

**Primus Solutions ICAV**  
**Annual Report & Audited Financial Statements**  
**For the financial year ended 31 December 2021**

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**Annual Report & Audited Financial Statements**  
**For the financial year ended 31 December 2021**

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**Directors and Other Information**

**Board of Directors**

Aogán Foley<sup>1</sup> (Irish)  
Roddy Stafford<sup>1</sup> (Chairperson) (Irish)  
Laura Holz<sup>2</sup> (British) (Resigned on 30 April 2021)  
Bronwyn Wright<sup>1</sup> (Irish) (Appointed on 31 August 2021)

**Global Distributors**

Deutsche Bank AG  
Winchester House  
1 Great Winchester Street  
London EC2N 2 DB  
England

Deutsche Bank AG  
Taunusanlage 12  
60325, Frankfurt am Main  
Germany

**German Information Agent**

Deutsche Bank AG Frankfurt  
Ref: Real Money Investors  
Mainzer Landstrasse 11-17  
60329 Frankfurt am Main  
Germany<sup>3</sup>

**Manager**

FundRock Management Company S.A.  
33, rue de Gasperich  
L-5826 Hesperange  
Grand Duchy of Luxembourg

**Investment Manager**

Assenagon Asset Management S.A.  
Aerogolf Center  
1B Heienhaff  
L-1736 Senningerberg  
Grand Duchy of Luxembourg

**Depository**

The Bank of New York Mellon SA/NV, Dublin Branch  
Riverside II  
Sir John Rogerson's Quay  
Grand Canal Dock  
Dublin 2  
Ireland

**Administrator**

BNY Mellon Fund Services (Ireland) Designated  
Activity Company  
One Dockland Central  
Guild Street  
IFSC, Dublin 1  
Ireland

**Independent Auditors**

KPMG  
1 Harbourmaster Place  
IFSC  
Dublin 1  
Ireland

**Legal Advisors**

Maples and Calder (Ireland) LLP  
75 St. Stephen's Green  
Dublin 2  
Ireland

**Secretary**

MFD Secretaries Limited  
32 Molesworth Street  
Dublin 2  
Ireland

**Registered Office**

32 Molesworth Street  
Dublin 2  
Ireland

Spanish Representative  
Allfunds Bank, S.A.U.  
Calle de los Padres Dominicos 7  
Madrid 28050  
Spain

Italian Representative  
AllFunds Bank, S.A.U.  
Via Bocchetto 6  
20123 Milan  
Italy

<sup>1</sup> Independent non-executive Director

<sup>2</sup> Non-executive Director

<sup>3</sup>The Instrument of Incorporation, Prospectus, the Key Investor Information Documents, the annual and semi-annual reports, as well as the issue and redemption prices are available free of charge pursuant to Sec. 297 (1) of the German Capital Investment Code from the office of the German Information Agent as specified above.

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## **Directors' Report**

The Board of Directors' (the "Directors") present their Annual Report and Audited Financial Statements of Primus Fixed Income Smart Beta Fund (the "Sub-Fund"), a Sub-Fund of Primus Solutions ICAV (the "ICAV") for the financial year ended 31 December 2021. The registration date of the ICAV was 12 October 2017, the Primus Fixed Income Smart Beta Fund as authorised by the Central Bank of Ireland (the "Central Bank") on 6 June 2019. The Sub-Fund's name changed from Primus Cross Asset Momentum Fund to Primus Fixed Income Smart Beta Fund on 16 June 2020.

### **Segregated Liabilities**

The ICAV has been structured as an umbrella fund, with segregated liability between Sub-Funds, in that the Directors may from time to time, with the prior approval of the Central Bank, create different series of Shares in accordance with the requirements of the Central Bank representing separate portfolios of assets, with each such series comprising a Sub-Fund. Each Sub-Fund will bear its own liabilities and, under Irish law, none of the ICAV, any of the service providers appointed to the ICAV, the Directors, any receiver, examiner or liquidator, nor will any other person have access to the assets of a Sub-Fund in satisfaction of a liability of any other Sub-Fund.

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

The Directors are responsible for preparing the Directors' Report and financial statements of Primus Fixed Income Smart Beta Fund, in accordance with applicable law and regulations.

The Irish Collective Asset-Management Vehicles Act 2015 and 2020 ("ICAV Act") requires the Directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") and applicable law.

The financial statements are required to give a true and fair view of the assets, liabilities and financial position of the Sub-Fund at the end of the financial year and of the change in equity attributable to holders of equity shares of the Sub-Fund for the financial year. 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 applicable Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- assess the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the Sub-Fund or to cease operations, or have no realistic alternative but to do so.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and change in net assets attributable to holders of equity shares of the Sub-Fund and enable them to ensure that the financial statements comply with the Irish Collective Asset-Management Vehicles Act 2015 and 2020, and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations").

The Directors have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Sub-Fund. In this regard they have entrusted the assets of the Sub-Fund to a Depository for safe-keeping. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Irish Collective Asset-Management Vehicles Act 2015 and 2020.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the website <https://www.fundinfo.com>. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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**Directors' Report (continued)**

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

As at 31 December 2021, the ICAV consisted of one active Sub-Fund, the Primus Fixed Income Smart Beta Fund. As at 31 December 2021, the Sub-Fund had the following one share class in issue:

- Institutional EUR I3C-E share class.

The investment objective of the Sub-Fund is to provide investors with a capital growth over the long term through obtaining exposure to fixed income systematic quantitative investment strategies across multiple financial instruments.

The Investment Manager's Report contains a review of the factors which contributed to the performance for the year ended 31 December 2021.

The ICAV will continue to act as an investment vehicle as set out in the Prospectus.

**Results and Distributions**

The financial position and results for the year are set out in the Statement of Financial Position and Statement of Comprehensive Income. The Sub-Fund may have either Capitalising Classes or Distributing Classes or both. With respect to the Capitalising Classes in the Sub-Fund, the Directors have determined to capitalise all net investment income and net realised and unrealised capital gains attributable to such Capitalising Classes and therefore do not intend to declare dividends in respect of Shares in such classes. Pursuant to the Instrument of Incorporation, the Directors may declare dividends, in respect of Shares in any Distributing Class out of net income (including dividend and interest income but net of taxes, costs and expenses of the Sub-Fund) and/or the excess of realised and unrealised capital gains over realised and unrealised losses in respect of investments of the ICAV. No dividends were declared for the year ended 31 December 2021. Please refer to the Sub-Fund's Supplement for further information.

**Risk Management Objectives and Policies**

The main risks arising from the Sub-Fund's financial instruments are market price, interest rate, currency and liquidity risk which are outlined in Note 4 to these financial statements.

The Sub-Fund's overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Sub-Fund's financial performance. Investment in the Sub-Fund carries with it a degree of risk including, but not limited to, the risks referred to in Note 4 of these financial statements.

**Key Performance Indicators**

The Directors consider the change in Net Asset Value ("NAV") per share is a key indicator of performance of the Sub-Fund. Key Performance Indicators are monitored by the Board of Directors.

**Significant Events that Occurred During the Year**

On 12 February 2021, following regulatory approval by the Commission de Surveillance du Secteur Financier (the "CSSF") in Luxembourg, Apex Group Ltd. became the ultimate controlling shareholder of FundRock Management Company S.A and FundRock Management Company S.A is as of this date a subsidiary of Apex Group Ltd. FundRock Management Company S.A has not changed its name or its operations.

Primus Solutions ICAV undertook an update to the Primus Fixed Income Smart Beta Fund Supplement on 2 March 2021 in line with the Sustainable Finance Disclosure Regulation 2019/2088.

On 30 April 2021, Laura Holz resigned as Director of the ICAV. On 31 August 2021, Bronwyn Wright was appointed as Director of the ICAV.

Primus Solutions ICAV undertook an update to the Prospectus and to the Primus Fixed Income Smart Beta Fund Supplement on 10 August 2021 (to incorporate non-material updates such as an update to the Board of Directors).

Optimized Equity Income Fund, a sub-fund of Primus Solutions ICAV, was registered in Germany and Italy on 17 December 2021.

There have been no other significant events that occurred during the financial year that requires disclosure in the financial statements.

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**Directors' Report (continued)**

**Events Since Financial Year End**

Note 15 of these financial statements outline the events since the financial year end.

**Employees**

There were no employees of the ICAV throughout the year.

**Directors and Secretary**

The Directors as at 31 December 2021 are listed in Directors and Other Information on page 2. MFD Secretaries Limited held the office of ICAV Secretary (the "Secretary") throughout the year.

**Directors' and Secretary's Interests in Shares and Contracts**

The Directors, Secretary and their families had no interest in the shares of the Sub-Fund at 31 December 2021. Other than as disclosed in Note 10 to the Financial Statements, none of the Directors had a material interest in any contract or agreement of significance, as defined in the ICAV Act, during or at the end of the year in relation to the business of the ICAV.

**Connected Party Transactions**

Regulation 43 of the Central Bank UCITS Regulations "Restrictions of transactions with connected persons" states that "A responsible person shall ensure that any transaction between a UCITS and a connected person is conducted a) at arm's length; and b) in the best interest of the shareholders of the UCITS".

As required under Central Bank UCITS Regulation 81.4, the Directors, as responsible persons are satisfied that there are in place arrangements, evidenced by written procedures, to ensure that the obligations that are prescribed by Regulation 43(1) are applied to all transactions with a connected person; and all transactions with connected parties that were entered into during the year to which the report relates complied with the obligations that are prescribed by Regulation 43(1).

**Adequate Accounting Records**

The Directors believe that they have complied with the ICAV Act with regard to accounting records by engaging the services of an Administrator, who employs personnel with appropriate expertise and adequate resources to provide the ICAV's finance function.

The measures taken by the Directors to secure compliance with the ICAV's obligations to keep adequate accounting records include the use of appropriate systems and procedures and the employment of competent persons. The accounting records are retained at the office of the Administrator at One Dockland Central, Guild Street, IFSC, Dublin 1, Ireland.

**Statement of Compliance on Corporate Governance**

The ICAV voluntarily adopted the Corporate Governance Code (the "Code") as published by Irish Funds. The Board has reviewed and assessed the measures included in the Code and considers its corporate governance practices and procedures since the adoption of the Code as consistent therewith, save for the following (a) for the period between (i) the date of resignation of Ms. Laura Holz (30 April 2021); and (ii) the appointment of Ms. Bronwyn Wright (31 August 2021), the Board comprised two Irish-resident directors and (b) there is no director who is also an employee of the ICAV's promoter.

It should be noted that the composition of the Board has, at all times, remained in compliance with (i) section 56 the ICAV Act 2015 (which requires a minimum of 2 Directors); and (ii) Regulation 104 of the Central Bank (Supervision and Enforcement Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (which requires the ICAV to have 2 Directors resident in Ireland).

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**Directors' Report (continued)**

**Directors' Compliance Statement**

It is the policy of the ICAV to comply with its relevant obligations (as defined in the Companies Acts). As required by Section 225(2) of the Companies Act 2014, the Directors acknowledge that they are responsible for securing the ICAV's compliance with the relevant obligations. The Directors have drawn up a compliance policy statement as defined in Section 225(3)(a) of the Companies Act 2014 and a compliance policy which refers to the arrangements and structures that are in place and which are, in the Directors' opinion, designed to secure material compliance with the ICAV's relevant obligations. These arrangements and structures were reviewed by the Directors during the financial year. In discharging their responsibilities under Section 225, the Directors relied upon, among other things, the services provided, advice and/or representations from third parties whom the Directors believe have the requisite knowledge and experience in order to secure material compliance with the ICAV's relevant obligations.

**Safekeeping of Assets**

The Directors have delegated the safekeeping of the assets of the Sub-Fund to a service organisation The Bank of New York Mellon SA/NV, Dublin Branch (the "Depositary").

**Going Concern**

It is presumed that the Sub-Fund will continue in business and the financial statements have been prepared on a going concern basis. In preparing the financial statements, the Board of Directors is responsible for assessing the Sub-Fund's, ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Sub-Funds to cease operations, or has no realistic alternative but to do so.

After making enquiries, the Board of Directors have a reasonable expectation that the Sub-Fund has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the financial statements.

**Relevant Audit Information**

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

**Independent Auditors**

KPMG, as auditors of the ICAV, have indicated their willingness to act as independent auditor in accordance with Section 125 of the ICAV Act.

On behalf of the Board of Directors:

Director:   
Aogán Foley

Director:   
Roddy Stafford

Date: 25 April 2022

## **REPORT FROM THE DEPOSITARY TO THE SHAREHOLDERS**

For the period from 01 January 2021 to 31 December 2021 (the “**Period**”)

The Bank of New York Mellon SA/NV, Dublin Branch (the “**Depository**” “**us**”, “**we**”, or “**our**”) has enquired into the conduct of Primus Solutions ICAV (the “**ICAV**”) for the Period, in its capacity as Depository to the ICAV.

This report including the opinion has been prepared for and solely for the shareholders in the ICAV, in accordance with our role as Depository to the ICAV and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

### **Responsibilities of the Depository**

Our duties and responsibilities are outlined in Regulation 34 of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No 352 of 2011), as amended (the “**Regulations**”).

Our report shall state whether, in our opinion, the ICAV has been managed in that period in accordance with the provisions of the ICAV’s constitutional documentation and the Regulations. It is the overall responsibility of the ICAV to comply with these provisions. If the ICAV has not been so managed, we as Depository must state in what respects it has not been so managed and the steps which we have taken in respect thereof.

