

USONIAN JAPAN VALUE FUND
(A SUB-FUND OF SKYLINE UMBRELLA FUND ICAV - An Irish collective asset-
management vehicle established as an umbrella fund with segregated liability between sub-
funds)

ANNUAL REPORT &
AUDITED FINANCIAL STATEMENTS

For the financial year ended 30 April 2021

Grantham, Mayo, Van Otterloo & Co. LLC, the commodity pool operator of Usonian Japan Value Fund operates under a claim for exemption made pursuant to U.S. Commodity Futures Trading Commission Regulation 4.7 issued pursuant to the Commodity Exchange Act of 1974.



Grantham, Mayo, Van Otterloo & Co. LLC, the commodity pool operator of Usonian Japan Value Fund (the “Pool”), affirms that the information contained herein is the Annual Report of the Pool (the “Report”) for the year ended 30 April 2021 and that, to the best of the undersigned’s knowledge and belief, the information contained in the Report is accurate and complete.

A handwritten signature in black ink, appearing to read 'Tara Ann Pari'.

By: _____

Name: Tara Ann Pari
Title: Registered Principal
Grantham, Mayo, Van Otterloo & Co. LLC
Usonian Japan Value Fund

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Organisation

Registered Office of the ICAV

Davy House
49 Dawson Street
Dublin 2
Ireland

**Administrator, Registrar and
Transfer Agent**

Northern Trust International Fund Administration
Services (Ireland) Limited
Registered Office
Georges Court
54-62 Townsend Street
Dublin 2
Ireland

Independent Auditor

Deloitte Ireland LLP
Chartered Accountants &
Statutory Audit Firm
Deloitte & Touche House
Earlsfort Terrace
Dublin 2
Ireland

Investment Manager

Grantham, Mayo, Van Otterloo & Co. LLC*****
40 Rowes Wharf
Boston
Massachusetts 02110
USA

Usonian Investments LLC*****

353 N. Clark Street
Suite 3501
Chicago
IL 60654

Registered No: C64176

Directors of the ICAV

Tom Berrigan (Irish) (resigned 17 August 2020)*
John Craddock (Irish) (resigned 2 June 2020)**
Aidan Donnelly (Irish) (appointed 2 June 2020)**
Robbie Kelleher (Irish) (resigned 2 June 2020)*
Darragh Mooney (Irish) (appointed 2 June 2020)**
Paul O'Shea (resigned 17 August 2020)***
Ruth (Patterson) Sullivan (Irish) (appointed 2 June
2020)**

Depositary

Northern Trust Fiduciary Services (Ireland) Limited
Georges Court
54-62 Townsend Street
Dublin 2
Ireland

Distributor

Davy Global Fund Management Limited*****
Davy House
49 Dawson Street
Dublin 2
Ireland

J&E Davy*****

Davy House
49 Dawson Street
Dublin 2
Ireland

Manager

Davy Global Fund Management Limited*****
Davy House
49 Dawson Street
Dublin 2
Ireland

Organisation (continued)

Legal Advisors

Walkers Listing & Support Services Limited
5th Floor
The Exchange
George's Dock
IFSC
Dublin 1
Ireland

Secretary

Walkers Listing & Support Services Limited
5th Floor
The Exchange
George's Dock
IFSC
Dublin 1
Ireland

The Prospectus, the key investor information document, the instrument of incorporation, the annual and semi-annual reports, as well as the issue and redemption prices are available from the office of the Swiss Representative. The issue and redemption prices of the shares of each sub-fund of the ICAV is available upon request from skyline@davy.ie and davy_ta_queries@ntrs.com.

* Non Executive Director

** Independent Non Executive Director

*** Executive Director

**** Effective 12 June 2020, Davy Global Fund Management Limited replaced J&E Davy as Distributor and Fund Manager.

*****Effective 10 August 2020, Grantham, Mayo, Van Otterloo & Co. LLC replaced Usonian Investments LLC as investment manager of Usonian Japan Value Fund.

Background to the ICAV and the Fund

Skyline Umbrella Fund ICAV (the “ICAV”) is registered in Ireland as an Irish Collective Asset-Management Vehicle under the Irish Collective Asset-Management Vehicles Act 2015. It was registered on 16 February 2016.

