995,528	1.82%	1,519,272	3.28%
BBB+	507,061	0.93%	3,164,209	6.83%
BBB-	684,483	1.25%	-	0.00%
BB-	536,645	0.98%	1,598,408	3.45%
B+	-	0.00%	434,502	0.94%
Not rated	46,254,434	84.63%	32,677,942	70.58%
<b>Total</b>	<b>54,654,538</b>	<b>100.00%</b>	<b>46,298,157</b>	<b>100.00%</b>

*Significant concentrations of credit risk*

Concentrations of credit risk exist when changes in economic, industry or geographic factors affect counterparties whose aggregate credit exposure is significant in relation to the Fund's total credit exposure. The Fund's portfolio of financial instruments is broadly diversified along industry, product and geographic lines, and transactions are entered into with a range of counterparties, thereby mitigating any significant concentration of credit risk. Countries relate to country of incorporation and do not necessarily reflect country of economic risk.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

8. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

*Significant concentrations of credit risk (continued)*

The country and sector distributions are as follows:

**Chinook Global Convertible Bond Fund**

<b>Country</b>	<b>Fair Value 2020 US\$</b>	<b>Fair Value 2019 US\$</b>
Australia	1,031,433	-
Cayman Islands	2,838,588	-
China	-	3,195,422
European Union	224,429	-
France	3,289,635	4,399,849
Germany	6,464,682	2,971,614
Hong Kong	4,562,780	3,567,938
Israel	369,694	-
Italy	484,776	825,162
Japan	2,651,233	1,622,136
Netherlands	1,150,255	1,009,438
New Zealand	1,303,452	-
Singapore	2,343,976	-
South Africa	-	1,321,751
Spain	1,191,544	2,112,605
Switzerland	1,712,494	1,103,824
Taiwan	559,888	947,616
United Kingdom	1,452,096	2,104,015
United States	23,666,629	23,297,062
British Virgin Islands	1,251,480	-
<b>Total</b>	<b>56,549,064</b>	<b>48,478,432</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

8. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

*Significant concentrations of credit risk (continued)*

**Chinook Global Convertible Bond Fund**

<b>Sector exposure</b>	<b>Fair Value 2020 US\$</b>	<b>Fair Value 2019 US\$</b>
Aerospace/Defense-Equipment	-	2,066,990
Auto/Trk Parts and Equipment-Orig	-	815,096
Banks	-	1,509,884
Biotechnology	-	694,110
Building Production	-	1,086,239
Commercial Services	-	1,226,632
Computer Services	-	2,424,939
Consumer Discretionary	15,051,021	-
Consumer Staples	483,126	-
Diversified Finance Service	-	2,356,290
Electric-Generation	-	2,261,817
Engineering/R&D Services	-	788,033
Entertainment	-	1,224,420
Financials	4,800,738	-
Gas-Distribution	-	795,374
Internet Application Software	-	5,869,662
Healthcare-Products	365,402	1,777,814
Industrials	2,343,465	-
Information Technology	16,901,299	-
Investment Companies	-	1,696,887
Materials	917,847	-
Media	-	940,891
Oil Comp-Exploration & Production	-	850,576
Others	1,703,680	1,919,646
Real Estate Management/Services	2,871,889	4,305,723
REITS-Apartments	-	647,103
Semiconductor	-	6,780,774
Software	-	5,430,094
Telecom Equipment Fiber Optics	-	1,009,438
Telecommunication Services	7,897,946	-
Telecommunications	1,511,724	-
Utilities	1,700,927	-
	<b>56,549,064</b>	<b>48,478,432</b>

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

8. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

*Liquidity risk*

The Fund's financial instruments include investments in derivative contracts traded over-the-counter, which are not traded in an organised public market and which may be illiquid. As a result, the Fund may not be able to promptly liquidate some of these investments at an amount close to its fair value in order to meet its liquidity requirements or to respond to specific events such as deterioration in the credit worthiness of any particular issuer. However the majority of the positions held in the portfolio are securities that are considered to be readily realisable within the Fund's liquidity terms.

*Maturity profile of assets and liabilities at the reporting date*

The tables below summarise the maturity profile of the Fund's assets and liabilities and gross-settled derivatives based on contractual undiscounted cash flows.

## FEROX INVESTMENTS ICAV

### NOTES TO THE FINANCIAL STATEMENTS (Continued) For the financial year ended 31 December 2020

#### 8. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

##### *Liquidity risk (continued)*

##### *Maturity profile of assets and liabilities at the reporting date (continued)*

The below table summarises the Fund's liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The analysis does not reflect the liquidity of the secondary market. The Investment Manager continuously monitors the liquidity of the Fund's portfolio.

#### Chinook Global Convertible Bond Fund

As at 31 December 2020	Less than 1 month US\$	1 to 3 months US\$	3 months to 1 year US\$	Greater than 1 year US\$	No stated maturity US\$	Total US\$
<b>Assets</b>						
Financial assets at fair value through profit or loss	-	1,163,888	1,642,739	53,348,216	422,889	56,577,732
Due from broker	360,000	-	-	-	-	360,000
Interest receivable	-	82,283	-	-	-	82,283
Other receivables	-	19,444	-	-	-	19,444
<b>Total assets</b>	<u>360,000</u>	<u>1,265,615</u>	<u>1,642,739</u>	<u>53,348,216</u>	<u>422,889</u>	<u>57,039,459</u>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	-	28,668	-	-	-	28,668
Due to broker	905,872	-	-	-	-	905,872
Bank Overdraft	818,956	-	-	-	-	818,956
Interest payable	7,605	-	-	-	-	7,605
Other payables	-	38,300	-	-	-	38,300
Net assets attributable to holders of redeemable participating shares*	<u>55,240,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>55,240,058</u>
<b>Total liabilities</b>	<u>56,972,491</u>	<u>66,968</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>57,039,459</u>

\* Subject to bi-monthly liquidity but countered to a degree by limitations in the prospectus, Directors may defer redemptions at a particular dealing day to the next dealing day where the requested redemptions exceed 10 per cent of the Fund's NAV.