### **Basis of Depository Opinion**

The Depository conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties and to ensure that, in all material respects, the ICAV has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the ICAV’s constitutional documentation and the appropriate regulations.

As the sub-fund did not launch during the period and no investments have been made, the Depository has not performed such reviews as it would normally undertake for an active sub-fund.

### **Opinion**

As the sub-fund did not launch and was not active during the period, we confirm that in our opinion, the ICAV has been managed during the Period, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the ICAV by the constitutional documentation and the Regulations; and
- (ii) otherwise in accordance with the provisions of the constitutional documentation and the Regulations.



For and on behalf of The Bank of New York SA/NV, Dublin Branch,  
Riverside II,  
Sir John Rogerson’s Quay,  
Grand Canal Dock,  
Dublin 2,  
Ireland.

Date: 25<sup>th</sup> April 2022

Registered in Ireland No. 907126, VAT No. IE9578054E

The Bank of New York Mellon SA/NV, trading as The Bank of New York Mellon SA/NV, Dublin Branch is authorised by the National Bank of Belgium regulated by the Central Bank of Ireland for conduct of business rules.

The Bank of New York Mellon SA/NV, 46 Rue Montoyerstraat, B-1000 Brussels, Belgium - Tel. (32) 2 545 81 11, V.A.T. BE 0806.743.159 - RPM-RPR Brussels Company No. 0806.743.159. The Bank of New York Mellon SA/NV is a Belgian limited liability company, authorized and regulated as a significant credit institution by the European Central Bank and the National Bank of Belgium under the Single Supervisory Mechanism and by the Belgian Financial Services and Markets Authority.



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**Investment Manager's Report**  
**Primus Fixed Income Smart Beta Fund**

## Investment Objective

The investment objective of the Primus Fixed Income Smart Beta Sub-Fund is to provide capital growth over the long term through obtaining exposure to systematic fixed income investment strategies across multiple financial instruments. The Sub-Fund seeks to achieve its investment objective by obtaining synthetic exposure to:

- a portfolio of fixed income indices that provide a reasonable representation of the fixed income market (each a "Market Strategy" and together the "Global Fixed Income Beta Sub Portfolio") and
- the performance of a portfolio of fixed income, systematic, quantitative and rules-based investment strategies which
  - aim to capture one or more of the investment styles and
  - are exposed to the financial instruments drawn from the asset universeas described in the supplement to Primus Solutions ICAV (each, a "QIS Strategy" and together the "QIS Strategy Sub Portfolio").

As a part of the cash management strategy, the cash was invested in a portfolio of short-term debt securities issued by the German government (German Treasury Bills) during the reporting period.

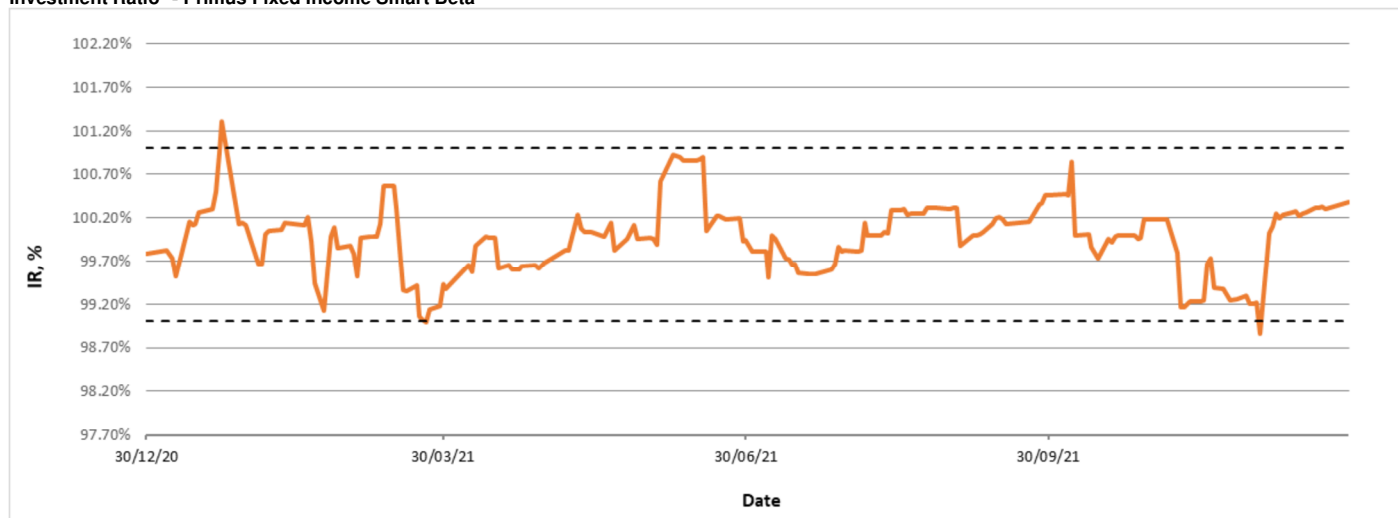
## Performance Comment

During the reporting period, the I3C-E share class returned -2.81%, thereof

- -1.79% attributed to the total return swap (TRS) performance, tracking DBCUPFIS Index and providing synthetic exposure to fixed income quantitative investment strategies
- -0.71% attributed to the performance of cash portfolio consisting of German Treasury Bills;
- -0.30% attributed to the fixed Total Expense Ratio (TER) of the Sub-Fund;
- 0.14% attributed to the NAV swing pricing mechanism;
- -0.14% attributed to transaction costs on swap trading;

The TRS tracked the index well, both returning -1.79% p.a. while the investment ratio was held within the predefined tolerance range. The performance of the government bond portfolio was in line with the underlying market where the 1Y yield fluctuated mainly between -0.73% and -0.63%, reaching its lowest value of -0.87% in November 2021<sup>1</sup>.

**Investment Ratio\* - Primus Fixed Income Smart Beta**



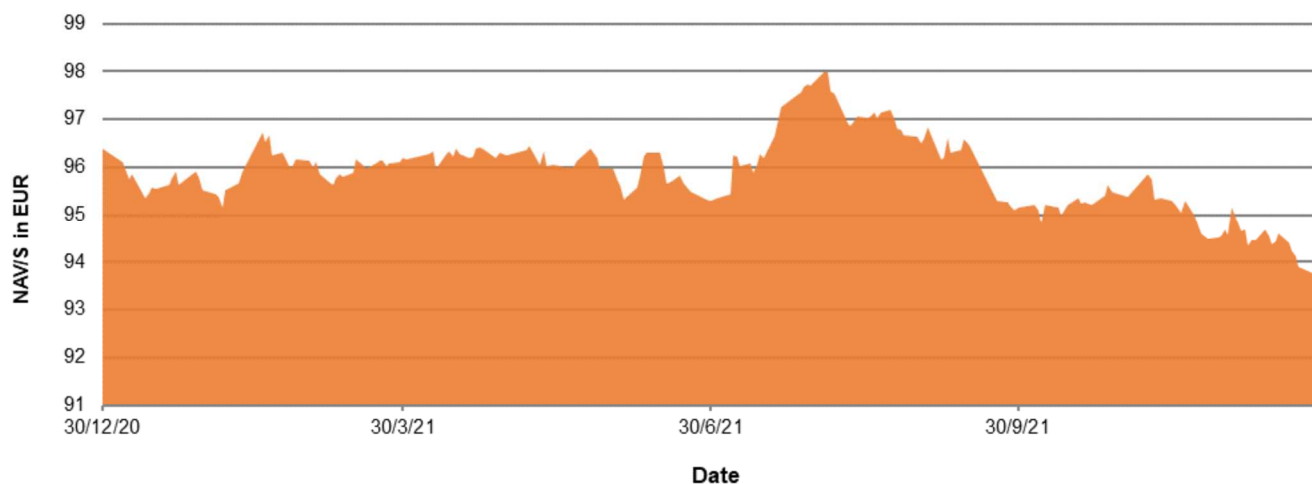
<sup>1</sup> Source: Bloomberg, EUR Germany Govt Bills & Bonds Yield Curve

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**Investment Manager's Report (continued)**

**Performance History**

**NAV HISTORY\* Primus Fixed Income Smart Beta**  
30/12/20 - 31/12/21



**MONTHLY PERFORMANCE\* HISTORY Primus Fixed Income Smart Beta**

2021	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec**	Year**
	-0.91%	0.67%	0.01%	0.07%	-0.29%	-0.69%	2.52%	-1.09%	-1.53%	0.31%	-0.95%	-0.92%	-2.81%

\*The figures provided relate to Class I3C-E (EUR). Returns for other share classes may vary.

\*\*Performance calculations are based on the last dealing NAV, 30 December 2021.

**Assenagon Asset Management S.A.**  
**Aerogolf Center**  
**1B. Heienhaff**  
**1736 Senningerberg**  
**Luxembourg**

**24 January 2022**

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**Independent Auditors' Report to the Shareholders of Primus Fixed Income Smart Beta Fund ("the Sub-Fund"), a Sub-Fund of Primus Solutions ICAV**

***Opinion***

We have audited the financial statements of Primus Fixed Income Smart Beta Fund ('the Sub-Fund'), a Sub-Fund of Primus Solutions ICAV ('the ICAV') for the year ended 31 December 2021 set out on pages 12 to 39, which comprise the Statement of Financial Position, Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows and related notes, including the summary of significant accounting policies set out in note 3. 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 Sub-Fund as at 31 December 2021 and of its change in net assets attributable to holders of equity shares for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and
- the financial statements have been properly prepared in accordance with the requirements of the Irish Collective Asset-management Vehicles Act 2015 and 2020, 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) ("ISA (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 Sub-Fund in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Accounting and Auditing 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.

***We have nothing to report on 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 Sub-Fund's ability to continue as a going concern for a period of at least twelve months from the date when the financial statements are authorised for issue.

Our Responsibilities and the Responsibilities of the Directors with respect to Going Concern are described in the Relevant Sections of this Report.

***Other information***

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the Directors' Report, Directors and Other Information, Report from the Depositary to the Shareholders, Investment Manager's Report, Portfolio Listing (Unaudited), Statement of Portfolio Changes (Unaudited), Appendix I: UCITS V Remuneration Policy (Unaudited), Appendix II: Securities Financing Transactions Regulation ("SFTR") Annual Report Disclosures (Unaudited), Appendix III: Supplemental Information (Unaudited), Appendix IV: Total Expense Ratio (Unaudited) and Appendix V: Sustainable Finance Disclosure Regulation ("SFDR") (Unaudited). The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or

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**Independent Auditors' Report to the Shareholders of Primus Fixed Income Smart Beta Fund ("the Sub-Fund") a Sub-Fund of Primus Solutions ICAV (continued)**

***Other information (continued)***

our audit knowledge. Based solely on that work undertaken during the course of the audit, we have not identified material misstatements in the other information.

***Opinion on other matter prescribed by the Irish Collective Asset-management Vehicles Act 2015 and 2020***

In our opinion, the information given in the Directors' Report is consistent with the financial statements.

***Matters on which we are required to report by exception***

The Irish Collective Asset-Management Vehicle Act 2015 and 2020, requires us to report to you, if in our opinion the disclosures of Directors' remuneration specified by law are not made. We have nothing to report in this regard.

**Respective responsibilities and restrictions on use**

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

As explained more fully in the directors' responsibilities statement set on page 3, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; 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; assessing the Sub-Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Sub-Fund or to cease operations, or have 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 fuller description of our responsibilities is provided on IAASA's website at <http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/Description-of-the-auditor-s-responsibilities-for>

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

Our report is made solely to the shareholders of the Sub-Fund, as a body, in accordance with the Section 120 of the Irish Collective Asset-management Vehicles Act 2015. Our audit work has been undertaken so that we might state to the Sub-Fund's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Sub-Fund and the Sub-Fund's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.