The ICAV was previously incorporated in Ireland as a public limited company before the conversion into an Irish Collective Asset-Management Vehicle and complied with the provisions in the Companies Act 2014 up until its conversion date. The ICAV is an umbrella fund with segregated liability between its sub-funds. The ICAV is authorised by the Central Bank of Ireland (the “Central Bank”) pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 ((S.I. 352 of 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”).

Shares representing interests in different funds may be issued from time to time by the Directors with the prior approval of the Central Bank.

A separate portfolio of assets is maintained for each sub-fund and is invested in accordance with the investment objectives and policies applicable to that fund. Accordingly, any liability incurred on behalf of or attributable to any fund of the ICAV shall be discharged solely out of the assets of that fund.

As at 30 April 2021, fourteen funds, namely ARGA Global Equity Fund, ARGA Emerging Market Equity Fund, The GM Fund, Fortem Capital Progressive Growth Fund, Arbrook American Equities Fund, Levendi Thornbridge Defined Return Fund, Usonian Japan Value Fund, Lowes UK Defined Strategy Fund, ARGA European Equity Fund, Fortem Capital Alternative Growth Fund, Eagle Capital US Equity Value Fund, (on 5 January 2021 Eagle Capital US Equity Fund changed its name to Eagle Capital US Equity Value Fund), Fortem Capital REIT (Real Estate Index Tracking) Fund and SECOR Hedged Equity Fund were in existence. SECOR Mazu Global Equity Fund terminated on 18 March 2021, however its authorisation has not yet been revoked by the Central Bank of Ireland (“CBI”). Once deauthorisation has occurred, the Secor Mazu Global Equity Fund will cease to exist

These Financial Statements are prepared for Usonian Japan Value Fund (the “Fund”) a Sub-Fund of Skyline Umbrella Fund ICAV.

The Fund was authorised by the Central Bank on 15 February 2018 and launched on 16 February 2018. The Fund can offer its investors six share classes as follows:

| | | |
|----------------------------------|-----------------------------------|----------------------------------|
| Class A1 GBP Unhedged Acc Shares | Class A1 GBP Unhedged Dist Shares | Class A2 USD Unhedged Acc Shares |
| Class A3 EUR Unhedged Acc Shares | Class A4 CHF Unhedged Acc Shares | Class A5 JPY Unhedged Acc Shares |

As at 30 April 2021, Class A1 GBP Unhedged Acc Shares, Class A1 GBP Unhedged Dist Shares, Class A2 USD Unhedged Acc Shares were in issue. The functional currency of the Fund is JPY.

Investment Objective of the Usonian Japan Value Fund

The investment objective of the Fund is to seek long term capital appreciation.

Under normal circumstances, the Fund will invest in equity securities of Japanese companies of any capitalisation industry or sector that Grantham, Mayo, Van Otterloo & Co. LLC (the “Investment Manager”) (Usonian Investments LLC served as the Fund’s Investment Manager prior to 10 August 2020) believes are attractively valued, profitable and conservatively capitalised to reflect a strong asset base and a low debt level. The Fund’s investments in equity securities may include common stock, preferred stocks and convertible preferred securities (in which preferred stocks may be converted into common stock).

While the Fund invests primarily in equity securities of Japanese issuers and issuers domiciled outside of Japan but whose securities primarily trade on Japanese exchanges, it may invest in securities of Japanese issuers on any recognised exchange or the securities of issuers located anywhere in the world, whose primary business market is Japan.

The Fund may also achieve the exposure to Japanese companies as outlined above by investing in American Depositary Receipts, European Depositary Receipts, and Global Depositary Receipts and may also obtain market exposure to Japanese companies through investment in Exchange Traded Funds.

Background to the ICAV and the Fund (continued)

Net Asset Value of the Fund

The Net Asset Value (“NAV”) of the Fund was calculated in its functional currency. The NAV per share of the Fund was expressed in the currency in which the shares are designated or in such other currency as the Directors may determine either generally or in relation to a particular class or in a specific case, and was calculated by ascertaining the value of the assets of the Fund and deducting from such value the liabilities of the Fund (excluding shareholders’ equity) as at the valuation point for such dealing day.