## FEROX INVESTMENTS ICAV

### NOTES TO THE FINANCIAL STATEMENTS (Continued) For the financial year ended 31 December 2020

#### 8. RISK MANAGEMENT AND FINANCIAL INSTRUMENTS (continued)

##### *Liquidity risk (continued)*

##### *Maturity profile of assets and liabilities at the reporting date (continued)*

The below table summarises the Fund's liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date (continued).

#### Chinook Global Convertible Bond Fund

As at 31 December 2019	Less than 1 month US\$	1 to 3 months US\$	3 months to 1 year US\$	Greater than 1 year US\$	No stated maturity US\$	Total US\$
<b>Assets</b>						
Financial assets at fair value through profit or loss	-	2,106,536	3,538,424	42,864,389	-	48,509,349
Cash and cash equivalents	2,916,743	-	-	-	-	2,916,743
Due from broker	360,990	-	-	-	-	360,990
Interest and dividend receivable	-	111,301	-	-	-	111,301
Other receivables	-	45,432	-	-	-	45,432
<b>Total assets</b>	<u>3,277,733</u>	<u>2,263,269</u>	<u>3,538,424</u>	<u>42,864,389</u>	<u>-</u>	<u>51,943,815</u>
<b>Liabilities</b>						
Financial liabilities at fair value through profit or loss	-	25,967	-	4,950	-	30,917
Due to broker	2,872,482	-	-	-	-	2,872,482
Interest payable	722	-	-	-	-	722
Other payables	-	57,332	-	-	-	57,332
Net assets attributable to holders of redeemable participating shares*	<u>48,982,362</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>48,982,362</u>
<b>Total liabilities</b>	<u>51,855,566</u>	<u>83,299</u>	<u>-</u>	<u>4,950</u>	<u>-</u>	<u>51,943,815</u>

\* Subject to bi-monthly liquidity but countered to a degree by limitations in the prospectus, Directors may defer redemptions at a particular dealing day to the next dealing day where the requested redemptions exceed 10 per cent of the Fund's NAV.



**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

**9. EXCHANGE RATES**

The following exchange rates have been used to translate assets and liabilities into the functional currency of the Fund, US\$ at the reporting date:

<b>Chinook Global Convertible Bond Fund</b>	<b>31 December 2020 Rate</b>	<b>31 December 2019 Rate</b>
<b>Currency</b>		
Australian Dollar	1.300	-
Euro	0.818	0.891
Hong Kong Dollar	7.754	7.789
Japanese Yen	103.295	108.578
Pound Sterling	0.733	0.754
Swedish Krona	8.218	9.350
Swiss Franc	0.885	0.966
Singapore Dollar	1.321	1.345

**10. Taxation**

Under current law and practice the ICAV qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended ("TCA"). On that basis, it is not chargeable to Irish tax on its income or gains. However, Irish tax may arise on the occurrence of a "chargeable event". A chargeable event includes any distribution payments to shareholders or any encashment, redemption, transfer or cancellation of shares and any deemed disposal of shares for Irish tax purposes arising as a result of holding shares in the ICAV for a period of eight years or more. No Irish tax will arise in respect of chargeable events in respect of a shareholder who is an Exempt Irish Investor (as defined in Section 739D of the TCA) or who is neither Irish resident nor ordinarily resident in Ireland for tax purposes at the time of the chargeable event, provided, in each case, that an appropriate valid declaration in accordance with Schedule 2B of the TCA is held by the ICAV or where the ICAV has been authorised by Irish Revenue to make gross payments in absence of appropriate declarations.

Distributions, interest and capital gains (if any) received on investments made by the ICAV may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the ICAV or its shareholders.

**11. SOFT COMMISSION ARRANGEMENTS**

There were no soft commission arrangements in place during the year ended 31 December 2020 (2019: Nil).

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

**12. RELATED PARTIES**

In accordance with IAS 24-Related Party Disclosures, the related parties of the ICAV and the required disclosure relating to material transactions with related parties are outlined below.

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 Fund regards the Investment Manager, the Directors and Salar Fund plc as related parties. All fees for services provided by the affiliates are charged to the ICAV as stated in Note 5.

At the reporting date, Salar Fund Plc is invested in the Fund. The Fund does not hold any cross investments in Salar Fund plc at the reporting date (2019: Nil).

Elizabeth Beazley and Teddy Otto are employees of Carne Global Financial Services Limited. At the reporting date Tom Seymour Mead is an executive Director of Ferox Capital Management Limited and a Partner of Ferox Capital LLP. Up to the date of resignation, 2 September 2020, Nicholas Curtis was a non-executive Director of Ferox Capital Management Limited. Nicholas Curtis and Tom Seymour Mead were not in receipt of a director's fee during the year ended 31 December 2020 (2019: Nil).

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

13. NET ASSET VALUE HISTORY

<b>Chinook Global Convertible Bond Fund</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Class F CHF Accumulating<sup>1</sup></b>			
Net asset value (CHF)	-	-	506,033
Net asset value per share (CHF)	-	-	92.96
<b>Class A EUR Accumulating<sup>1</sup></b>			
Net asset value (€)	135	108	98
Net asset value per share (€)	135.03	108.46	97.94
<b>Class F EUR Accumulating<sup>1</sup></b>			
Net asset value (€)	131	105	15,008,150
Net asset value per share (€)	130.67	104.94	94.82
<b>Class F EUR Distributing<sup>1</sup></b>			
Net asset value (€)	-	-	670,072
Net asset value per share (€)	-	-	93.89
<b>Class M EUR Accumulating<sup>1</sup></b>			
Net asset value (€)	15,839,688	10,418,722	18,244,144
Net asset value per share (€)	136.65	109.70	99.04
<b>Class F GBP Accumulating<sup>1</sup></b>			
Net asset value (£)	-	-	3,191,803
Net asset value per share (£)	-	-	94.80
<b>Class F GBP Distributing<sup>1</sup></b>			
Net asset value (£)	-	-	12,171,566
Net asset value per share (£)	-	-	95.25
<b>Class R GBP Accumulating<sup>1</sup></b>			
Net asset value (£)	15,496,770	13,518,563	12,596,265
Net asset value per share (£)	139.12	111.22	99.32
<b>Class M GBP Accumulating<sup>1</sup></b>			
Net asset value (£)	2,606,033	799,467	713,487
Net asset value per share (£)	133.20	106.48	95.03
<b>Class A USD Accumulating</b>			
Net asset value (\$)	3,996,120	5,169,012	4,630,636
Net asset value per share (\$)	146.89	116.34	102.16
<b>Class F USD Accumulating</b>			
Net asset value (\$)	140	111	7,875,837
Net asset value per share (\$)	139.86	110.74	97.20