**James Casey**  
**for and on behalf of**  
**KPMG**  
**Chartered Accountants, Statutory Audit Firm**  
**1 Harbourmaster Place**  
**IFSC**  
**Dublin 1**

**Date: 26 April 2022**

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**Statement of Financial Position**

		<b>Primus Fixed Income Smart Beta Fund</b>	<b>Primus Fixed Income Smart Beta Fund</b>
		<b>As at 31 December 2021 EUR</b>	<b>As at 31 December 2020 EUR</b>
	<b>Notes</b>		
<b>Assets</b>			
<b>Financial assets at fair value through profit or loss:</b>			
-Transferable securities		67,214,242	60,861,718
<b>Other financial assets:</b>			
Cash and cash equivalents	3(a), 7	2,665,039	536,773
Subscriptions receivable		37,835	33,725
Other assets		178,084	3,885
<b>Total Assets</b>		<b>70,095,200</b>	<b>61,436,101</b>
<b>Liabilities</b>			
<b>Financial liabilities at fair value through profit or loss:</b>			
-Financial derivative instruments	3(a)	(625,342)	(35,576)
<b>Other financial liabilities:</b>			
Redemptions payable		(45,370)	(121,513)
<b>Total Liabilities</b>		<b>(670,712)</b>	<b>(157,089)</b>
<b>Total net assets attributable to the holders of equity shares</b>		<b>69,424,488</b>	<b>61,279,012</b>
<b>Net assets attributable to the holders of equity shares EUR I3C - E Share Class</b>		EUR69,424,488	EUR61,279,012
<b>Net assets attributable to the holders of equity shares EUR I3C - E Share Class</b>		EUR93.678	EUR96.596
<b>Shares in issue EUR I3C - E Share Class</b>		741,096.00	634,384.00

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

On behalf of the Board of Directors:

Director:   
Aogán Foley

Director:   
Roddy Stafford

Date: 25 April 2022

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**Statement of Comprehensive Income**

		Primus Fixed Income Smart Beta Fund	Primus Fixed Income Smart Beta Fund
		Year ended 31 December 2021 EUR	Period from 1 June 2020 to 31 December 2020 EUR
	Notes		
<b>Income</b>			
Bank Interest income		604	—
Net loss on financial assets and liabilities at fair value through profit or loss	3(a), 6	(1,885,479)	(1,991,478)
<b>Total net loss</b>		<u>(1,884,875)</u>	<u>(1,991,478)</u>
<b>Expenses</b>			
Swap Interest Expense	3(m)	(18,793)	(48,082)
Management fee	9	(30,000)	(9,098)
Investment Manager fee	9	(115,581)	(32,787)
Fixed fee	9	(59,517)	(12,257)
<b>Total operating expenses</b>		<u>(223,891)</u>	<u>(102,224)</u>
<b>Operating loss</b>		<u>(2,108,766)</u>	<u>(2,093,702)</u>
<b>Finance cost</b>			
Bank interest		(19,518)	(1,626)
 Change in net assets attributable to the holders of equity shares		 <u>(2,128,284)</u>	 <u>(2,095,328)</u>

There were no gains or losses recognised in the financial year other than those noted above. All above amounts relate to continuing operations of the Sub-Fund.

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

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**Statement of Changes in Equity**

	<b>Primus Fixed Income Smart Beta Fund Year ended 31 December 2021 EUR</b>	<b>Primus Fixed Income Smart Beta Fund Period from 1 June 2020 to 31 December 2020 EUR</b>
<b>Net Assets attributable to the holders of equity shares at the beginning of the year</b>	61,279,012	—
Change in net assets attributable to holders of equity shares	(2,128,284)	(2,095,328)
Proceeds from issuance of equity shares	27,409,824	73,931,774
Payments on redemption of equity shares	(17,136,064)	(10,557,434)
<b>Total change in net assets attributable to holders of equity shares</b>	<b>8,145,476</b>	<b>61,279,012</b>
<b>Net assets attributable to the holders of equity shares at the end of the year</b>	<b>69,424,488</b>	<b>61,279,012</b>

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

**Primus Solutions ICAV**  
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**Statement of Cash Flows**

	<b>Primus Fixed Income Smart Beta Fund</b>	<b>Primus Fixed Income Smart Beta Fund</b>
	<b>Year ended 31 December 2021 EUR</b>	<b>Period from 1 June 2020 to 31 December 2020 EUR</b>
<b>Cash flows from operating activities</b>		
Change in amount attributable to holders of equity shares	(2,128,284)	(2,095,328)
Adjustments for:		
-Bank interest income	(604)	–
-Swap interest expense	18,793	48,082
-Bank interest expense	19,518	1,626
<b>Operating (loss) before working capital changes in operating assets and liabilities</b>	<b>(2,090,577)</b>	<b>(2,045,620)</b>
Net (Increase) in other assets and liabilities	(174,199)	(3,885)
(Increase) in financial assets at fair value through profit or loss	(6,352,524)	(60,861,718)
Decrease in financial liabilities at fair value through profit or loss	589,766	35,576
<b>Cash used in operations</b>	<b>(8,027,534)</b>	<b>(62,875,647)</b>
Bank interest income	604	–
Swap interest expense	(18,793)	(48,082)
<b>Net cash used in operating activities</b>	<b>(8,045,723)</b>	<b>(62,923,729)</b>
<b>Cash flows from financing activities</b>		
Bank interest expense	(19,518)	(1,626)
Proceeds from equity shares issued	27,405,713	73,898,049
Redemption of equity shares	(17,212,206)	(10,435,921)
<b>Net cash from financing activities</b>	<b>10,173,989</b>	<b>63,460,502</b>
Net Increase in cash and cash equivalents	2,128,266	536,773
Cash and cash equivalents at beginning of the financial year	536,773	–
<b>Cash and cash equivalents at end of year</b>	<b>2,665,039</b>	<b>536,773</b>

The Sub-Fund has the option to classify interest paid as either operating or financing activities and interest received as either operating or investing activities. The Sub-Fund has elected to classify cash flows from bank interest paid as financing activities and cash flows from swap interest received and paid as operating activities.

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



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## **Notes to the Financial Statements**

### **1. Organisation**

Primus Solutions ICAV (the “ICAV”) was registered in Ireland on 12 October 2017 under registration number C174024 as an open-ended Irish collective asset-management vehicle established under the laws of Ireland pursuant to the Irish Collective Asset-Management Vehicles Act 2015 and 2020 (the “ICAV Act”), the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, as amended (the “UCITS Regulations”) and the Central Bank (Supervision and Enforcement Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the “Central Bank UCITS Regulations”).

The ICAV is structured as an umbrella fund with segregated liability between Sub-Funds. The Instrument of Incorporation provides that the ICAV may offer separate classes of shares, each representing interests in a Sub-Fund comprising a distinct portfolio of investments. In addition, each Sub-Fund may be further divided into a number of different classes within the Sub-Fund.

With the prior approval of the Central Bank of Ireland (the “CBI”), the ICAV from time to time may create an additional Sub-Fund or Sub-Funds. The creation of further share classes shall be notified to and cleared by the CBI.

As at 31 December 2021, the ICAV consisted of one Sub-Fund, the Primus Fixed Income Smart Beta Fund. As at 31 December 2021, the Sub-Fund had the following share class in issue:

- Institutional EUR I3C-E share class.

The Sub-Fund seeks to provide investors with a capital growth over the long term through obtaining exposure to fixed income systematic quantitative investment strategies.

The Sub-Fund was authorised by the Central Bank on 6 June 2019 and launched on 10 September 2020.

The reporting entity is the Sub-Fund.

### **2. Basis of Preparation**

#### **(a) Statement of Compliance**

The Sub-Fund’s annual financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union (“EU”), the ICAV Act, the UCITS Regulations and the Central Bank UCITS Regulations.

#### **(b) Basis of Measurement**

The financial statements have been prepared on a going concern basis which assumes that the Sub-Fund will continue in operational existence for the foreseeable future. In preparing the financial statements, the Board of Directors is responsible for assessing the Sub-Fund’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Sub-Funds to cease operations, or has no realistic alternative but to do so.

After making enquiries, the Board of Directors have a reasonable expectation that the Sub-Fund has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt a going concern basis in preparing the financial statements.

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities at fair value through profit or loss.

Details of the Sub-Fund’s accounting policies are included in Note 3.

#### **(c) Functional and Presentation Currency**

The financial statements are presented in Euro (“EUR”) (the “presentation currency”). Items included in the Sub-Fund’s financial statements are measured and presented using the currency of the primary economic environment in which it operates. The functional currency and presentation currency of the existing Sub-Fund is EUR.

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**Notes to the Financial Statements (continued)**

**2. Basis of Preparation (continued)**

**(c) Functional and Presentation Currency (continued)**

Monetary assets and liabilities denominated in currencies other than the functional currency are translated into the functional currency at the closing rate of exchange at the year end date. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the Statement of Comprehensive Income. Translation differences on non-monetary items, held at fair value through profit and loss are reported as part of the fair value gain and loss.

Reported net realised and unrealised gains and losses arising from foreign currency transactions are reflected in the Statement of Comprehensive Income.

**(d) Use of Judgements and Estimates**

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Although these estimates are based on management's best knowledge of the amount, event or actions, actual results ultimately may differ from those estimates.

The Directors make estimates and assumptions concerning the future of the Sub-Fund. The resulting accounting estimates will, by definition, seldom equal the related actual results.

Any estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities predominantly relate to the fair value of financial instruments. Any changes in data inputs and assumptions for valuation of financial instruments could affect the reported fair value of financial instruments and the differences could be material. Please refer to Note 4 for further information.

**3. Significant Accounting Policies**

The significant accounting policies adopted by the Sub-Fund are set out below. These policies have been consistently applied to the years presented unless otherwise stated.

**(a) Financial Assets and Liabilities**

**(i) Classification**

IFRS 9 has been applied by the Sub-Fund. IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, Fair Value of Other Comprehensive Income ("FVOCI") and Fair Value through Profit or Loss ("FVTPL"). The classification of financial assets under IFRS 9 is generally based on the business model in which a financial asset is managed and its contractual cash flow characteristics.

A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represents payments of principal and interest ("SPPI"). The carrying amounts of cash and cash equivalents, subscriptions receivable and redemptions payable is a reasonable approximation of fair value due to the immediate or short term nature of these financial instruments. These assets and liabilities are carried at amortised cost.

A debt instrument is measured at fair value through comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly reduces a measurement or recognition inconsistency. Government Bonds are classified at Fair Value through Profit or Loss.

Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income.

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**Primus Solutions ICAV**  
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**Notes to the Financial Statements (continued)**

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

**(a) Financial Assets and Liabilities (continued)**

**(i) Classification (continued)**

The Sub-Fund financial assets and liabilities measured at FVTPL are initially recorded at their transaction price and then measured at fair value subsequent to initial recognition. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the Statements of Comprehensive Income in the year in which they arise.

Financial assets classified as receivables are carried at cost less impairment losses, if any. Financial liabilities, other than those at fair value through profit or loss, are measured at cost. Equity arising from equity shares issued by the Sub-Fund are carried at the redemption amount representing the investors' right to a residual amount of the Sub-Fund's Net Assets Attributable to Holders of Equity Shares ("Net Assets").

Financial assets are not reclassified subsequent to their initial recognition unless the Sub-Fund were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

**(ii) Recognition and Initial Measurement**

The Sub-Fund initially recognises financial assets and financial liabilities at FVTPL on the trade date, which is the date on which the Sub-Fund becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. These transaction costs are recognised in net gain/(loss) on financial assets and financial liabilities at FVTPL in the Statement of Comprehensive Income.

**(iii) De-recognition**

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

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Sub-Fund is recognised as a separate asset or liability.

The Sub-Fund enters into transactions whereby it transfers assets recognised on its Statement of Financial Position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all of the risks and rewards are retained, then the transferred assets are not derecognised. Transfers of assets with retention of all or substantially all of the risks and rewards include sale and repurchase transactions.

**(iv) Subsequent Measurement**

The Sub-Fund financial instruments which are classified at fair value through profit or loss are subsequently measured at fair values. Net gains and losses, including any interest or dividend income and expense and foreign exchange gains and losses, are recognised in the Statement of Comprehensive Income. Changes in the fair value recognised are recorded in the Statement of Comprehensive Income.

**(v) Determination of Fair Value**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether the price is directly observable or estimated using another valuation technique.

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**Notes to the Financial Statements (continued)**

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

**(a) Financial Assets and Liabilities (continued)**

**(v) Determination of Fair Value (continued)**

The Sub-Fund measures fair values using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy levels are outlined in Note 4(e).

Each asset which is quoted, listed or traded on or under the rules of any Recognised Market shall be valued by reference to the official closing price on the relevant Recognised Market at the close of business on such Recognised Market on each Business Day. If a quoted market price in an active market is not available on a recognised stock exchange or from a vendor for non-exchange traded financial instruments, the fair value of the instrument is estimated by the Investment Manager using valuation techniques; including use of recent arm's length market transactions, reference 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.

**(vi) Amortised Cost**

Financial assets that are stated at cost or amortised cost are reviewed at each Statement of Financial Position date to determine whether there is objective evidence of impairment. If any such indication exists, an impairment loss is recognised in change in equity attributable to holders of equity shares in the Statement of Comprehensive Income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate.

**(vii) Impairment of Assets not at Fair Value**

The Sub-Fund's financial assets subject to the expected credit loss ("ECL") model within IFRS 9 are cash and cash equivalents and other assets which are measured at amortised cost. At 31 December 2021, cash and cash equivalents and other assets are held with counterparties with a credit rating of AA- or higher and are due to be settled within 1 month. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet this contractual obligation on the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Sub-Fund. In addition, it is management's judgement to provide a summary accounting policy with respect to the loss allowance on the grounds of it being wholly immaterial.

IFRS 9 has a single ECL impairment model applicable to all financial assets measured at amortised cost and debt instruments measured at FVOCI, with some simplifications for trade receivables, contract assets and lease receivables. The ECL model differs significantly from the IAS 39 incurred loss model in that a loss event does not need to occur before an impairment loss is recognised. In other words, there is no longer a recognition threshold, and it is no longer appropriate to wait for a customer to default or other evidence of an incurred loss such as a receivable that has aged beyond normal payment terms to record a bad debt reserve.

**(b) Transaction Costs**

Transaction costs are incurred on the acquisition or disposal of financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisors, brokers and dealers, interest or taxes payable in respect of purchase and sale transactions. Transaction costs on the purchases and sales of debt instruments and derivatives are included in the purchase and sale price of the investment. These costs cannot be practically or reliably gathered as they are embedded in the cost of the investment and cannot be separately verified or disclosed.

**(c) Transfer between Levels of Fair Value Hierarchy**

There were no transfers between levels of the fair value hierarchy. If there were transfers, they would be deemed to have occurred at the beginning of the reporting year.