The NAV per Share of the Fund was calculated by dividing the NAV of the Fund by the number of shares in the Fund then in issue or deemed to be in issue as at the valuation point for such dealing day. In the event the shares of the Fund are further divided into classes, the NAV per class shall be determined by notionally allocating the NAV of the Fund amongst the classes making such adjustments for subscriptions, repurchases, fees, dividends accumulation or distribution of income and the expenses, liabilities or assets attributable to each such class (including the gains/(losses) on and costs of financial instruments employed for currency hedging between the currencies in which the assets of the Fund are designated and the designated currency of the class, which gains/(losses) and costs shall accrue solely to that class) and any other factor differentiating the Classes as appropriate.

The NAV of the Fund, as allocated between each class, was divided by the number of shares of the relevant class which are in issue or deemed to be in issue.

The NAV per each class of share is available from the Northern Trust International Fund Administration Services (Ireland) Limited (the “Administrator”) and published one business day following the relevant dealing day as may be set out in the Supplement for the Fund.

Issue of Shares

Under the Instrument of Incorporation, the Directors were given authority to effect the issue of shares and to create new classes of shares (in accordance with the requirements of the Central Bank of Ireland) and have absolute discretion to accept or reject in whole or in part any application for Shares. Fractions of shares up to four decimal places may be issued.

All applications for Shares must be received by the ICAV, care of the Administrator, no later than the relevant dealing deadline (dealing days, dealing deadlines and valuation points are specified in the relevant supplement for the Fund).

The minimum initial investment amount, the minimum additional investment amount and the minimum shareholding of shares of each class of the Fund may vary and is set out in the relevant supplement. The Directors reserve the right from time to time to waive any requirements relating to the minimum initial investment amount, the minimum additional investment amount and the minimum shareholding as and when they determine at their reasonable discretion.

Repurchase of Shares

An applicant may request the repurchase of all or part of its shares of any class of the Fund. The minimum repurchase amount may vary according to the class of share.

Requests for the repurchase of shares should be made to the ICAV, care of the Administrator, in writing, by facsimile or by such other means as the Directors may (with the consent of the Administrator) prescribe from time to time (where such means are in accordance with the requirements of the Central Bank of Ireland) and must in the case of requests in writing or by facsimile quote the relevant account number, the Fund, class of share and any other information which the Administrator reasonably requires, and be signed by or on behalf of the shareholder before payment of repurchase proceeds can be made.

Background to the ICAV and the Fund (continued)

Repurchase of Shares (continued)

The Directors are entitled to limit the number of shares in the Fund repurchased on any dealing day to shares representing 10% of the total NAV of the Fund on that dealing day. In this event, the limitation will apply pro-rata so that all shareholders wishing to have shares of that Fund repurchased on that dealing day realise the same proportion of their repurchase request. Shares not repurchased, but which would otherwise have been repurchased, will be carried forward for repurchase on the next dealing day and will be dealt on a pro-rata basis to repurchase requests received subsequently. If requests for repurchase are carried forward, the Administrator will inform the shareholders affected.

Dividend Policy

The Directors decide the dividend policy and arrangements relating to the Fund and details are set out where applicable in the supplement. The Directors are entitled to declare dividends out of the Fund being: (i) the net income (being the accumulated revenue (consisting of all revenue accrued including interest and dividends)) less expenses and/or (ii) realised and unrealised capital gains on the disposal/valuation of investments and other funds less realised and unrealised capital losses of the relevant fund and/or (iii) as disclosed in the supplement. The Directors may satisfy any dividend due to shareholders in whole or in part by distributing to them in specie any of the assets of the Fund, and in particular any investments to which the Fund is entitled.

Usonian Japan Value Fund does not make distributions for accumulating classes of the Fund. Distributing classes of the Fund will make distributions annually or semi-annually.

The above details are in summary form only and must be read in conjunction with the detailed information contained in the prospectus and relevant supplement of the Fund.