<sup>1</sup>Hedged share class

## FEROX INVESTMENTS ICAV

### NOTES TO THE FINANCIAL STATEMENTS (Continued) For the financial year ended 31 December 2020

#### 13. NET ASSET VALUE HISTORY (continued)

<b>Chinook Global Convertible Bond Fund</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
<b>Class F USD Distributing</b>			
Net asset value (\$)	-	-	1,819,415
Net asset value per share (\$)	-	-	96.70
<b>Class M USD Accumulating</b>			
Net asset value (\$)	7,166,931	13,123,639	11,514,428
Net asset value per share (\$)	149.62	118.51	103.98

#### 14. DIVIDENDS

In relation to the year ended 31 December 2020 no dividends were approved or paid. (31 December 2019: Nil).

#### 15. CHANGES TO THE PROSPECTUS

There were no updates to the Prospectus recorded during the year.

#### 16. EFFICIENT PORTFOLIO MANAGEMENT

The ICAV may, for the purposes of efficient portfolio management, enter into derivative contracts. Derivative contracts open at 31 December 2020 were forward currency contracts, option contracts and warrants and are disclosed in the schedule of investments and note 3. Forward currency contracts were held for the purposes of hedging currency fluctuations between the currency of denomination of the non-base share classes and the base currency. The ICAV did not engage in stock lending or transactions using repos during the year.

#### 17. SIGNIFICANT EVENTS DURING THE YEAR

Since early January 2020, global financial markets have been monitoring and reacting to the Covid-19 pandemic. The eventual impact on the global economy and markets will largely depend upon the scale and the duration of the outbreak which at this point is not fully known. With regards to day to day operations, the Investment Manager and many of its service providers have invoked business continuity procedures, including remote working, to ensure the safety of staff and to enable the business to continue to operate with minimal impact. The Fund is financially stable and able to meet its obligations to shareholders and continue its business and investment strategy for the foreseeable future and therefore remains a going concern.

Effective 2 September 2020, Nicholas Curtis resigned as a non-executive Director of Ferox Capital Management Limited.

There were no other significant events during the year that require amendments to or disclosure in the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS (Continued)**  
**For the financial year ended 31 December 2020**

18. SUBSEQUENT EVENTS

Subsequent to year end, there have been subscriptions and redemptions of US\$ 823,467 and US\$ 3,868,913 on the Fund.

Effective 6 April 2021, CQS (UK) LLP replaced Ferox Capital LLP as the Promoter, Investment Manager and Distributor of the Fund.

There were no other events after the year end that had a material effect on the financial statements.

19. APPROVAL OF THE FINANCIAL STATEMENTS

The audited financial statements were approved and authorised for issue by the Directors on 19 April 2021.

## FEROX INVESTMENTS ICAV

### APPENDIX 1 (AUDITED) SCHEDULE OF INVESTMENTS 31 December 2020

Investments are disclosed by their country of incorporation which may not necessarily be their country of risk.

Chinook Global Convertible Bond Fund	Quantity	Fair Value US\$	Net Assets %
<b>ASSETS</b>			
<b>EQUITIES</b>			
<b>GERMANY</b>			
MTU AERO ENGINES AG	1,621	422,889	0.77%
<b>TOTAL GERMANY (2019: 0.00%)</b>		<u>422,889</u>	<u>0.77%</u>
<b>TOTAL EQUITIES (2019: 0.00%)</b>		<u>422,889</u>	<u>0.77%</u>
<b>CONVERTIBLE BONDS</b>			
<b>AUSTRALIA</b>			
FLIGHT CENTRE LTD 2.05% 17/11/2027	1,200,000	1,031,433	1.87%
<b>TOTAL AUSTRALIA (2019: 0.00%)</b>		<u>1,031,433</u>	<u>1.87%</u>
<b>BRITISH VIRGIN ISLANDS</b>			
SMART INSIGHT INTERNATIONAL LTD 4.50% 05/12/2023	8,000,000	1,251,480	2.27%
<b>TOTAL BRITISH VIRGIN ISLANDS (2019: 0.00%)</b>		<u>1,251,480</u>	<u>2.27%</u>
<b>CAYMAN ISLANDS</b>			
ESR CAYMAN LTD 1.50% 30/09/2025	1,200,000	1,338,816	2.42%
JOYY INC YY 1.375% 15/06/2026	500,000	507,510	0.92%
KINGSOFT CORP LTD KINSF 0.625% 29/04/2025	5,000,000	992,262	1.80%
<b>TOTAL CAYMAN ISLANDS (2019: 0.00%)</b>		<u>2,838,588</u>	<u>5.14%</u>
<b>CHINA 0.00% (2019: 4.42%)</b>			
<b>FRANCE</b>			
ACCOR SA ACFP 0.7% 07/12/2027	1,600,000	1,023,555	1.85%
<b>TOTAL FRANCE (2019: 1.74%)</b>		<u>1,023,555</u>	<u>1.85%</u>
<b>GERMANY</b>			
DELIVERY HERO AG DEHEHO 1.50% 15/01/2028	900,000	1,240,906	2.25%
DEUTSCHE LUFTHANSA AG 2% 17/11/2025	1,000,000	1,429,701	2.59%
DEUTSCHE WOHNEN SE 0.60% 05/01/2026	800,000	1,079,497	1.95%
TAG IMMOBILIEN AG TEGGR 0.625% 01/09/2022	300,000	540,912	0.98%
ZALANDO SE 0.05% 06/08/2025	1,100,000	1,724,938	3.12%
<b>TOTAL GERMANY (2019: 6.07%)</b>		<u>6,015,954</u>	<u>10.89%</u>