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**Notes to the Financial Statements (continued)**

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

**(d) Interest income and expense**

Interest income is recognised in the Statement of Comprehensive Income as it accrues, on an effective interest rate basis. Interest expense is recognised on an accruals basis in line with the contractual terms. Interest is accrued on a daily basis.

**(e) Equity Shares**

The Sub-Fund has one class of equity shares in issue: Institutional EUR I3C-E share class.

Each equity share shall be calculated by dividing the Net Asset Value of the Sub-Fund by the total number of shares issued in respect of that Sub-Fund at the relevant valuation point. The Net Asset Value of the Sub-Fund shall be calculated by ascertaining the value of the assets of the Sub-Fund and deducting from such amount the liabilities of the Sub-Fund, which shall include all fees and expenses payable and/or accrued and/or estimated to be payable out of the assets of the Sub-Fund.

Investors may subscribe for shares for cash on each Dealing Day by making an application. Proceeds in respect of the issue of equity shares which are receivable at the year end are classified as assets within the Statement of Financial Position.

Shareholders may request the Sub-Fund to redeem their Shares on any Dealing Day at the Net Asset Value per Share in respect of the relevant Dealing Day in accordance with the redemption procedures detailed in the ICAV's Prospectus and as specified in the Relevant Supplement. In the event of liquidation, the equity shares entitles the shareholder a pro-rata to the number of shares held in a particular share class. These shares are classified as equity or liability, as appropriate, in accordance with IAS 32 Financial Instruments – Presentation ("IAS 32"). Typically, where a Sub-Fund has only one share class in issue, those shares qualify for equity classification as the qualifying criteria in IAS 32.16A and 16B are met. On the other hand, where a Sub-Fund has more than one such share class in issue, those share classes do not, for example, typically have identical rights to each other and therefore those qualifying criteria for equity classification are not met. Where the criteria are no longer met, the Sub-Fund reclassifies from the date when shares cease to qualify for equity classification. The shares, when first classified as financial liabilities are measured at fair value. Subsequently, the shares are classified as financial liabilities at amortised cost and are measured at the present value of the redemption amounts.

A puttable financial instrument that includes a contractual obligation for the respective Sub-Funds to repurchase or redeem that instrument for cash or another financial asset is classified as equity if it meets all of the conditions below:

- it entitles the holder to a pro rata share of the Sub-Fund's equity in the event of the Sub-Fund's liquidation;
- it is in the class of instruments that is subordinate to all other classes of instruments;
- all financial instruments in the class of instruments that is subordinate to all other classes of instruments have identical features;
- apart from the contractual obligation for the respective Sub-Fund to repurchase or redeem the instrument for cash and other financial asset, the instrument does not include any other features that would require classification as a liability; and
- the total expected cash flows attributable to the instrument over its life are based substantially on the profit or loss, the change in the recognized equity or the change in the fair value of the recognised and unrecognised equity of the respective Fund over the life of the instrument.

As at 31 December 2021, the equity attributable to the holders of equity shares of the Primus Fixed Income Smart Beta Fund are classified as equity. Please refer to the Statement of Financial Position for the net assets classified as equity.

**(f) Fees and Charges**

Where applicable, a management fee, investment manager fee, distributor fee and fixed fee is expensed as incurred and is charged to the Statement of Comprehensive Income on an accruals basis.

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**Notes to the Financial Statements (continued)**

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

**(g) Gains and Losses on Investments**

Realised gains or losses on disposals of investments during the year (which is calculated using the weighted average cost of the investment) and unrealised gains and losses on valuation of investments held at the year end are recognised within the net gains/(losses) on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income.

**(h) Dividend Policy**

A Sub-Fund may have either Capitalising Classes or Distributing Classes or both. The share class in issue at the year end is Capitalising Class whereby the Directors have determined to capitalise all net investment income and net realised and unrealised capital gains attributable to such Capitalising Classes and therefore do not intend to declare dividends in respect of Shares in such classes.

Full details of any change to a Sub-Fund' dividend policy will be provided in an updated Supplement and all Shareholders will be notified in advance.

**(i) Due from/to Brokers**

Amounts due from/to brokers represent payables for securities purchased and receivables for securities sold that have been contracted for but not yet delivered by the year end. These amounts are recognised initially at fair value and subsequently measured at amortised cost, less provision for impairment for amounts due from brokers. A provision for impairment of amounts due from brokers is established when there is objective evidence that the Sub-Fund will not be able to collect all amounts due from the relevant broker. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are considered indicators that the amount due from brokers is impaired. Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognised using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. There was no impairment loss in the current year.

**(j) Accrued Expenses**

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

**(k) Offsetting**

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 offset 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 Offsetting financial assets and financial liabilities for details in respect of offsetting and presentation in the financial statements.

**(l) Establishment expenses**

The Sub-Fund's establishment and organisational expenses (including expenses relating to the drafting of the Prospectus, the negotiation and preparation of the material contracts, the printing of the Prospectus and the related marketing material and the fees and expenses of its professional advisers) will be paid by Deutsche Bank as sponsor of the ICAV.

**(m) Total Return Swaps**

The Investment Manager is expected to fulfil the Investment Objective by entering into one or more unfunded Total Return Swaps with Deutsche Bank as its initial counterparty (the "Initial TRS"). Each Total Return Swap will have its terms determined by the Investment Manager at the inception of each transaction, and may subsequently be amended or replaced by the Investment Manager. The Total Return Swap(s) will be used to gain exposure to Financial Indices or FDIs which implement the Strategies, and which FDIs will comprise Futures, Options, Swaps and/or Forwards (as described in the Prospectus).

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**Notes to the Financial Statements (continued)**

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

**(m) Total Return Swaps (continued)**

By entering into the Initial TRS the Sub-Fund will gain a return which references the Portfolio. Apart from amendments or replacements of the Strategies represented in any Total Return Swaps, the Investment Manager's discretion will be primarily focused on sizing the Sub-Fund's exposures to the Strategies via each Total Return Swap. In order to fulfil the Investment Objective, and if it is determined to be in the best interests of Shareholders, the Investment Manager will also have discretion to employ the FDI listed above directly on an exchange in Recognised Markets or with counterparties other than Deutsche Bank.

Where the Sub-Fund engages in the use of Total Return Swaps or other OTC FDI, Deutsche Bank as Swap counterparty, as well as any other Swap Counterparty, will not have any discretion over the assets of the Sub-Fund or the rules governing an underlying Strategy. Under any Total Return Swap transaction as described above, the Sub-Fund will receive cash payments when the Total Return Swap performance is positive; conversely the Sub-Fund will make payments to the Swap counterparty in the event of negative performance of the Total Return Swap.

Fulfilment of the Investment Objective will entail the use of FDI including Total Return Swaps which are largely unfunded in nature. As a result, a significant portion of a Sub-Fund's investor proceeds is expected to be available in cash. The Investment Manager is expected to allocate available cash to cash itself or to cash equivalents such as high quality commercial paper, fixed or floating rate short-term government debt securities and certificates of deposit listed or traded on Recognised Markets in addition to using other cash management techniques as described in the Supplement to the Prospectus.

The realised gain/(loss) on Total Return Swaps as at 31 December 2021 is EUR (813,173) (31 December 2020: EUR (1,879,311)). Total return swaps outstanding at the end of the year are valued at their fair value at the year end date. The discounted value of each single inflow and outflow of interest and capital is calculated at the year end. The net difference arising on this calculation is included as the fair value of the swap and is recorded as an unrealised gain/(loss) in the financial statements. Cash inflows and outflows relating to interest receipts/payments on swaps, if any, are recorded as swap interest income/expense, respectively and presented within swap interest income in the Statement of Comprehensive Income.

The Swap counterparty is Deutsche Bank AG.

**(n) New standards, amendments and interpretations issued and effective**

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

**(o) New standards, amendments and interpretations issued but not effective 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 Company.

**(p) Collateral**

The Sub-Fund's assets may be deposited for collateral purposes with counterparties in respect of OTC FDIs held by the Sub-Fund. Such assets remain in the ownership of the Sub-Fund and are recorded as an asset on the Statement of Financial Position. The terms and conditions associated with collateral have no significant unusual requirements from the usual practice of recourse when a default occurs. The level of collateral required to be posted by a counterparty may vary by counterparty and where the exchange of collateral relates to initial or variation margin in respect of non-centrally cleared OTC derivatives which fall within the scope of European Market Infrastructure Regulation (the "EMIR"), the level of collateral will be determined taking into account the requirements of EMIR. In all other cases, collateral will be required from a counterparty where regulatory exposure limits to that counterparty would otherwise be breached. As at 31 December 2021 collateral in relation to the Total Return Swap was posted in the form of a government bond. As at 31 December 2020 none of the Sub-Fund's assets were deposited for collateral purposes.

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**Notes to the Financial Statements (continued)**

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

**(q) Swing Pricing**

FundRock Management Company S.A. (the “Manager”) has adopted a policy to ensure the fair treatment of investors where potentially dilutive effects of dealing exist. The Manager may use anti-dilution levies or swing pricing mechanisms, and depending on the Fund’s structure and/or the Administrator’s capabilities one may be preferable over the other. The Manager, or its delegate, will “swing” the Net Asset Value of a Sub-Fund to attempt to mitigate the potentially dilutive effects of dealing on the Net Asset Value on any Dealing Day on which there are net subscriptions or redemptions in the Sub-Fund. The Manager, in conjunction with the Fund’s board, will consider each fund on a case-by-case basis to determine whether anti-dilution measures will apply.

**4. Financial Risk Management**

**(a) Investment Strategy**

Assenagon Asset Management S.A. acts as the Investment Manager to the Sub-Fund pursuant to the Investment Management Agreement.

The detailed investment objectives and policies of the Sub-Fund are set out in the Prospectus.

The Sub-Fund will seek to achieve its investment objective by obtaining synthetic exposure equally to:

- (a) portfolio of fixed income indices which the Investment Manager and the ICAV believe are a reasonable representation of a particular fixed income market as described in Annex I “Investment Restrictions” of the Prospectus (each a “Market Strategy” and together the “Global Fixed Income Beta Sub Portfolio”); and
- (b) the performance of a portfolio of fixed income, systematic, quantitative and rules-based investment strategies which have been developed by Deutsche Bank AG and are each benchmarks governed by the EU Benchmarks Regulation ((EU) 2016/1011) which (i) aim to capture one or more of the Investment Styles and (ii) are exposed to the financial instrument(s) drawn from the asset universe described in Annex II “Investment Restrictions” of the Prospectus (each, a “QIS Strategy” and together the “QIS Strategy Sub Portfolio”).

The Global Fixed Income Beta Sub Portfolio and the QIS Strategy Sub Portfolio together make up the “Portfolio”.

The selection of and allocations to each Strategy within each Sub Portfolio will be determined solely by the Investment Manager and the ICAV based upon an analysis of the historical performance, realised volatility, correlation, risk exposure, liquidity and costs of such Strategies, subject to the Investment Manager being satisfied that such investments are in the best interests of the Sub-Fund and on an arm’s length basis.

In pursuing its investment objective, the Sub-Fund is exposed to a variety of financial risks: market risk (including market price risk, interest rate risk and currency risk), credit risk and liquidity risk that could result in a reduction in the Sub-Fund’s equity. The Sub-Fund’s overall risk management policy focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Sub-Fund’s financial performance.

The nature and extent of the financial instruments held at the reporting date and the risk management policies employed by the Sub-Fund are discussed below.

**(b) Market Risk**

The Sub-Fund’s market risk was affected by changes in actual market prices and foreign currency movements.

**(i) Market Price Risk**

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Sub-Fund is susceptible to market price risk arising from uncertainties about future prices of the instruments. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments.



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**Notes to the Financial Statements (continued)**

**4. Financial Risk Management (continued)**

**(b) Market Risk (continued)**

**(i) Market Price Risk (continued)**

At 31 December 2021 and 31 December 2020, the market exposure is as following:

	Fair Value 31 December 2021 EUR	% of Equity at Fair Value 31 December 2021
<b>Primus Fixed Income Smart Beta Fund</b>		
Transferable Securities		
- Government Bonds	67,214,242	96.82
<b>Total</b>	<b>67,214,242</b>	<b>96.82</b>
Financial Derivative Instruments		
- Total Return Swap Contract	(625,342)	(0.90)
<b>Total</b>	<b>(625,342)</b>	<b>(0.90)</b>
	Fair Value 31 December 2020 EUR	% of Equity at Fair Value 31 December 2020
<b>Primus Fixed Income Smart Beta Fund</b>		
Transferable Securities		
- Government Bonds	60,861,718	99.32
<b>Total</b>	<b>60,861,718</b>	<b>99.32</b>
Financial Derivative Instruments		
- Total Return Swap Contract	(35,576)	(6.00)
<b>Total</b>	<b>(35,576)</b>	<b>(0.06)</b>

A reasonable approximate increase in equity attributable to holders of equity shares of the Sub-Fund due to a 1% (1% is considered to be a reasonable possible change in market price) increase in market price as at 31 December 2021 is EUR 1,370,072 (31 December 2020: EUR 608,261). Conversely, if market price had decreased by 1%, this would have decreased equity by approximately the same amount.