Investment Manager's Report Usonian Japan Value Fund

Performance Summary

During the annual fiscal period from 1 May 2020 through 30 April 2021, the Fund (Class A1 GBP Unhedged Acc Shares) returned 16.0% net of fees (16.7% gross), while the Tokyo Stock Price Index (TR) returned 17.6%. Sector selection was positive while security selection detracted relative to the index. Usonian Japan Value Fund's underweight to Health Care and Utilities and overweight in Financials, Materials and Industrials were additive, but it's underweight to Information Technology and Communications Services detracted given the strong rallies in those sectors. A modest cash exposure during the period was also a drag on performance as equities rose. Security selection drove relative returns with selection in Information Technology, Materials and Healthcare detracting more than positive selection in Financials, Communications Services, Consumer Staples, and Energy contributed.

The largest single stock contributors included Kadokawa Corporation, JAFCO Group, and Toyota Industries while top detractors included Toho Holdings, Teijin Limited, and T. Hasegawa Co.

Grantham, Mayo, Van Otterloo & Co. LLC
June 2021

Directors' Report

The Directors of Skyline Umbrella Fund ICAV (the "ICAV") have pleasure in submitting their annual report and Audited Financial Statements of Usonian Japan Fund (the "Fund") a sub-fund of the ICAV for the financial year ended 30 April 2021 to the Shareholders. The Financial Statements of the remaining thirteen Sub-Funds have been prepared as part of the Financial Statements for the ICAV with the exception of Secor Mazu Global Equity Fund which has also been prepared separately. The Financial Statements for the ICAV are prepared on a going concern basis and the Financial Statements for SECOR Mazu Global Equity Fund are prepared on basis other than a going concern as its terminating.

Overview of the ICAV and the Fund

The Fund was authorised by the Central Bank on 15 February 2018 and launched on 16 February 2018.

Directors' Statement on Accounting Records

The Directors are responsible for ensuring that accounting records as outlined in Section 110 of the ICAV Act, 2015, are kept by Skyline Umbrella Fund ICAV. To achieve this, the Directors have employed Northern Trust International Fund Administration Services (Ireland) Limited (the "Administrator"). The accounting records are maintained at the Administrator's registered offices at Georges Court, 54 – 62 Townsend Street, Dublin 2, Ireland.

Activities and Business Review

A detailed review of the Fund's activities for the financial year ended 30 April 2021 is included in the Investment Manager's Report and significant events during the financial year are outlined in Note 22 to these financial statements.

Risk Management Objectives and Policies

The principal risks and uncertainties faced by the Fund were the investment risks associated with the portfolio of investments held by the Fund and the operational risks associated with its management and administration.

The information required under the accounting standards adopted by the Fund, International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU") in relation to the use by the Fund of financial instruments, the financial risk management objectives and policies of the Fund and the exposures of the Fund to market price risk, interest rate risk, currency risk, credit risk, and liquidity risk are outlined in Note 3 to these Financial Statements.

Directors' Names

The names of the persons who were directors of the ICAV at any time during the financial year are listed on page 1.

Directors' Interests in Shares of the Fund

No Director, nor the Company Secretary, had any beneficial interest in the shares of the Fund during the financial year or in the prior financial year.

Transactions Involving Directors

Other than as disclosed in Note 17 to the Financial Statements, there were no contracts or agreements of any significance in relation to the business of the Fund in which the Directors had any interest, as defined in the ICAV Act, at any time during the financial year.

Transactions with Connected Persons

The UCITS Regulations require that any transaction carried out with the Fund by a manager, depositary, investment adviser and/or associated or group companies of these ("connected persons") are carried out as if negotiated at arm's length and are in the best interests of the shareholders. The Board is satisfied that there are arrangements in place to ensure that this requirement is applied to transactions with connected persons, and that transactions with connected persons during the year complied with the requirement.

The connected persons are the Directors, Grantham, Mayo, Van Otterloo & Co. LLC (the "Investment Manager") (Usonian Investments LLC served as the Fund's Investment Manager prior to 10 August 2020), Northern Trust Fiduciary Services (Ireland) Limited (the "Depositary"), Northern Trust International Fund Administration Services (Ireland) Limited (the "Administrator") and / or associated or group companies.