**FEROX INVESTMENTS ICAV**
**APPENDIX 1 (AUDITED)  
SCHEDULE OF INVESTMENTS (Continued)  
31 December 2020**

<b>Chinook Global Convertible Bond Fund (Continued)</b>	<b>Quantity</b>	<b>Fair Value US\$</b>	<b>Net Assets %</b>
<b>ASSETS (Continued)</b>			
<b>CONVERTIBLE BONDS (Continued)</b>			
<b>HONG KONG 0.00% (2019: 0.72%)</b>			
<b>NETHERLANDS</b>			
BE SEMICONDUCTOR BESINA 0.50% 06/12/2024	800,000	1,150,255	2.08%
<b>TOTAL NETHERLANDS (2019: 0.00%)</b>		<u>1,150,255</u>	<u>2.08%</u>
<b>SINGAPORE</b>			
SINGAPORE AIRLINES LTD SIASP 1.625% 03/12/2025	1,250,000	1,030,122	1.86%
<b>TOTAL SINGAPORE (2019: 0.00%)</b>		<u>1,030,122</u>	<u>1.86%</u>
<b>SOUTH AFRICA 0.00% (2019: 2.70%)</b>			
<b>SPAIN</b>			
AMADEUS IT GROUP SA AMSSM 1.50% 09/04/2025	400,000	684,483	1.24%
<b>TOTAL SPAIN (2019: 1.92%)</b>		<u>684,483</u>	<u>1.24%</u>
<b>SWITZERLAND</b>			
DUFY ONE BV DUFNSW 1% 04/05/2023	200,000	394,044	0.72%
SIKA AG 0.15% 05/06/2025	600,000	917,847	1.66%
<b>TOTAL SWITZERLAND (2019: 2.22%)</b>		<u>1,311,891</u>	<u>2.38%</u>
<b>UNITED KINGDOM</b>			
OCADO GROUP PLC OCDOLN 0.875% 09/12/2025	200,000	392,709	0.71%
<b>TOTAL UNITED KINGDOM (2019: 1.62%)</b>		<u>392,709</u>	<u>0.71%</u>
<b>UNITED STATES</b>			
AKAMAI TECHNOLOGIES INC AKAM 0.125% 01/05/2025	850,000	1,052,878	1.91%
ALTERYX INC AYX 1% 01/08/2026	900,000	949,932	1.72%
AMERICAN AIRLINES GROUP AAL 6.50% 01/07/2025	400,000	504,456	0.91%
DOCUSIGN INC 0.50% 15/09/2023	200,000	625,482	1.13%
EXACT SCIENCES CORP EXAS 0.375% 15/03/2027	800,000	1,112,792	2.01%
GUIDEWIRE SOFTWARE INC 1.25% 15/03/2025	1,100,000	1,424,148	2.58%
ILLUMINA INC 0.50% 15/06/2021	250,000	365,402	0.66%
IONIS PHARMACEUTICALS IN IONS 1 % 15/11/2021	850,000	926,457	1.68%
LIBERTY MEDIA CORP 1.375% 15/10/2023	550,000	702,884	1.27%
LIBERTY MEDIA CORP FWONK 1% 30/01/2023	900,000	1,164,123	2.11%
LIVE NATION ENTERTAINMENT LYV 2.5% 15/03/2023	500,000	647,825	1.17%
MICROCHIP TECHNOLOGY INC 1.625% 15/02/2027	250,000	507,528	0.92%
NUANCE COMMUNICATIONS 1.50% 01/11/2035	250,000	536,645	0.97%
PALO ALTO NETWORKS 0.75% 01/07/2023	950,000	1,345,485	2.44%

# **FEROX INVESTMENTS ICAV**

## **APPENDIX 1 (AUDITED) SCHEDULE OF INVESTMENTS (Continued) 31 December 2020**

<b>Chinook Global Convertible Bond Fund (Continued)</b>	<b>Quantity</b>	<b>Fair Value US\$</b>	<b>Net Assets %</b>
<b>ASSETS (Continued)</b>			
<b>CONVERTIBLE BONDS (Continued)</b>			
<b>UNITED STATES (Continued)</b>			
PEBBLEBROOK HOTEL TRUST PEB 1.75% 15/12/2026	1,000,000	1,065,000	1.93%
PRICELINE GROUP INC 0.9% 15/09/2021	300,000	350,880	0.64%
PROOFPOINT INC PFPT 0.25% 15/08/2024	1,300,000	1,454,414	2.63%
SHOPIFY INC SHOPCN 0.125% 01/11/2025	1,400,000	1,658,804	3.00%
SILICON LABORATORIES INC 1.375% 01/03/2022	700,000	974,596	1.76%
SOUTHWEST AIRLINES CO LUV 1.25% 01/05/2025	350,000	510,752	0.92%
SPLUNK INC 0.50% 15/09/2023	600,000	786,216	1.42%
SQUARE INC 0.50% 15/05/2023	200,000	561,420	1.02%
WORKDAY INC 0.25% 01/10/2022	300,000	502,188	0.91%
ZENDESK INC 0.25% 15/03/2023	200,000	455,172	0.82%
ZILLOW GROUP INC Z 2.75% 15/05/2025	200,000	416,890	0.76%
<b>TOTAL UNITED STATES (2019: 42.46%)</b>		<b>20,602,369</b>	<b>37.29%</b>
<b>TOTAL CONVERTIBLE BONDS (2019: 63.87%)</b>		<b>37,332,839</b>	<b>67.58%</b>
<b>ZERO COUPON CONVERTIBLE BONDS</b>			
<b>CHINA 0.00% (2019: 2.10%)</b>			
<b>FRANCE</b>			
ARCHER OBLIGATIONS 0% 31/03/2023	200,000	357,943	0.65%
SAFRAN SA 0% 21/06/2023	400,000	737,911	1.33%
SCHNEIDER ELECTRIC SE 0% 15/06/2026	500,000	1,170,226	2.12%
<b>TOTAL FRANCE (2019: 7.25%)</b>		<b>2,266,080</b>	<b>4.10%</b>
<b>HONG KONG</b>			
ANLLIAN CAPITAL LTD 0% 05/02/2025	800,000	1,205,297	2.18%
CHINA CONCH VENTURE 0% 05/09/2023	8,000,000	1,193,866	2.16%
JP MORGAN CHASE BANK 0% 07/08/2022	500,000	661,350	1.20%
XIAOMI BEST TIME INTL XIAOMI 0% 17/12/2027	1,200,000	1,511,724	2.74%
<b>TOTAL HONG KONG (2019: 6.57%)</b>		<b>4,572,237</b>	<b>8.28%</b>
<b>ISRAEL</b>			
WIX LTD WIX 0% 01/07/2023	200,000	369,694	0.67%
<b>TOTAL ISRAEL (2019: 0.00%)</b>		<b>369,694</b>	<b>0.67%</b>
<b>ITALY</b>			
STMICROELECTRONICS NV STM 0% 04/08/2027	400,000	484,776	0.88%
<b>TOTAL ITALY (2019: 1.68%)</b>		<b>484,776</b>	<b>0.88%</b>