**(ii) Interest Rate Risk**

Interest rate risk is the risk due to fluctuation in the prevailing levels of market interest rates, which would cause the fair value of the assets and liabilities to fluctuate accordingly. As the majority of the Sub-Fund's assets and liabilities are interest-bearing, it is exposed to this risk. Interest rate risk can be reduced by diversifying (investing in fixed-income securities with different durations) or hedging.

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**Notes to the Financial Statements (continued)**

**4. Financial Risk Management (continued)**

**(b) Market Risk (continued)**

**(ii) Interest Rate Risk (continued)**

	Up to 1 year EUR	1-5 years EUR	Over 5 years EUR	Non- interest bearing EUR	Total as at 31 December 2021 EUR
<b>Assets</b>					
Cash and cash equivalents	2,665,039	–	–	–	2,665,039
Financial assets at fair value through profit or loss	67,214,242	–	–	–	67,214,242
Subscriptions receivable	–	–	–	37,835	37,835
Other prepayment	–	–	–	178,084	178,084
<b>Total Assets</b>	<b>69,879,281</b>	<b>–</b>	<b>–</b>	<b>215,919</b>	<b>70,095,200</b>
<b>Liabilities</b>					
Financial liabilities at fair value through profit or loss	–	(625,342)	–	–	(625,342)
Redemptions payable	–	–	–	(45,370)	(45,370)
<b>Total Liabilities</b>	<b>–</b>	<b>(625,342)</b>	<b>–</b>	<b>(45,370)</b>	<b>(670,712)</b>
<b>Interest sensitivity gap</b>	<b>69,879,281</b>	<b>(625,342)</b>	<b>–</b>	<b>170,549</b>	<b>69,424,488</b>

	Up to 1 year EUR	1-5 years EUR	Over 5 years EUR	Non- interest bearing EUR	Total as at 31 December 2020 EUR
<b>Assets</b>					
Cash and cash equivalents	536,773	–	–	–	536,773
Financial assets at fair value through profit or loss	60,861,718	–	–	–	60,861,718
Subscriptions receivable	–	–	–	33,725	33,725
Other prepayment	–	–	–	3,885	3,885
<b>Total Assets</b>	<b>61,398,491</b>	<b>–</b>	<b>–</b>	<b>37,610</b>	<b>61,436,101</b>
<b>Liabilities</b>					
Financial liabilities at fair value through profit or loss	–	(35,576)	–	–	(35,576)
Redemptions payable	–	–	–	(121,513)	(121,513)
<b>Total Liabilities</b>	<b>–</b>	<b>(35,576)</b>	<b>–</b>	<b>(121,513)</b>	<b>(157,089)</b>
<b>Interest sensitivity gap</b>	<b>61,398,491</b>	<b>(35,576)</b>	<b>–</b>	<b>(83,903)</b>	<b>61,279,012</b>

A reasonable approximate increase in equity attributable to holders of equity shares of the Sub-Fund due to a 1% (1% is considered to be a reasonable possible change in interest rates) decrease/increase in market interest rates as at 31 December 2021 is EUR 692,539 (31 December 2020: EUR (613,629)). Conversely, if market interest rates had increased by 1%, this would have decreased equity by approximately the same amount.

**(iii) Currency Risk**

Currency risk is the risk that the value of the Sub-Fund's equity will fluctuate due to changes in foreign currency rates.

The Sub-Fund can hold assets denominated in currencies other than EUR, the functional currency. It can therefore be exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in the exchange rates.

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**Notes to the Financial Statements (continued)**

**4. Financial Risk Management (continued)**

**(b) Market Risk (continued)**

**(iii) Currency Risk (continued)**

As at 31 December 2021, the Sub-Fund did not hold assets denominated in currencies other than EUR, the functional currency. Therefore the Sub-Fund was not exposed to currency risk at 31 December 2021.

**(c) Credit Risk**

Credit risk is the risk that a counterparty or issuer will be unable to meet a commitment it has entered into with the Sub-Fund.

The Bank of New York Mellon SA/NV, Dublin Branch (the "Depositary") has been appointed as Depositary to the ICAV. Depending on the requirements of the jurisdictions in which the investments of the Sub-Fund are issued, the Depositary may use the services of one or more sub-custodians. Bankruptcy or insolvency of the Depositary may cause the Sub-Fund's rights with respect to securities held to be delayed or limited. The Depositary is a branch of The Bank of New York Mellon SA/NV. As at 31 December 2021 the Depositary held an AA- (31 December 2020: AA-) credit rating from the rating agency Standard and Poor's.

The Depositary is responsible for the safe-keeping of the assets of the Sub-Fund. The Depositary may, however, appoint any person or persons to be the sub-custodian of such assets but any liability of the Depositary shall not be affected by the fact that it has entrusted some or all of the assets in its safekeeping to any third party.

The Sub-Fund is also exposed to counterparties risk on all derivatives held. Failure of the counterparties to meet their commitments under the derivative contracts could result in loss to the Sub-Fund either through failure to realise the value of derivative assets or a failure to return collateral pledged. The risk is managed by only transacting with approved counterparties. The credit rating for the counterparty Deutsche Bank AG was A- from the rating agency Standard and Poor's as at 31 December 2021.

The Sub-Fund's main credit risk concentration is spread between debt securities and trading derivative products.

As at 31 December 2021, the local currency long term rating of the issuer for the Government Bonds held by the Sub-Fund was AAA with the rating agency Standard and Poor's (96.82% of the value of investment securities).

The Manager considers that the risk that counterparties would fail to discharge their obligations to the Sub-Fund is low. Any credit risk issues will be discussed quarterly with the Directors and monitored thereafter.

**Financial assets subject to IFRS 9's impairment requirement**

The Sub-Fund's financial assets subject to the expected credit loss model within IFRS 9 cash and cash equivalents and other assets. At 31 December 2021, cash and cash equivalents and other assets are held with counterparties with a credit rating of A or higher and are due to be settled within 1 week. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet this contractual obligation on the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Sub-Fund.

The Sub-Fund holds a proportion of its assets in cash. All securities transactions are cleared through and held in custody by the Depositary. The Sub-Fund is subject to the credit risk to the extent that this institution may be unable to fulfil its obligation either to return the Sub-Funds securities or repay amounts owed. For these financial instruments, the maximum credit risk amount at 31 December 2021 is represented by the amount at which they are included in the Statement of Financial Position. In the event of insolvency or bankruptcy of the Depositary or Broker, the Sub-Fund will be treated as a general creditor in relation to cash held with the relevant Depositary or Broker.

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**Notes to the Financial Statements (continued)**

**4. Financial Risk Management (continued)**

**(c) Credit Risk (continued)**

At the reporting date 31 December 2021 and 31 December 2020, the Sub-Fund financial assets exposed to credit risk amount to the following:

	<b>31 December 2021 EUR</b>	<b>31 December 2020 EUR</b>
Transferable securities	67,214,242	60,861,718
Cash and cash equivalents	2,665,039	536,773
Subscription receivables	37,835	33,725
Other assets	178,084	3,885
<b>Total</b>	<b>70,095,200</b>	<b>61,436,101</b>

**Concentration Risk**

The Sub-Fund may hold investments concentrated in a few countries, industries, sectors of an economy or issuers. As a result, although investments by Sub-Fund will be diversified, the negative impact on the value of the relevant Sub-Fund from adverse movements in a particular country, economy or industry or in the value of the securities of a particular issuer could be considerably greater than if such Sub-Fund were not permitted to concentrate its investments to such an extent.

As at 31 December 2021, the Sub-Fund held 96.82% (31 December 2020: 99.32%) of its Net Assets in Government Bonds. There was significant concentration of the Government Bonds in Germany (96.82%).

**Capital Risk Management**

The capital of the Sub-Fund is represented by the Equity to the Holders of Redeemable Participating Shares. The amount of Equity Attributable to the Holders of Redeemable Participating Shares can change significantly on a daily basis, as the Sub-Fund is subject to daily subscriptions and redemptions at the discretion of the shareholders. The ICAV's objective when managing capital is to safeguard their ability to continue as a going concern in order to provide returns for the shareholders and maintain a strong capital base to support the development of the investment activities of the Sub-Fund.

In order to maintain or adjust the capital structure, the ICAV's policy is to perform the following:

- Monitor the level of daily subscriptions and redemptions relative to the assets they expect to be able to liquidate within a day.
- Redeem and issue new shares in accordance with the constitutional documents of the Sub-Fund, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions. Further details on these restrictions are outlined Prospectus.

The Investment Manager monitors capital on the basis of the value of Equity Attributable to the Holders of Redeemable Participating Shares.

**Offsetting financial assets and financial liabilities**

The Sub-Fund has not offset any financial assets and financial liabilities in the Statement of Financial Position as at 31 December 2021. The disclosures set out in the tables overleaf include financial liabilities that are subject to an enforceable master netting or similar agreement that covers similar financial instruments. The similar agreements include derivative clearing agreements, global master repurchase agreements and global master securities lending agreements. Similar financial instruments include derivatives, sale and repurchase agreements, reverse sale and repurchase agreements, and securities borrowing agreements.

The ISDA and similar master netting agreements do not meet the criteria for offsetting in the Statement of Financial Position.

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**Notes to the Financial Statements (continued)**

**4. Financial Risk Management (continued)**

**(c) Credit Risk (continued)**

**Offsetting financial assets and financial liabilities (continued)**

This is because the ICAV does not have any currently legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as a default of the Sub-Fund or the counterparties or other credit events.

At 31 December 2021 and 31 December 2020, all trading instruments are market quoted and readily traded financial instruments. At the reporting date, the Sub-Fund financial assets exposed to credit risk amount to the follows:

**31 December 2021**

				Related amounts not offset in the statement of financial position		
	Gross amounts recognised EUR	Gross amounts recognised offset in the statement of financial position EUR	Net amounts of financial instruments presented in the statement of financial position EUR	Financial instruments (including non-cash collateral) EUR	Cash collateral pledged EUR	Net amount EUR
Financial Liabilities						
Total Return Swap	(625,342)	–	(625,342)	625,342	–	–
	(625,342)	–	(625,342)	625,342	–	–

**31 December 2020**

					<u>Related amounts not offset in the statement of financial position</u>	
	Gross amounts recognised EUR	Gross amounts recognised offset in the statement of financial position EUR	Net amounts of financial instruments presented in the statement of financial position EUR	Financial instruments (including non-cash collateral) EUR	Cash collateral pledged EUR	Net amount EUR
<b>Financial Liabilities</b>						
Total Return Swap	(35,576)	–	(35,576)	(35,576)	–	(35,576)
	(35,576)	–	(35,576)	(35,576)	–	(35,576)

The gross amounts of recognised financial liabilities and their net amounts presented in the Statement of Financial Position disclosed in the above tables have been measured in the Statement of Financial Position on the a fair value basis.

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**Notes to the Financial Statements (continued)**

**4. Financial Risk Management (continued)**

**(c) Credit Risk (continued)**

**Market Risk Assessment**

The Manager uses Value-at-Risk analysis ("VaR"), a technique widely used by financial institutions to quantify, assess and report market risk. VaR may be defined as a statistical framework that supports the quantifying of market risk within a portfolio of tradable assets at a specified confidence interval over a defined holding year. VaR seeks to simulate potential losses that may impact a portfolio as a result of the interactive behaviour of all material market prices, spreads, volatilities and rates based on the historically observed relationships between these markets.

The VaR approach is used to measure the Sub-Fund's Global Exposure on a daily basis (as required for UCITS funds) relative to the Global Exposure (VaR) limit of 20% stated in the Sub-Fund's Risk Management Process document. The portfolio VaR is monitored to identify if the limit has been breached in which case the breach would need to be remedied by the Investment Manager.

	<b>As at 31 December 2021</b>	<b>As at 31 December 2020</b>
Average utilisation of VaR	10.61%	28.28%
Minimum utilisation of VaR	4.25%	18.40%
Maximum utilisation of VaR	25.65%	37.80%

The Manager uses the RiskMetrics software package to calculate VaR and backtesting is performed by the Manager on daily VaR numbers to ensure the accuracy of the model on an ongoing basis.

**Limitations of VaR**

Not all risks to which the portfolio may be exposed are intended to be captured by VaR and, in particular, the framework does not seek to capture liquidity risk, counterparty credit risk, or extreme credit events such as an issuer default. In practice, the actual trading results will differ from the VaR and may not provide a meaningful indication of profits and losses in stressed market conditions. To determine the reliability of the VaR models, actual outcomes are monitored to test the validity of the assumptions and parameters used in the VaR calculation. Market risk positions are also subject to regular stress tests to ensure that the Sub-Fund would withstand an extreme market event.

**(d) Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

Illiquidity (where a particular instrument is difficult to purchase or sell) may prevent a Sub-Fund being able to dispose of illiquid securities or execute or close out a derivatives transaction readily at a favourable time or price, potentially negatively impacting the Net Asset Value of the Sub-Fund. It is also possible that as a result of illiquidity, the ICAV may limit or suspend dealings in the relevant Sub-Fund, restricting an investor's ability to subscribe for, or redeem, Shares as a result.