Directors' Report (continued)

Corporate Governance Code

Irish Funds, the association for the funds industry in Ireland, has published a corporate governance code that may be adopted on a voluntary basis by Irish authorised collective investment schemes. The Board of Directors has adopted the Code, and the ICAV is in compliance with all elements of the Code during the financial year.

Results and distributions

The results of operations and distributions of the Fund for the financial year are set out in the Statement of Comprehensive Income.

Key Performance Indicators

The key performance indicators monitored for the Fund include the performance of the Fund, the level of subscriptions and redemptions and compliance with investment restrictions and risk limits. The performance of the Fund is reviewed in the Investment Manager's Report.

Brexit

The Directors have considered all potential impacts of Brexit outlined within CBI correspondence and identified via internal analysis. To date, all identified Brexit fault lines and exposures have been remediated. As Brexit negotiations remain ongoing, further contingencies are in place reflecting exposures that may or may not arise pending the outcome of exit and future trade negotiations. Following the end of the transition period, the United Kingdom ("UK") entered into a EU-UK Trade and Cooperation Agreement with effect on 1 January 2021, permitting zero tariffs and quotas for trade in goods between the EU and UK. However, as at today's date, no substantive agreement has been reached between the EU and the UK for the provision of services between the UK and remaining Member States. As such, following the withdrawal of the UK from the EU, there is still some uncertainty as to the UK's post-withdrawal framework, and in particular as to the arrangements which will apply to its relationships with the EU and with other countries. The Directors continue to monitor the situation.

Significant Events During the Financial Year

The events which were significant for the Fund during the financial year are detailed in Note 22.

On 2 June 2020 John Craddock and Robbie Kelleher resigned as Directors of the Fund. Ruth (Patterson) Sullivan, Darragh Mooney and Aidan Donnelly were appointed as Directors on the same date.

On 12 June 2020, Davy Global Fund Management Limited was appointed as Manager.

On 17 July 2020, the Central Bank of Ireland approved a new supplement for Usonian Japan Value Fund which includes the change in Investment Manager to Grantham, Mayo, Van Otterloo & Co. LLC. Effective 10 August 2020, Grantham, Mayo, Van Otterloo & Co. LLC replaced Usonian Investments LLC as investment manager of Usonian Japan Value Fund.

On 17 August 2020, Tom Berrigan resigned as Director of the ICAV.

On 17 November 2020 Paul O'Shea resigned as Director of the ICAV.

On 5 January 2021 and 9 March 2021 Usonian supplements and the Umbrella prospectus dated 9 March 2021 were updated.

The Usonian Japan Value Fund launched Class A2 USD Acc shares on 22 May 2020 and Class A1 GBP Unhedged Dist shares on 29 January 2021.

Directors' Report (continued)

Significant Events During the Financial Year (continued)

Financial markets have experienced significant volatility as a result of the COVID-19 outbreak. The impact can be seen across all sectors and all asset classes. This is a rapidly evolving situation, both from a public health and financial markets perspective. Recent government actions in respect of restriction of movement, social distancing guidelines, and limiting certain activities have resulted in a significant fall in economic activity. As of now it is unclear as to how long these measures will be in effect for, or the ultimate impact on asset valuations but it should be noted as a significant risk to the Fund.

There have been no other events during the financial year, which, in the opinion of the Directors of the ICAV, may have had an impact on the Financial Statements for the financial year ended 30 April 2021.

Significant Subsequent Events

An announcement was made on 22 July 2021 that IQ-EQ will acquire DGF, the Manager to Skyline. The sale is subject to regulatory approval.

Up to the date of approval of these financial statements there were no other significant subsequent events to report after the financial year ended 30 April 2021.

Employees

The ICAV had no employees during the financial year ended 30 April 2021.

Segregated Liabilities

The ICAV is an umbrella fund with segregated liabilities between sub-funds.

Future Developments

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

Independent Auditor

In accordance with Section 125 of the ICAV Act 2015, Deloitte Ireland LLP, Chartered Accountants and Registered Auditors, have expressed their willingness to continue in office as the ICAV's auditor.

Directors' Report (continued)

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' Report and financial statements, in accordance with applicable law and regulations.