# **FEROX INVESTMENTS ICAV**

## **APPENDIX 1 (AUDITED) SCHEDULE OF INVESTMENTS (Continued) 31 December 2020**

<b>Chinook Global Convertible Bond Fund (Continued)</b>	<b>Quantity</b>	<b>Fair Value US\$</b>	<b>Net Assets %</b>
<b>ASSETS (Continued)</b>			
<b>ZERO COUPON CONVERTIBLE BONDS (Continued)</b>			
<b>JAPAN</b>			
SBI HOLDINGS INC 0% 25/07/2025	120,000,000	1,266,517	2.29%
SUZUKI MOTOR CORPORATION SUZUKI 0% 31/03/2023	60,000,000	712,310	1.29%
<b>TOTAL JAPAN (2019: 1.57%)</b>		<u>1,978,827</u>	<u>3.58%</u>
<b>NETHERLANDS 0.00% (2019: 2.06%)</b>			
<b>NEW ZEALAND</b>			
XERO INVESTMENTS LTD XROAU 0% 02/12/2025	1,200,000	1,303,452	2.36%
<b>TOTAL NEW ZEALAND (2019: 0.00%)</b>		<u>1,303,452</u>	<u>2.36%</u>
<b>SINGAPORE</b>			
ADM AG HOLDING LTD ADM 0% 26/08/2023	1,200,000	1,323,480	2.40%
<b>TOTAL SINGAPORE (2019: 0.00%)</b>		<u>1,323,480</u>	<u>2.40%</u>
<b>SPAIN</b>			
IBERDROLA INTERNATIONAL BV 0% 11/11/2022	300,000	507,061	0.92%
<b>TOTAL SPAIN (2019: 2.39%)</b>		<u>507,061</u>	<u>0.92%</u>
<b>SWITZERLAND</b>			
CEMBRA MONEY BANK AG 0% 09/07/2026	400,000	469,055	0.85%
<b>TOTAL SWITZERLAND (2019: 0.00%)</b>		<u>469,055</u>	<u>0.85%</u>
<b>TAIWAN</b>			
INNOLUX CORP CHINNO 0% 22/01/2025	400,000	559,888	1.01%
<b>TOTAL TAIWAN (2019: 1.93%)</b>		<u>559,888</u>	<u>1.01%</u>
<b>UNITED STATES</b>			
CYBERARK SOFTWARE LTD 0% 15/11/2024	1,000,000	1,217,910	2.21%
PINDUODUO INC PDD 0% 01/12/2025	1,500,000	1,846,350	3.34%
<b>TOTAL UNITED STATES (2019: 5.10%)</b>		<u>3,064,260</u>	<u>5.55%</u>
<b>TOTAL ZERO COUPON CONVERTIBLE BONDS (2019: 30.65%)</b>		<u>16,898,810</u>	<u>30.60%</u>

**FEROX INVESTMENTS ICAV**

**APPENDIX 1 (AUDITED)**  
**SCHEDULE OF INVESTMENTS (Continued)**  
**31 December 2020**

**Chinook Global Convertible Bond Fund (Continued)**

**ASSETS (Continued)**

	Counterparty	Strike Price	Quantity	Fair Value US\$	Net Assets %
<b>BOND OPTIONS</b>					
<b>JAPAN</b>					
DIGITAL GARAGE 0% 2023	Nomura <sup>1</sup>	100	150,000,000	118,758	0.21%
JAPAN AIRPORT TERMINAL 0% 2022	Mizuho <sup>2</sup>	30	200,000,000	66,042	0.12%
JAPAN AIRPORT TERMINAL 0% 2022	Mizuho	45	150,000,000	49,532	0.09%
JAPAN AIRPORT TERMINAL 0% 2022	Mizuho	50	150,000,000	49,532	0.09%
KYORITSU MAINTENANCE 0% 2021	Mizuho	50	40,000,000	-	0.00%
LIXIL 0% 2022	Daiwa <sup>3</sup>	40	200,000,000	4,395	0.01%
LIXIL 0% 2022	Nomura	45	300,000,000	6,592	0.01%
MARUWA 0% 2025	Mizuho	90	150,000,000	169,907	0.31%
MITSUBISHI CHEMICAL 0% 2024	Mizuho	50	300,000,000	53,466	0.10%
SANEI ARCHITECTURE 0% 2022	Mizuho	120	350,000,000	62,675	0.11%
<b>TOTAL JAPAN (2019: 1.12%)</b>				<b>580,899</b>	<b>1.05%</b>
<b>TOTAL BOND OPTIONS (2019: 1.12%)</b>				<b>580,899</b>	<b>1.05%</b>
<b>CONTRACTS FOR DIFFERENCE (Counterparty: BNP Paribas Securities Services)</b>					
<b>GERMANY</b>					
JPM/SIEMENS 0% 24/05/2022			800,000	25,839	0.05%
<b>TOTAL GERMANY (2019: 0.00%)</b>				<b>25,839</b>	<b>0.05%</b>
<b>TOTAL CONTRACTS FOR DIFFERENCE (2019: 0.00%)</b>				<b>25,839</b>	<b>0.05%</b>
<b>WARRANTS (Counterparty: BNP Paribas Securities Services)</b>					
<b>JAPAN</b>					
TAKUMI CAPITAL LTD 0% 24/03/2021			200,000,000	12,440	0.02%
TAKUMI CAPITAL LTD 0% 25/03/2021			200,000,000	-	0.00%
TAKUMI CAPITAL LTD 0% 30/04/2021			300,000,000	-	0.00%
TAKUMI CAPITAL LTD 0% 21/05/2025			200,000,000	90,416	0.17%
WESSEX LTD 0% 10/03/2021			60,000,000	-	0.00%
WESSEX LTD 0% 13/02/2023			300,000,000	62,152	0.11%
<b>TOTAL JAPAN (2019: 0.54%)</b>				<b>165,008</b>	<b>0.30%</b>
<b>TOTAL WARRANTS (2019: 0.54%)</b>				<b>165,008</b>	<b>0.30%</b>