If redemption requests received in respect of Shares of a particular Sub-Fund in respect of any Dealing Day total, in aggregate, more than 10% of all of the issued Shares of that Sub-Fund on that Dealing Day, the Manager in consultation with the Directors of the ICAV shall be entitled, at their absolute discretion, to refuse to redeem such number of Shares of that ICAV on that Dealing Day, in excess of 10% of the issued Shares of the Sub-Fund, in respect of which redemption requests have been received, as the Manager and/or Directors shall determine. If the Manager and/or Directors refuse to redeem Shares for this reason, the requests for redemption on such date shall be reduced rateably and the redemption requests shall be treated as if they were received on each subsequent Dealing Day (but shall not receive priority on such subsequent Dealing Day) until all the Shares to which the original request related have been redeemed, provided that the Manager and/or Directors shall not be obliged to redeem more than 10% of the number of Shares of a particular Sub-Fund outstanding on any Dealing Day, until all the Shares of the Sub-Fund to which the original request related have been redeemed.

**Primus Solutions ICAV**  
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**Notes to the Financial Statements (continued)**

**4. Financial Risk Management (continued)**

**(d) Liquidity Risk (continued)**

The following tables analyses the Sub-Fund's financial liabilities into relevant maturity groupings based on the remaining period at year end to the contractual maturity date.

**Primus Fixed Income Smart Beta Fund**  
**As at 31 December 2021**

	Less than 1 month EUR	1 month to 1 year EUR	1-5 years EUR	Over 5 years EUR
Financial liabilities at fair value through profit or loss	–	–	(625,342)	–
Redemptions payable	(45,370)	–	–	–
<b>Total financial liabilities</b>	<b>(45,370)</b>	<b>–</b>	<b>(625,342)</b>	<b>–</b>

**Primus Fixed Income Smart Beta Fund**  
**As at 31 December 2020**

	Less than 1 month EUR	1 month to 1 year EUR	1-5 years EUR	Over 5 years EUR
Financial liabilities at fair value through profit or loss	–	–	(35,576)	–
Redemptions payable	(121,512)	–	–	–
<b>Total financial liabilities</b>	<b>(121,512)</b>	<b>–</b>	<b>(35,576)</b>	<b>–</b>

**(e) Financial Instruments at Fair Value through Profit or loss**

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted closing mid prices at the close of trading on the year end date in accordance with IFRS 13, 'Fair value measurement'.

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

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

IFRS 13 requires the ICAV to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements.

The fair value hierarchy has the following levels:

- Listed prices (unadjusted) in active markets for identical assets or liabilities (Level 1).
- Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (Level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (Level 3).

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

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

**Primus Solutions ICAV**  
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**Notes to the Financial Statements (continued)**

**4. Financial Risk Management (continued)**

**(e) Financial Instruments at Fair Value through Profit or loss (continued)**

The following tables analyse within the fair value hierarchy the Sub-Fund's financial assets and liabilities (by class) measured at fair value at 31 December 2021 and 31 December 2020:

**Primus Fixed Income Smart Beta Fund**  
**As at 31 December 2021**

	<b>Level 1 EUR</b>	<b>Level 2 EUR</b>	<b>Level 3 EUR</b>	<b>Total EUR</b>
<b>Financial assets</b>				
Government Bonds	67,214,242	–	–	67,214,242
<b>Total</b>	<b>67,214,242</b>	<b>–</b>	<b>–</b>	<b>67,214,242</b>
<b>Financial liabilities</b>				
Total Return Swaps	–	(625,342)	–	(625,342)
<b>Total</b>	<b>–</b>	<b>(625,342)</b>	<b>–</b>	<b>(625,342)</b>

**Primus Fixed Income Smart Beta Fund**  
**As at 31 December 2020**

	<b>Level 1 EUR</b>	<b>Level 2 EUR</b>	<b>Level 3 EUR</b>	<b>Total EUR</b>
<b>Financial assets</b>				
Government Bonds	60,861,718	–	–	60,861,718
<b>Total</b>	<b>60,861,718</b>	<b>–</b>	<b>–</b>	<b>60,861,718</b>
<b>Financial liabilities</b>				
Total Return Swaps	–	(35,576)	–	(35,576)
<b>Total</b>	<b>–</b>	<b>(35,576)</b>	<b>–</b>	<b>(35,576)</b>

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2.

For the year ended 31 December 2021 and 31 December 2020 there were no transfers between Level 1 and Level 2 of the fair value hierarchy for financial assets and financial liabilities which were recorded at fair value. There were also no transfers between Level 2 and Level 3 or between Level 1 and Level 3.

**Assets and Liabilities not carried at Fair Value but for which Fair Value is disclosed**

The following tables analyses within the fair value hierarchy the Fund's assets and liabilities (by class) not measured at fair value at 31 December 2021 and 31 December 2020 but for which fair value is disclosed:

**As at 31 December 2021**

	<b>Level 1 EUR</b>	<b>Level 2 EUR</b>	<b>Level 3 EUR</b>	<b>Total EUR</b>
<b>Assets</b>				
Cash and cash equivalents	2,665,039	–	–	2,665,039
Subscriptions receivable	–	37,835	–	37,835
Other assets	–	178,084	–	178,084
<b>Total</b>	<b>2,665,039</b>	<b>215,919</b>	<b>–</b>	<b>2,880,958</b>
<b>Liabilities</b>				
Redemptions payable	–	(45,370)	–	(45,370)
<b>Total</b>	<b>–</b>	<b>(45,370)</b>	<b>–</b>	<b>(45,370)</b>



**Primus Solutions ICAV**  
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**Notes to the Financial Statements (continued)**

**4. Financial Risk Management (continued)**

**(e) Financial Instruments at Fair Value through Profit or loss (continued)**

**As at 31 December 2020**

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>	<b>EUR</b>
<b>Assets</b>				
Cash and cash equivalents	536,773	–	–	536,773
Subscriptions receivable	–	33,725	–	33,725
Other assets	–	3,885	–	3,885
<b>Total</b>	<b>536,773</b>	<b>37,610</b>	<b>–</b>	<b>574,383</b>
<b>Liabilities</b>				
Redemptions payable	–	(121,513)	–	(121,513)
<b>Total</b>	<b>–</b>	<b>(121,513)</b>	<b>–</b>	<b>(121,513)</b>

The assets and liabilities included in the above tables are carried at amortised cost; their carrying values are a reasonable approximation of fair value.

**5. Share Capital**

**Subscriber Shares**

The authorised share capital of the ICAV is 500,000,000,002 Shares of no par value divided into 2 Subscriber Shares of no par value and 500,000,000,000 shares of no par value. The minimum issued share capital of the ICAV shall be EUR 2 represented by 2 Subscriber Shares of no par value issued for EUR 1 each. The Directors are empowered to issue up to all of the Shares of the ICAV on such terms as they think fit. The Subscriber Shares entitle the holders to attend and vote at any general meetings of the ICAV but do not entitle the holders to participate in the profits or assets of the ICAV except for a return of capital on a winding-up.

**Equity Shares**

The Equity Shares entitle the holders to attend and vote at general meetings of the ICAV and (other than the Subscriber Shares) to participate equally in the profits and assets of the Sub-Fund to which the Shares relate, subject to any differences between fees, charges and expenses applicable to different Classes. The ICAV may from time to time by ordinary resolution increase its capital, consolidate the Shares or any of them into a smaller number of Shares, subdivide the Shares or any of them into a larger number of Shares or cancel any Shares not taken or agreed to be taken by any person. The ICAV may by special resolution from time to time reduce its share capital in any way permitted by law. At a meeting of Shareholders, on a show of hands, each Shareholder shall have one vote and, on a poll, each Shareholder shall have one vote for each whole Share held by such Shareholder.

During the year ended 31 December 2021 and 31 December 2020 the number of shares issued and redeemed was as follows:

	<b>Balance at beginning of year</b>	<b>Shares issued</b>	<b>Shares redeemed</b>	<b>Balance at end of year</b>
<b>Primus Fixed Income Smart Beta Fund</b>				
<b>As at 31 December 2021</b>				
Institutional EUR I3C - E Share Class	634,384	285,527	(178,815)	741,096
	<b>Balance at beginning of year</b>	<b>Shares issued</b>	<b>Shares redeemed</b>	<b>Balance at end of year</b>
<b>Primus Fixed Income Smart Beta Fund</b>				
<b>As at 31 December 2020</b>				
Institutional EUR I3C - E Share Class	–	742,346	(107,962)	634,384

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**Notes to the Financial Statements (continued)**

**5. Share Capital (continued)**

Refer to the Statement of Changes in Equity for details of amounts received on issue of equity shares and amounts transferred on redemption of equity shares.

**Capital Management**

The equity shares issued by the Sub-Fund provide a shareholder with the right to request redemption for cash at a value proportionate to the investor's share in the equity at each redemption date. The Sub-Fund's objectives in managing the shares are to ensure to maximise returns to all investors, and to manage liquidity risk arising from redemptions. The Sub-Fund's management of liquidity risk arising from equity shares is disclosed in Note 3(e).

The ICAV is required to maintain authorised and paid-up capital at a minimum amount of EUR 2 represented by 2 Subscriber Shares of no par value issued for EUR 1 each. If the ICAV is wound up, the Instrument of Incorporation contains provisions that will require, firstly, the distribution of assets to the Shareholders of each Sub-Fund after settlement of the liabilities of that Sub-Fund and, thereafter, distribution to the holders of Subscriber Shares of the nominal amount paid in respect of those Subscriber Shares.

The ICAV has no externally exposed capital requirements.

**Significant Shareholder**

At 31 December 2021 one Shareholder holds 100% of the shares in issue in share class EUR I3C – E.

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

The net gain/(losses) on financial assets and liabilities at fair value through profit or loss shown in the Statement of Comprehensive Income for the year ended 31 December 2021 and 31 December 2020 can be analysed as follows:

	<b>Primus Fixed Income Smart Beta Fund Year ended 31 December 2021 EUR</b>	<b>Primus Fixed Income Smart Beta Fund Period from 1 June 2020 to 31 December 2020 EUR</b>
Net realised loss on investment securities	(343,212)	(13,417)
Net realised loss on Total Return Swap	(813,173)	(1,879,311)
<b>Net Realised Investment Loss</b>	<b>(1,156,385)</b>	<b>(1,892,728)</b>
Net change in unrealised loss on investment securities	(139,329)	(63,174)
Net change in unrealised loss on Total Return Swap	(589,765)	(35,576)
<b>Net Change in Unrealised Investment Loss</b>	<b>(729,094)</b>	<b>(98,750)</b>
<b>Net Loss on Financial Assets and Liabilities at Fair Value through Profit or Loss</b>	<b>(1,885,479)</b>	<b>(1,991,478)</b>

**7. Cash and Cash Equivalents**

All cash and cash equivalents at the year ended 31 December 2021 and 31 December 2020 are held at the Depositary.

**8. Taxation**

The ICAV intends to conduct its affairs so that it is Irish tax resident. On the basis that the ICAV is Irish tax resident, the ICAV qualifies as an 'investment undertaking' as defined in section 739B of the Taxes Consolidation Act, 1997 for Irish tax purposes and, consequently, is exempt from Irish corporation tax on its income and gains.

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**Notes to the Financial Statements (continued)**

**8. Taxation (continued)**

The ICAV will be obliged to account for Irish tax to the Irish Revenue Commissioners if Shares are held by non-exempt Irish resident Shareholders (and in certain other circumstances), as described below. Explanations of the terms 'resident' and 'ordinarily resident' are set out in the Application Form.

**Taxation of non-Irish Shareholders**

Where a Shareholder is not resident (or ordinarily resident) in Ireland for Irish tax purposes, the ICAV will not deduct any Irish tax in respect of the Shareholder's Shares once the declaration has been received by the ICAV confirming the Shareholder's non-resident status. If this declaration is not received by the Sub-Fund, the Sub-Fund will deduct Irish tax in respect of the Shareholder's Shares as if the Shareholder was a non-exempt Irish resident Shareholder (see below). The Sub-Fund will also deduct Irish tax if the Sub-Fund has information that reasonably suggests that a Shareholder's declaration is incorrect. A Shareholder will generally have no entitlement to recover such Irish tax, unless the Shareholder is a company and holds the Shares through an Irish branch and in certain other limited circumstances. The Sub-Fund must be informed if a Shareholder becomes Irish tax resident.

Generally, Shareholders who are not Irish tax resident will have no other Irish tax liability with respect to their Shares. However, if a Shareholder is a company that holds its Shares through an Irish branch or agency, the Shareholder may be liable to Irish corporation tax in respect of profits and gains arising in respect of the Shares (on a self-assessment basis).

**Taxation of exempt Irish Shareholders**

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and falls within any of the categories listed in section 739D(6) Taxes Consolidation Act of Ireland ("TCA"), the Sub-Fund will not deduct Irish tax in respect of the Shareholder's Shares once the declaration has been received by the Sub-Fund confirming the Shareholder's exempt status.

Where a Shareholder is resident (or ordinarily resident) in Ireland for Irish tax purposes and is not an 'exempt' Shareholder (see above), the Sub-Fund will deduct Irish tax on distributions, redemptions and transfers and, additionally, on eighth anniversary' events. Further details on the taxation considerations can be found in the Prospectus.

**9. Expenses**

**Establishment and Operating Expenses**

The Sub-Fund's establishment and organisational expenses (including expenses relating to the drafting of the Prospectus, the negotiation and preparation of the material contracts, the printing of the Prospectus and the related marketing material and the fees and expenses of its professional advisers) will be paid by Deutsche Bank as sponsor of the ICAV.