The 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 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 Fund at the end of the financial year and of the profit or loss of the 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 judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.
- assess the 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 ICAV, to cease operations or have another reason not 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 profit or loss of the Fund and enable them to ensure that the financial statements comply with the ICAV Act and 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 Fund. In this regard they have entrusted the assets of the Fund to a Depositary for safe-keeping. The Directors have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a Directors' Report that complies with the requirements of the ICAV Act.

On behalf of the Board

Director

Date: 21 July 2021

Director

Date: 21 July 2021

Report of the Depositary to the Shareholders

We, Northern Trust Fiduciary Services (Ireland) Limited, appointed Depositary to Usonian Japan Value Fund (“the Fund”) provide this report solely in favour of the shareholders of the Fund for the year ended 30 April 2021 (“the Accounting Period”). This report is provided in accordance with the UCITS Regulations – European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (SI No 352 of 2011), as amended, which implemented Directive 2009/65/EU into Irish Law (“the Regulations”). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

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

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

(i) In accordance with the limitations imposed on the investment and borrowing powers of the Fund by the constitutional documents and by the Regulations; and

(ii) otherwise in accordance with the provisions of the constitutional documents and the Regulations.


Peter Cunningham

For and on behalf of:
Northern Trust Fiduciary Services (Ireland) Limited

21 July 2021

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF
USONIAN JAPAN VALUE FUND
(A SUB-FUND OF SKYLINE UMBRELLA FUND ICAV)

Report on the audit of the annual accounts

Opinion on the annual accounts of Usonian Japan Value Fund (the 'Fund')

In our opinion the annual accounts:

- give a true and fair view of the assets, liabilities and financial position of the Fund as at 30 April 2021 and of the result for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and the applicable Regulations.

The annual accounts we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Net Assets attributable to holders of Redeemable Participating Shares;
- the Statement of Cash Flows; and
- the related notes 1 to 24, including a summary of significant accounting policies as set out in note 2.

The relevant financial reporting framework that has been applied in their preparation is the Irish Collective Asset-Management Vehicles Act 2015 ("the ICAV Act") and International Financial Reporting Standards as adopted by the European Union ("IFRS") ("the relevant financial reporting framework").

The applicable regulations that have been applied in their preparation is the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2019 ("the applicable Regulations").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "*Auditor's responsibilities for the audit of the annual accounts*" section of our report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the annual accounts in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the annual accounts, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the annual accounts is appropriate.

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

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

Other information

The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the annual accounts and our auditor's report thereon. The directors are responsible for the other information contained within the Annual Report and Audited Financial Statements. Our opinion on the annual accounts does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF USONIAN JAPAN VALUE FUND (A SUB-FUND OF SKYLINE UMBRELLA FUND ICAV)

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

We have nothing to report in this regard.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities, the directors are responsible for the preparation of annual accounts that give a true and fair view and have been properly prepared in accordance with the ICAV Act, and for such internal control as the directors determine is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the directors are responsible for assessing the Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the annual accounts

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

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

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the entity (or where relevant, the group) to cease to continue as a going concern.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF USONIAN JAPAN VALUE FUND (A SUB-FUND OF SKYLINE UMBRELLA FUND ICAV)

- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that the auditor identifies during the audit.

Report on other legal and regulatory requirements

Matters on which we are required to report by the ICAV Act and the applicable Regulations

In our opinion, the information given in the directors' report is consistent with the annual accounts and the directors' report has been prepared in accordance with the ICAV Act.

Matters on which we are required to report by exception

Based on the knowledge and understanding of the FUND and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report.

We have nothing to report in respect of the provisions in the ICAV Act which require us to report to you if, in our opinion, the disclosures of directors' remuneration specified by the ICAV Act are not made.

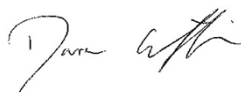
Opinion on other matters prescribed by the applicable Regulations

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Fund were sufficient to permit the annual accounts to be readily and properly audited.
- The annual accounts are in agreement with the accounting records.