<sup>1</sup> Nomura Securities

<sup>2</sup> Mizuho Bank Ltd

<sup>3</sup> Daiwa Securities America Inc

**FEROX INVESTMENTS ICAV**

**APPENDIX 1 (AUDITED)  
SCHEDULE OF INVESTMENTS (Continued)  
31 December 2020**

**Chinook Global Convertible Bond Fund (Continued)**

**ASSETS (Continued)**

**FORWARD CURRENCY CONTRACTS (Counterparty: BNP Paribas Securities Services)**

<b>Currency Bought</b>	<b>Amount Bought</b>	<b>Currency Sold</b>	<b>Amount Sold</b>	<b>Contract Date</b>	<b>Unrealised Gain</b>	<b>Net Assets %</b>
EUR	2,450,000	CHF	2,628,468	16/02/2021	24,895	0.05%
EUR	320,000	CHF	344,984	16/02/2021	1,358	0.00%
EUR	1,900,000	HKD	17,420,131	16/02/2021	78,060	0.14%
EUR	220,000	HKD	2,004,541	16/02/2021	10,654	0.02%
EUR	400,000	HKD	3,775,188	16/02/2021	2,530	0.00%
EUR	490,000	HKD	4,630,578	16/02/2021	2,328	0.00%
EUR	420,000	JPY	52,386,600	16/02/2021	6,579	0.01%
EUR	430,000	JPY	53,676,212	16/02/2021	6,326	0.01%
EUR	400,000	JPY	50,499,040	16/02/2021	387	0.00%
EUR	70,000	JPY	8,825,047	16/02/2021	187	0.00%
EUR	1,650,000	USD	1,951,831	16/02/2021	67,314	0.12%
EUR	300,000	USD	352,539	16/02/2021	14,579	0.03%
EUR	250,000	USD	296,020	16/02/2021	9,911	0.02%
EUR	250,000	USD	304,410	16/02/2021	1,521	0.00%
EUR	130,000	USD	158,463	16/02/2021	621	0.00%
GBP	2,600,000	EUR	2,865,541	16/02/2021	43,682	0.08%
GBP	350,000	EUR	385,852	16/02/2021	5,750	0.01%
GBP	12,800,000	USD	16,679,256	16/02/2021	799,210	1.45%
GBP	750,000	USD	973,905	16/02/2021	50,224	0.09%
GBP	350,000	USD	455,281	16/02/2021	22,646	0.04%
GBP	120,000	USD	161,174	16/02/2021	2,686	0.00%
<b>TOTAL FORWARD CURRENCY CONTRACTS (2019: 2.85%)</b>					<b>1,151,448</b>	<b>2.07%</b>
<b>TOTAL ASSETS (2019: 99.03%)</b>					<b>56,577,732</b>	<b>102.42%</b>

# **FEROX INVESTMENTS ICAV**

## **APPENDIX 1 (AUDITED) SCHEDULE OF INVESTMENTS (Continued) 31 December 2020**

### **Chinook Global Convertible Bond Fund (Continued)**

#### **LIABILITIES**

#### **CONTRACTS FOR DIFFERENCE (Counterparty: BNP Paribas Securities Services)**

#### **SWITZERLAND (0.00)% (2019: (0.01%))**

#### **FORWARD CURRENCY CONTRACTS (Counterparty: BNP Paribas Securities Services)**

<b>Currency Bought</b>	<b>Amount Bought</b>	<b>Currency Sold</b>	<b>Amount Sold</b>	<b>Contract Date</b>	<b>Unrealised Gain</b>	<b>Net Assets %</b>
CHF	447,885	EUR	415,000	16/02/2021	(1,214)	(0.00)%
CHF	277,782	EUR	260,000	16/02/2021	(3,951)	(0.01)%
CHF	753,624	EUR	700,000	16/02/2021	(4,135)	(0.01)%
EUR	1,000,000	JPY	126,353,700	16/02/2021	(61)	(0.00)%
EUR	800,000	SGD	1,297,832	16/02/2021	(3,287)	(0.00)%
GBP	575,000	EUR	646,940	16/02/2021	(6,511)	(0.01)%
HKD	917,261	EUR	100,000	16/02/2021	(4,055)	(0.01)%
HKD	1,285,899	EUR	140,000	16/02/2021	(5,454)	(0.01)%
<b>TOTAL FORWARD CURRENCY CONTRACTS (2019: (0.05%))</b>					<b>(28,668)</b>	<b>(0.05)%</b>
<b>TOTAL LIABILITIES (2019: (0.06%))</b>					<b>(28,668)</b>	<b>(0.05)%</b>
<b>NET FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (2019: 98.97%)</b>					<b>56,549,064</b>	<b>102.37%</b>