**Management Fees and Investment Manager Fees**

The Manager is entitled to receive, out of the assets of a Sub-Fund, an annual Management Fee (excluding any VAT on such fee), before the deduction of any accrued unpaid Incentive Fee, adjusted for applicable redemptions, exchanges and subscriptions. The Management Fee will be calculated and accrued on a pro rata basis, on each Business Day, and paid quarterly in arrears following the last calendar day of each calendar quarter. The Manager shall be responsible for paying the fees of the Investment Manager out of the Management Fee. The underlying fees to the Manager and Investment Manager are broken down as follows:

**Fee due to the Manager**

- 0.04% per annum for fund Assets Under Management ("AUM") up to €500 million

- 0.03% per annum for the increment in fund AUM over €500 million

Minimum annual fee: €30,000

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**Notes to the Financial Statements (continued)**

**9. Expenses (continued)**

**Management Fees and Investment Manager Fees (continued)**

Fee due to Investment Manager

- 0.17% per annum for fund AUM up to €100 million
- 0.12% per annum for the increment in fund AUM over €100 million and up to €300 million
- 0.08% per annum for the increment in fund AUM over €300 million and up to €500 million
- 0.05% per annum for the increment in fund AUM over €500 million

Minimum monthly fee: €9,000

**Fixed Fee Arrangement**

The Global Distributor will in exchange for its entitlement to receive the Fixed Fee, be responsible for paying certain fees and expenses of the Sub-Fund. The Fixed Fee shall, subject to a maximum figure, be determined at the start of every year and calculated and accrued on a pro rata basis on the average daily Net Asset Value per Sub-Fund or per Class, and paid quarterly in arrears following the last calendar day of each calendar quarter. The fees and expenses covered by the arrangement are listed in more detail below. The Fixed Fee may vary according to the complexity of a specific investment strategy.

The Fixed Fee includes the following expenses:

(i) Administrator Fee: the fees and expenses payable to the Administrator in connection with the services provided by the Administrator with respect to the Sub-Fund;

(ii) Depositary Fee: fees and expenses payable to the Depositary in connection with the services provided by the Depositary with respect to the Sub-Fund;

(iii) Other administrative expenses: other administrative expenses include, but are not limited to the out-of-pocket expenses of the Manager; organisation and registration costs; licence fees payable to licence holders of an index; expenses for legal and auditing services and in respect of any tax reporting for the Umbrella Fund or a Sub-Fund; cost of any proposed listings; maintaining such listings; printing Share certificates; all reasonable out-of-pocket expenses of the Directors and any remuneration to be paid to any Director (as may be applicable); foreign registration fees and fees relating to the maintenance of such registrations including translation costs and local legal costs and other expenses incurred due to registering with supervisory authorities in various jurisdictions and local representatives' remunerations in foreign jurisdictions (at normal commercial rates); insurance; and costs of publication of the Net Asset Value and such other information which is required to be published in the different jurisdictions; compiling and printing of prospectuses, key investor information documents and shareholder reports; preparation, maintenance, translation and updating of investors' fact-sheets of Sub-Fund; monitoring the performance of the Sub-Fund including the costs of any software associated with such monitoring; maintaining the Website in respect of the ICAV and the Sub-Fund which provides investors with information on the ICAV and the Sub-Fund including, but not limited to, provision of Net Asset Values, secondary market prices and updated prospectuses.

The payments by the Global Distributor in respect of the Fixed Fee are subject to an aggregate limit EUR10,000,000 per financial year for the ICAV, excluding any Directors' fees, the fees of the Depositary and the Administrator but including the expenses, transaction charges and sub-custody fees (at normal commercial rates) of the Administrator and Depositary. The ICAV will be liable for any amount that exceeds this threshold and will pay this amount out of the relevant Sub-Fund's assets to which the specific costs are attributed.

Since the Fixed Fee will, be determined at the outset on a yearly basis by the ICAV, the Manager and the Global Distributor, investors should note that the amount paid to the Manager may at year end be greater than if the ICAV would have paid directly the relevant expenses. Conversely, the expenses the ICAV would have had to pay might be greater than the Fixed Fee and the effective amount paid by the ICAV to the Manager would be less. The Fixed Fee will be determined and will correspond to anticipated costs determined on an arm's length basis by the ICAV and the Manager.

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**Notes to the Financial Statements (continued)**

**9. Expenses (continued)**

**Fixed Fee Arrangement (continued)**

The following fees were covered by the Fixed Fee Arrangement for the financial year ended 31 December 2021 and 31 December 2020:

	<b>Charge for the financial year ended 31 December 2021 EUR</b>	<b>Payable as at 31 December 2021 EUR</b>
Administrator, Registrar and Transfer Agent fee	108,131	(53,973)
Depository fee	68,677	(31,712)
Directors fee	53,498	(14,570)

	<b>Charge for the financial period ended 31 December 2020 EUR</b>	<b>Payable as at 31 December 2020 EUR</b>
Administrator, Registrar and Transfer Agent fee	26,537	(20,082)
Depository fee	13,647	(12,910)
Directors fee	18,246	(6,072)

The payment of these amounts has been funded via the fixed fee arrangement with the Manager. As at 31 December 2021 a balance of EUR 203,915 (31 December 2020: EUR 41,008) was prepaid by the Global Distributor in respect of this arrangement.

The Fixed Fee does not include the following fees, expenses and costs:

(i) Transaction Fees;

(ii) the costs of any marketing agencies appointed by the Manager to provide certain marketing and distribution services to the ICAV;

(iii) any distribution fee;

(iv) the Management Fee and any Incentive Fee;

(v) any tax reporting, any taxes or fiscal charges which the ICAV may be required to pay, for example, any value added tax or similar sales or services tax payable by the ICAV (VAT) (all such taxes or fiscal charges);

(vi) any commissions payable to sales agents arising out of any dealing in Shares;

(vii) any costs and expenses incurred outside of the ICAV's ordinary course of business such as extraordinary expenses (e.g. legal fees incurred in prosecuting or defending, a claim or allegation, by or against, the ICAV and any consequential losses or liabilities suffered by the ICAV or a Sub-Fund);

(viii) in respect of any Sub-Fund in respect of which the costs (if any) generated by the delivery by the Swap Counterparty of collateral ("Collateral Costs") as disclosed in the Relevant Supplement; and

(ix) interest charges in relation to any debt incurred by the ICAV.

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**Notes to the Financial Statements (continued)**

**9. Expenses (continued)**

**Fixed Fee Arrangement (continued)**

Details of any Incentive Fee or distribution fees or any fees paid by Shareholders, such as an Anti-Dilution Levy, Duties and Charges, subscription charge, redemption charge shall be set out in the Relevant Supplement.

	<b>Fixed Fee</b>
Primus Fixed Income Smart Beta Fund	0.15% per annum of the equity of the Sub-fund.

**Global Distributor fees**

The Global Distributor may be entitled to receive, out of the assets of a Sub-Fund attributable to certain Share Classes, a Distribution fee (excluding VAT on such fee). The distribution fee will be calculated and accrued on a pro rata basis on each Business day, and paid quarterly in arrears following the last day of each calendar quarter.

**Transaction costs**

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value through profit or loss plus, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Transaction costs on debt instruments and derivatives are included in the purchase and sales amount. The Sub-Fund incurred transaction costs on purchases and sales as follows:

	<b>31 December 2021</b>	<b>31 December 2020</b>
	<b>EUR</b>	<b>EUR</b>
Primus Fixed Income Smart Beta Fund	Nil	Nil

**Auditor's remuneration**

The remuneration (excluding VAT) for work carried out by KPMG Ireland as at 31 December 2021 and 31 December 2020 is as follows:

	<b>Primus Fixed Income Smart Beta Fund Year ended 31 December 2021 EUR</b>	<b>Primus Fixed Income Smart Beta Fund Period ended 31 December 2020 EUR</b>
Statutory audit fee	6,500 (ex VAT)	6,500 (ex VAT)
Tax advisory services	Nil	Nil

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**Notes to the Financial Statements (continued)**

**10. Related Parties, Connected Persons and Significant Contracts**

**Manager and Significant Contracts**

FundRock Management Company S.A. has been appointed as Manager of the ICAV. Refer to Note 9 for further details on the Manager fees.

Pursuant to the Global Distribution Agreement, the Manager has appointed Deutsche Bank AG to act as the global distributor of the ICAV effective 8 May 2020 (the "Global Distributor"). Effective from 8 May 2020, in accordance with the fee arrangements outlined in the ICAV's Prospectus, the Global Distributor shall discharge all fees and expenses, including any out of pocket expenses, to the Administrator, Depositary, Investment Manager, Company Secretary or any other entity appointed to provide services to the ICAV. Refer to Note 9 for further details on the Global Distributor and Fixed Fee arrangement.

**Directors' fees and interests**

The Directors are entitled to a fee of EUR 20,000 each per annum by way of remuneration for their services at a rate to be determined from time to time by the Directors. The Directors are entitled to be reimbursed by the Manager for all reasonable disbursements and out-of-pocket expenses incurred by them, if any. Directors' fees charged for the financial year ended 31 December 2021 amounted to EUR 53,498 (31 December 2020: EUR 18,246) of which EUR 14,570 (31 December 2020: EUR 6,072) remained unpaid at that date. Employees, partners and officers of the Manager and its affiliates who act as director are not entitled to receive a director's fee. Laura Holz was a Director in Global Investment Solutions at Deutsche Bank and has waived her Directors' fees. At 31 December 2021 and 31 December 2020, the Directors had no interest in the shares of the ICAV.

**11. Contingent Liabilities and Commitments**

There were no significant contingent liabilities or commitments at 31 December 2021 and 31 December 2020.

**12. Umbrella Cash Collection Accounts**

The CBI published the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) Investor Money Regulations 2015 for Fund Service Providers (the "Investor Money Regulations" or "IMR") in March 2015 (effective from 1 July 2016). Subscription and redemption monies are channelled through an umbrella cash collection account in the name of the ICAV. Pending issue of the shares and/or payment of subscription proceeds to an account in the name of the ICAV or the relevant Sub-Fund, and pending payment of redemption proceeds or distributions, the relevant investor will be an unsecured creditor of the relevant Sub-Fund in respect of amounts paid by or due to it.

**13. Swing Pricing**

The Manager has adopted a policy to ensure the fair treatment of investors where potentially dilutive effects of dealing exist. The Manager may use anti-dilution levies or swing pricing mechanisms, and depending on the Fund's structure and / or the Administrator's capabilities one may be preferable over the other. The Manager, or its delegate, will "swing" the Net Asset Value of a Sub-Fund to attempt to mitigate the potentially dilutive effects of dealing on the Net Asset Value on any Dealing Day on which there are net subscriptions or redemptions in the Sub-Fund. The Manager, in conjunction with the Fund's board, will consider each fund on a case-by-case basis to determine whether anti-dilution measures will apply.

In order to seek to achieve its investment objective, the Sub-Fund will enter into an Excess Return swap transaction under which it will receive cash payments when the Portfolio's performance is positive and make payments to the swap counterparty in the event of negative performance of the Portfolio. Deutsche Bank as swap counterparty will receive a swap transaction fee whenever the notional of the swap is increased or decreased. Where a change in swap exposure arises solely from net subscriptions or redemptions, the swap transaction fee is expected to be covered by the swing pricing adjustment above and attributed solely to those investors making such subscriptions or redemptions. Furthermore, Deutsche Bank may make profits or losses in hedging its own exposure to the Excess Return Swap arrangement.

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**Notes to the Financial Statements (continued)**

**13. Swing Pricing (continued)**

As outlined in the swap confirmation there are trading costs applicable to each increase or decrease in the notional of the swap arising from subscription and redemption activity in the Sub-Fund. These costs would be formulaic and are defined within the respective confirmation. Due to the nature of these costs, the Manager, in conjunction with the Fund's board, has determined that a swing pricing mechanism is appropriate for this Sub-Fund to ensure the fair treatment of all investors. The Sub-Fund applied a partial swing with 0.50% Swing Threshold applied. At 31 December 2021 and 31 December 2020 no swing amount was applied to the Sub-Fund.

**14. Valuation Date**

The financial statements have been prepared on the day of the last NAV valuation date of the financial year which has been calculated on 30 December 2021 with a price of that date. There was a Sub-Fund valuation holiday on 31 December and therefore the last NAV valuation date of the financial year was 30 December 2021.

**15. Events since financial year end**

On 26 January 2022, Primus Solutions ICAV undertook a non-material update to its Instrument of Incorporation to comply with the requirements of the Investment Limited Partnerships (Amendment) Act 2020.

On 27 January 2022, Primus Solutions ICAV appointed AllFunds Bank, S.A.U. as its Representative in Spain (as required for the registration of Primus Optimized Equity Income Fund in Spain).

Optimized Equity Income Fund, a sub-fund of Primus Solutions ICAV, was registered in Spain on 9 February 2022.

DB Primus Sub Fund - Optimized Equity Income Fund launched 22 March 2022.

In February 2022, a number of countries (including the US, UK and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of additional sanctions have been made following military operations initiated by Russia against the Ukraine on February 24, 2022. This military action, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, has the potential to adversely impact global economies and drive a sharp increase in volatility across markets. The Investment Manager regards these events for the Fund as non-adjusting events after the reporting period. At the date of this report, neither the operation of the Fund (nor the performance of any of the sub-funds) has been significantly impacted by the situation described above. The Investment Manager continues, however, to monitor the situation as it evolves and the resulting impact on the performance and operation of the sub-funds.