<b>ANALYSIS OF TOTAL GROSS ASSETS</b>	<b>% of total gross assets</b>
Transferable securities admitted to an official stock exchange or traded in a regulated market	95.82
Exchange traded financial derivatives	1.02
Over-the-counter financial derivatives	2.35
Other current assets	0.81
<b>TOTAL (2019: 100.00%)</b>	<b>100.00</b>

**APPENDIX 2 (UNAUDITED)**  
**STATEMENT OF SIGNIFICANT PORTFOLIO MOVEMENTS**  
**31 December 2020**
**Chinook Global Convertible Bond Fund**

The Central Bank UCITS Regulations requires all material changes that have occurred in the disposition of the assets of the UCITS to be documented in the annual report. A material change is defined as the aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the year or aggregate disposals greater than 1 per cent of the total value of sales for the year. At a minimum, the largest 20 purchases and sales must be given, or all purchases and sales if less than 20. A full listing of the portfolio changes for the year is available, upon request, at no extra cost from the Administrator.

<b>Purchases</b>	<b>Ccy</b>	<b>Cost US\$</b>
AMERICA MOVIL SAB DE CV 0% 28/05/2020	EUR	2,910,445
CELLNEX TELECOM SA CLNXSM 0.75% 20/11/2031	EUR	2,495,010
JP MORGAN CHASE BANK NA 0% 24/05/2022	EUR	2,367,388
SHOPIFY INC SHOPCN 0.125% 01/11/2025	USD	2,047,887
SCHNEIDER ELECTRIC SE SUFP 0% 15/06/2026	EUR	1,707,996
ADM AG HOLDING LTD ADM 0% 26/08/2023	USD	1,704,600
PINDUODUO INC PDD 0% 01/12/2025	USD	1,567,136
JOYY INC YY 1.375 15/06/2026	USD	1,458,766
AKAMAI TECHNOLOGIES INC AKAM 0.125% 01/05/2025	USD	1,457,980
PROOFPOINT INC PFPT 0.25% 15/08/2024	USD	1,457,306
EXACT SCIENCES CORP EXAS 0.375% 15/03/2027	USD	1,419,867
LINE CORP LINECP 0% 20/09/2023	JPY	1,407,435
ZALANDO SE 0.05% 06/08/2025	EUR	1,350,421
REALPAGE INC RP 1.50% 15/05/2025	USD	1,346,637
DUFYR ONE BV DUFNSW 1% 04/05/2023	CHF	1,342,726
ALTERYX INC AYX 1% 01/08/2026	USD	1,336,798
TWITTER INC 0.125% 15/06/2024	USD	1,279,418
XIAOMI BEST TIME INTL XIAOMI 0% 17/12/2027	USD	1,274,250
DEUTSCHE LUFTHANSA AG 2% 17/11/2025	EUR	1,250,809
XERO INVESTMENTS LTD XROAU 0% 02/12/2025	USD	1,229,000
ESR CAYMAN LTD 1.50% 03/09/2025	USD	1,220,200
SBI HOLDINGS INC 0% 25/07/2025	JPY	1,185,492
CHINA CONCH VENTURE 0% 05/09/2023	HKD	1,183,812
BE SEMICONDUCTOR BESINA 0.50% 06/12/2024	EUR	1,183,372
LIBERTY MEDIA CORP FWONK 1% 30/01/2023	USD	1,175,621
J2 GLOBAL COMMUNICATIONS JCOM 3.25% 15/06/2029	USD	1,171,737
CYBERARK SOFTWARE LTD 0% 15/11/2024	USD	1,147,333
SOUTHWEST AIRLINES CO LUV 1.25% 01/05/2025	USD	1,106,000
ELIOTT CAPITAL SARL ELICAP 0% 30/12/2022	EUR	1,102,048
CEMBRA MONEY BANK AG 0% 09/07/2026	CHF	1,099,202
OCADO GROUP PLC OCDOLN 0.875% 09/12/2025	GBP	1,087,577
PEBBLEBROOK HOTEL TRUST PEB 1.75% 15/12/2026	USD	1,086,079
DELIVERY HERO AG DEHEHO 1.50% 15/01/2028	EUR	1,067,787

**APPENDIX 2 (UNAUDITED)**  
**STATEMENT OF SIGNIFICANT PORTFOLIO MOVEMENTS (Continued)**  
**31 December 2020**

**Chinook Global Convertible Bond Fund (Continued)**

<b>Purchases (Continued)</b>	<b>Ccy</b>	<b>Cost US\$</b>
KINGSOFT CORP LTD KINSF 0.625% 29/04/2025	HKD	1,031,932
INNOLUX CORP CHINNO 0% 22/01/2025	USD	1,007,500
ACCOR SA ACFP 0.7% 07/12/2027	EUR	1,002,909
AMERICAN AIRLINES GROUP AAL 6.50% 01/07/2025	USD	997,415
PALO ALTO NETWORKS 0.75% 01/07/2023	USD	993,865
SINO BIOPHARMACEUTICAL SINBIO 0% 17/02/2025	EUR	958,929
IONIS PHARMACEUTICALS IN IONS 1 % 15/11/2021	USD	958,226
ZILLOW GROUP INC Z 2.75% 15/05/2025	USD	957,901
SINGAPORE AIRLINES LTD SIASP 1.625% 03/12/2025	SGD	950,883
SBI HOLDINGS INC 0% 14/09/2022	JPY	933,635
FLIGHT CENTRE LTD 2.05% 17/11/2027	AUD	925,861
DEUTSCHE WOHNEN AG DWNIGY 0.325% 26/07/2024	EUR	921,000
ANLLIAN CAPITAL LTD 0% 05/02/2025	EUR	904,747
MICROCHIP TECHNOLOGY INC 1.625% 15/02/2027	USD	788,574
AMADEUS IT GROUP SA AMSSM 1.50% 09/04/2025	EUR	782,818

Financial derivative instruments are excluded from the above due to no cost being attributed to purchases and sales of such instruments.

**FEROX INVESTMENTS ICAV**
**APPENDIX 2 (UNAUDITED)  
STATEMENT OF SIGNIFICANT PORTFOLIO MOVEMENTS (Continued)  
31 December 2020**
**Chinook Global Convertible Bond Fund (Continued)**

<b>Sales</b>	<b>Ccy</b>	<b>Proceeds US\$</b>
AMERICA MOVIL SAB DE CV 0% 28/05/2020	EUR	3,902,167
CELLNEX TELECOM SA CLNXSM 0.75% 20/11/2031	EUR	2,453,930
JP MORGAN CHASE BANK NA 0% 24/05/2022	EUR	2,349,774
DUFYR ONE BV DUFNSW 1% 04/05/2023	CHF	1,621,451
REALPAGE INC RP 1.50% 15/05/2025	USD	1,550,540
SEMICONDUCTOR MANUFACTUR SMIZCH 0% 07/07/2022	USD	1,548,688
MICROCHIP TECHNOLOGY INC 1.625% 15/02/2027	USD	1,501,781
J2 GLOBAL COMMUNICATIONS JCOM 3.25% 15/06/2029	USD	1,458,140
LINE CORP LINECP 0% 20/09/2023	JPY	1,450,187
TWITTER INC 0.125% 15/06/2024	USD	1,374,401
SQUARE INC 0.50% 15/05/2023	USD	1,323,899
REMGRO JERSEY GBP LTD REMSJ 2.625% 22/03/2021	GBP	1,300,863
ON SEMICONDUCTOR CORP ON 1% 01/12/2020	USD	1,241,371
SBI HOLDINGS INC 0% 14/09/2022	JPY	1,184,936
GRAND CITY PROPERTIES SA GYCGR 0.25% 02/03/2022	EUR	1,164,601
PALO ALTO NETWORKS 0.75% 01/07/2023	USD	1,157,990
CTRP.COM INTL LTD CTRP 1.99% 01/07/2025	USD	1,117,418
NUANCE COMMUNICATIONS 1.50% 01/11/2035	USD	1,107,329
ELIOTT CAPITAL SARL ELICAP 0% 30/12/2022	EUR	1,103,407
DOCUSIGN INC 0.50% 15/09/2023	USD	1,094,772
LENOVO GROUP LTD LENOVO 3.375% 24/01/2024	USD	1,079,500
ZILLOW GROUP INC Z 2.75% 15/05/2025	USD	1,067,278
WIX LTD WIX 0% 01/07/2023	USD	1,066,278
ZILLOW INC Z 2% 01/12/2021	USD	1,033,620
CHINA YANGTZE PWR INT BV YANGTZ 0% 09/11/2021	USD	1,011,750
SOUTHWEST AIRLINES CO LUV 1.25% 01/05/2025	USD	997,258
JP MORGAN CHASE BANK NA JPM 0% 11/01/2021	USD	982,100
POSEIDON FINANCE 1 LTD POSEDF 0% 01/02/2025	USD	975,600
MTU AERO ENGINES AG MTXGR 0.125% 17/05/2023	EUR	968,857
INPHI CORP IPHI 0.75% 01/09/2021	USD	963,579
AIRBUS GROUP SE AIRFP 0% 14/06/2021	EUR	961,725
DEUTSCHE WOHNEN AG DWNIGY 0.325% 26/07/2024	EUR	921,773
NUVASIVE INC NUVA 2.25% 15/03/2021	USD	909,969
SINO BIOPHARMACEUTICAL SINBIO 0% 17/02/2025	EUR	900,514
INDRA SISTEMAS SA IDRSM 1.25% 07/01/2023	EUR	891,578
SPLUNK INC 0.50% 15/09/2023	USD	891,315
OCADO GROUP PLC OCDOLN 0.875% 09/12/2025	GBP	877,611
JOYY INC YY 1.375 15/06/2026	USD	853,633
PRICELINE GROUP INC 0.9% 15/09/2021	USD	840,165
STMICROELECTRONICS NV STM 0% 03/07/2022	USD	834,200
IBERDROLA INTERNATIONAL BV 0% 11/11/2022	EUR	813,972
CIE GENERALE DES ESTABLI MLFP 0% 10/01/2022	USD	802,000
UNITED MICROELECTRONICS UNIMIC 0% 18/05/2020	USD	793,000

**APPENDIX 2 (UNAUDITED)**  
**STATEMENT OF SIGNIFICANT PORTFOLIO MOVEMENTS (Continued)**  
**31 December 2020**

**Chinook Global Convertible Bond Fund (Continued)**

<b>Sales (Continued)</b>	<b>Ccy</b>	<b>Proceeds US\$</b>
ILLUMINA INC 0.50% 15/06/2021	USD	787,406
NATIONAL GRID NA INC NGGLN 0.9% 02/11/2020	GBP	786,892
TOTAL SA TOTAL 0.50% 02/12/2022	USD	768,000
LIVE NATION ENTERTAINMENT LYV 2.5% 15/03/2023	USD	759,000
DEUTSCHE WOHNEN SE 0.60% 05/01/2026	EUR	748,782

Financial derivative instruments are excluded from the above due to no cost being attributed to purchases and sales of such instruments.



**APPENDIX 3 (UNAUDITED)  
UCITS V REMUNERATION DISCLOSURE  
31 December 2020**

The Fund is a self-managed investment company and has adopted a formal remuneration policy in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended by the European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2019 (the “Regulations”). The Fund has made an assessment of the nature, scale and complexity of its business in accordance with the Regulations and determined the Fund is relatively low risk when compared to other fund structures. The only identified staff are the members of the Board of Directors. The remuneration of the Board is set at a fixed amount and is detailed in Note 5 to these Financial Statements. The Fund does not offer performance related remuneration to its identified staff. The remuneration policy is reviewed once per annum. The Fund delegates investment management functions to Ferox Capital LLP. The Fund confirms it has in place appropriate contractual arrangements to ensure that the remuneration arrangements are equally as effective as the remuneration requirements in the Regulations and ESMA Guidelines on Sound Remuneration policies under the UCITS Directive issued on 14 October 2016.