There have been no other significant subsequent events after the year end that requires disclosure in the financial statements.

**16. Approval of Financial Statements**

The financial statements were approved by the Directors on 25 April 2022.



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**Portfolio Listing (Unaudited)**

**Primus Fixed Income Smart Beta Fund**

		Fair Value as at December 31 2021	% of Equity	
Nominal Value	Security Description			
Transferable securities admitted to an official stock exchange				
Government Bond				
Germany				
8,534,000	German Treasury Bill (Zero Coupon) 19/01/2022	8,536,816	12.30	
8,398,000	German Treasury Bill (Zero Coupon) 23/02/2022	8,407,070	12.11	
8,300,000	German Treasury Bill (Zero Coupon) 18/05/2022*	8,320,750	11.99	
8,450,000	German Treasury Bill (Zero Coupon) 22/06/2022	8,478,139	12.21	
9,520,000	German Treasury Bill (Zero Coupon) 24/08/2022	9,560,650	13.77	
6,699,000	German Treasury Bill (Zero Coupon) 19/10/2022	6,734,739	9.70	
9,029,000	German Treasury Bill (Zero Coupon) 23/11/2022	9,082,045	13.08	
8,043,000	German Treasury Bill (Zero Coupon) 14/12/2022	8,094,033	11.66	
Total Germany		67,214,242	96.82	
Total Government Bond		67,214,242	96.82	
Total Transferable securities admitted to an official stock exchange		67,214,242	96.82	
Financial assets at fair value through profit and loss		67,214,242	96.82	
Nominal	Description	Maturity Date	Fair Value EUR	% of Equity
Total Return Swap Contract**				
73,225	DB Fixed Income Smart Beta Basket Swap	10/09/2025	(625,342)	(0.90)
Total Return Swap Contract			(625,342)	(0.90)
Financial liabilities at fair value through profit and loss			(625,342)	(0.90)
Total Value of Investment Securities			66,588,900	95.92
Other Net Assets			2,835,588	4.08
Equity Attributable to the Holder of Equity Shares			69,424,488	100.00

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**Portfolio Listing (Unaudited)**

**Primus Fixed Income Smart Beta Fund**

\*This investment is, in whole or part, provided as non-cash collateral in respect of the above Total Return Swap with Deutsche Bank AG as at 31 December 2021. Refer to the table below for details of non-cash collateral holding:

<b>Investment name</b>	<b>Holdings</b>	<b>Market Value EUR</b>
German Treasury Bill (Zero Coupon) 18/05/2022	1,246,000	1,249,115

	<b>% of Total Assets</b>
<b>Analysis of Total Assets</b>	
Transferable securities admitted to an official stock exchange listing	95.89
Cash and cash equivalent	3.80
Other assets	0.31
<b>Total assets</b>	<b>100.00</b>

\*\* Counterparty is Deutsche Bank AG.

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**Statement of Portfolio Changes (Unaudited)**

**Primus Fixed Income Smart Beta Fund**

**Major Purchases\***

<b>Security Description</b>	<b>Nominal</b>	<b>Cost EUR</b>
German Treasury Bill (Zero Coupon) 24/08/2022	9,520,000	9,584,208
German Treasury Bill (Zero Coupon) 23/11/2022	9,029,000	9,101,207
German Treasury Bill (Zero Coupon) 19/01/2022	8,534,000	8,589,014
German Treasury Bill (Zero Coupon) 22/06/2022	8,450,000	8,501,587
German Treasury Bill (Zero Coupon) 23/02/2022	8,398,000	8,448,450
German Treasury Bill (Zero Coupon) 18/05/2022	8,300,000	8,349,251
German Treasury Bill (Zero Coupon) 15/12/2021	8,054,000	8,100,428
German Treasury Bill (Zero Coupon) 14/12/2022	8,043,000	8,097,063
German Treasury Bill (Zero Coupon) 19/10/2022	6,699,000	6,745,965
German Treasury Bill (Zero Coupon) 27/10/2021	3,500,000	3,518,336

\* In accordance with the Central Bank UCITS Regulations, the annual report documents material changes that have occurred in the disposition of the assets of the ICAV during the year. A material change is defined as aggregate purchases of a security exceeding 1 per cent of the total value of the purchases for the year and/or aggregate disposals greater than 1 per cent of the total value of sales for the year. If there are fewer than 20 purchases/sales that meet the material changes definition, the ICAV shall disclose those purchases/sales so at least 20 purchases/sales are disclosed.

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**Statement of Portfolio Changes (Unaudited) (continued)**

**Primus Fixed Income Smart Beta Fund**

**Major Sales\***

<b>Security Description</b>	<b>Nominal</b>	<b>Proceeds EUR</b>
German Treasury Bill (Zero Coupon) 28/07/2021	10,000,000	10,000,164
German Treasury Bill (Zero Coupon) 25/08/2021	10,000,000	10,000,163
German Treasury Bill (Zero Coupon) 03/02/2021	9,975,000	9,975,000
German Treasury Bill (Zero Coupon) 09/06/2021	9,560,000	9,564,118
German Treasury Bill (Zero Coupon) 24/11/2021	8,700,000	8,700,000
German Treasury Bill (Zero Coupon) 20/01/2021	8,407,000	8,407,000
German Treasury Bill (Zero Coupon) 15/12/2021	8,054,000	8,054,000
German Treasury Bill (Zero Coupon) 27/10/2021	7,500,000	7,500,000

\* In accordance with the Central Bank UCITS Regulations, the annual report documents material changes that have occurred in the disposition of the assets of the ICAV during the year. A material change is defined as aggregate purchases of a security exceeding 1 per cent of the total value of the purchases for the year and/or aggregate disposals greater than 1 per cent of the total value of sales for the year. If there are fewer than 20 purchases/sales that meet the material changes definition, the ICAV shall disclose those purchases/sales so at least 20 purchases/sales are disclosed.

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**Appendix I: UCITS V Remuneration Policy (Unaudited)**

***Remuneration Policies and Practices***

FundRock Management Company S.A. ("FundRock") has established and applies a remuneration policy in accordance with the ESMA Guidelines on sound remuneration policies under the UCITS V Directive (ESMA 2016/575) and AIFMD (ESMA 2016/579) and any related legal & regulatory provisions applicable in Luxembourg. The remuneration policy is aligned with the business strategy, objectives, values and interests of the Management Company and the Funds that it manages and of the investors in such Funds, and which includes, inter alia, measures to avoid conflicts of interest; and it is consistent with and promotes sound and effective risk management and does not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Funds that the Management Company manages.

FundRock ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, it should be noted that FundRock's employees who are identified as risk-takers under UCITS V are not remunerated based on the performance of the funds under management.

A paper version of the remuneration policy is made available free of charge to investors at FundRock's registered office. FundRock's remuneration policy can also be found at: <https://www.fundrock.com/policies-and-compliance/remuneration-policy/>

The amount of remuneration for the financial year ending 31 December 2021 paid by FundRock to its staff:

EUR 11,293,609

Fixed remuneration: EUR 10,565,583

Variable remuneration: EUR 728,026

Number of beneficiaries: 135

The aggregated amount of remuneration for the financial year ending 31 December 2021 paid by FundRock to Identified staff/risk takers is EUR 2,622,285

The total amount of remuneration is based on a combination of the assessment of the performance of the individual, the overall results of FundRock, and when assessing individual performance, financial as well as non-financial criteria are taken into account.

The Policy is subject to annual review by the Compliance Officer and the update is performed by HR department of FundRock and is presented for review to the Remuneration Committee and approval by the Board of FundRock.

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**Appendix II: Securities Financing Transactions Regulation (“SFTR”) Annual Report**  
**Disclosures (Unaudited)**

The ICAV is required to make available an Annual Report for the financial year for each of its Sub-Fund certain disclosures as set out in Article 13 of the European Commission Regulation 2015/2365 on transparency of securities financing transactions and of reuse of collateral (the “Regulation”). The disclosures set out below have not been disclosed in the Audited Annual Report and are included to meet the requirements of the Regulation.

**I. Global Data**

**Total Return Swap**

The following table details the value of Total Return Swap, the only Securities Financing Transactions (“SFT’s”) entered by the ICAV, as a proportion of the ICAV’s NAV as at 31 December 2021.

	<b>Total Return Swap</b>
<b>Currency</b>	<b>% of NAV</b>
EUR	(0.90)%

The income earned and costs associated during the financial year relating to total return swap transactions are included in the Statement of Comprehensive Income.

**II. Concentration Data**

The table below shows the counterparties by Sub-Fund with respect to outstanding transactions as at 31 December 2021:

<b>Total Return Swap</b>			
<b>Sub-Fund</b>	<b>Counterparty</b>	<b>Clearing</b>	<b>Fair Value</b>
Primus Fixed Income Smart Beta Fund	Deutsche Bank AG	Bi-lateral	EUR (625,342)

**III. Transaction Data**

The below table summarises the counterparties country of incorporation in respect of total return swap held by Sub-Fund as at 31 December 2021:

<b>Sub-Fund</b>	<b>Counterparty’s country of incorporation</b>	<b>Total Return Swap</b>	<b>Total</b>
		<b>Fair Value</b>	
Primus Fixed Income Smart Beta Fund	Germany	EUR (625,342)	EUR (625,342)

The table below summarises the maturity tenor of the collateral received by Sub-Fund in respect of excess return swaps held as at 31 December 2021:

<b>Sub-Fund</b>	<b>Maturity Tenor</b>	<b>Market Value of Non-Cash Collateral Posted</b>	<b>Market Value of Cash Collateral Received</b>
Primus Fixed Income Smart Beta Fund	Less than 1 year	EUR 1,249,115	Nil

**IV. Safekeeping of Collateral**

There was no collateral received by the Sub-Fund held in segregated accounts, in pooled accounts or in any other accounts as at 31 December 2021 and 31 December 2020.

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**Appendix III: Supplemental Information (Unaudited)**

**Soft Commissions**

No soft commission arrangements or directed brokerage arrangements were entered into during the year ended 31 December 2021 and 31 December 2020.

**Efficient Portfolio Management**

A Sub-Fund may employ techniques and instruments for the purposes of efficient portfolio management relating to transferable securities and/or other financial instruments in which it invests. When such techniques and instruments are used, they will generally be undertaken for one or more of the following reasons: (a) the reduction of risk; (b) the reduction of cost; or (c) the generation of additional capital or income for the relevant Sub-Fund with an appropriate level of risk. The use of such techniques and instruments should not result in a change of the declared investment objective of any Sub-Fund or substantially increase the stated risk profile of the Sub-Fund.

A Sub-Fund may, for cash management purposes, hold cash, commercial paper (i.e. short term paper issued by credit institutions), short term government bonds (i.e. short term debt issued by governments) and other money market instruments, certificates of deposit and UCITS eligible money market funds so that it can pay its expenses, satisfy redemption requests or take advantage of investment opportunities. Such assets may also be posted as collateral in accordance with the "Collateral Management" section of the Prospectus.

A Sub-Fund may also enter into repurchase agreements, reverse repurchase agreements and/or securities lending agreements, subject to the conditions and limits set out in the Central Bank UCITS Regulations. Any such repurchase agreements, reverse repurchase agreements or securities lending agreements may only be used for efficient portfolio management purposes, as further detailed in "Repurchase / Reverse Repurchase Agreements and Securities Lending" in Annex II of the Prospectus.

For details of the open derivatives held as at 31 December 2021, please refer to the Portfolio Listing.

**Global Exposure**

The market risk created through the use of derivatives may be measured using a risk measurement technique called "value at risk" or "VaR" and the leverage of the Sub-Fund will be set out in the Relevant Supplement, together with details on whether the Sub-Fund uses absolute VaR or relative VaR. The Sub-Fund uses absolute VaR. In accordance with the requirements of the Central Bank, the absolute VaR of a Sub-Fund may not exceed 20% of the Net Asset Value of a Sub-Fund using a one-tailed confidence interval of 99% and a holding period of one month and a historical observation period of normally 1 year.

The Manager has a risk management process in respect of each Sub-Fund which enables it to accurately measure, monitor and manage the various risks associated with FDI, the use of efficient portfolio management techniques and the management of collateral. The Investment Manager will only employ FDI that are covered by the risk management process, as amended from time to time. A statement of this risk management process has been submitted to and cleared by the Central Bank. In the event of a Sub-Fund proposing to use additional types of FDI, the risk management process and the Relevant Supplement will be amended to reflect this intention and the Sub-Fund will not utilise such FDI until such time as the risk management process providing for its use has been submitted to and cleared by the Central Bank. The Manager will, on request, provide supplementary information to Shareholders relating to the risk management methods employed including the quantitative limits that are applied and any recent developments in the risk and yield characteristics of the main categories of investment.

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**Appendix IV: Total Expense Ratio (Unaudited)**

Total Expense Ratio (TER) is calculated as the total of all expenses divided by the average equity of the Sub-Fund, expressed as a percentage. The TER is annualised. For the financial year ended 31 December 2021, the TER is as follows:

<b>Primus Fixed Income Smart Beta Fund</b>	<b>TER</b>
Institutional EUR I3C-E Share Class	0.30%



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**Appendix V: Sustainable Finance Disclosure Regulation (“SFDR”) (Unaudited)**

The ICAV and Sub-Funds are financial products which are not subject Article 8 or Article 9 of SFDR and so the investments underlying the financial products do not take into account the EU criteria for environmentally sustainable economic activities.