Use of our report

This report is made solely to the Fund's shareholders, as a body, in accordance with Section 120(1) (b) of the ICAV Act. Our audit work has been undertaken so that we might state to the 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 Fund and the Fund's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



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

26 July 2021

Statement of Comprehensive Income

For the financial year ended 30 April 2021

| | Notes | Year ended 30 April 2021 JPY | Year ended 30 April 2020 JPY |
|---|-------|------------------------------------|------------------------------------|
| Investment Income | | | |
| Operating income | 4 | 1,015,933,305 | 1,055,803,035 |
| Net gain/(loss) on financial assets and liabilities at fair value through profit or loss | 5 | <u>10,006,858,221</u> | <u>(4,962,759,515)</u> |
| Total investment income/(loss) | | 11,022,791,526 | (3,906,956,480) |
| Operating expenses | 6 | <u>(305,849,137)</u> | <u>(291,267,150)</u> |
| Net income/(loss) | | 10,716,942,389 | (4,198,223,630) |
| Finance costs | | | |
| Distribution | 2(k) | <u>(18,260,763)</u> | <u>-</u> |
| Profit/(loss) for the period before tax | | 10,698,681,626 | (4,198,223,630) |
| Non-reclaimable withholding tax | | <u>(152,366,690)</u> | <u>(182,412,768)</u> |
| Profit/(loss) for the period after tax | | <u>10,546,314,936</u> | <u>(4,380,636,398)</u> |
| Net increase/(decrease) in net assets attributable to holders of redeemable participating shares | | <u><u>10,546,314,936</u></u> | <u><u>(4,380,636,398)</u></u> |

There are no recognised gains or losses arising in the financial year other than those included in the Statement of Comprehensive Income.

The accompanying notes form an integral part of the Financial Statements.

Statement of Financial Position

As at 30 April 2021

| | Notes | As at 30 April 2021 JPY | As at 30 April 2020 JPY |
|--|-------|-------------------------------|-------------------------------|
| Assets | | | |
| Cash and cash equivalents: | | | |
| - Cash at bank | 7 | 617,591,432 | 1,735,846,134 |
| Receivable for shares issued | | 19,529,608 | 133,096,212 |
| Other receivables | 8 | 458,875,893 | 463,999,693 |
| Financial assets at fair value through profit or loss: | | | |
| - Transferable securities | 3 | <u>42,176,462,939</u> | <u>33,682,798,141</u> |
| Total Assets | | <u>43,272,459,872</u> | <u>36,015,740,180</u> |
| Liabilities | | | |
| Accruals and other payables | 9 | (68,909,655) | (32,998,536) |
| Payable for securities purchased | | (31,688,921) | - |
| Payable for shares redeemed | | <u>(341,312)</u> | <u>(10,020,900)</u> |
| Total Liabilities | | <u>(100,939,888)</u> | <u>(43,019,436)</u> |
| Total liabilities (excluding net assets attributable to holders of redeemable participating shares) | | <u>(100,939,888)</u> | <u>(43,019,436)</u> |
| Net assets attributable to holders of redeemable participating shares | | <u>43,171,519,984</u> | <u>35,972,720,744</u> |

The accompanying notes form an integral part of the Financial Statements.

On Behalf of the Directors

Director: 

Director: 

Date: 21 July 2021

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

For the financial year ended 30 April 2021

| | Year ended 30 April 2021 JPY | Year ended 30 April 2020 JPY |
|--|---|---|
| Net assets attributable to holders of redeemable participating shares at beginning of financial year | <u>35,972,720,744</u> | <u>25,914,946,914</u> |
| Increase/(decrease) in net assets attributable to holders of redeemable participating shareholders from operations | <u>10,546,314,936</u> | <u>(4,380,636,398)</u> |
| Redeemable participating shares issued | 11,263,395,858 | 16,783,704,903 |
| Redeemable participating shares redeemed | <u>(14,610,911,554)</u> | <u>(2,345,294,675)</u> |
| (Decrease)/increase in net assets from share transactions | <u>(3,347,515,696)</u> | <u>14,438,410,228</u> |
| Net assets attributable to holders of redeemable participating shares at end of financial year | <u><u>43,171,519,984</u></u> | <u><u>35,972,720,744</u></u> |

The accompanying notes form an integral part of the Financial Statements.

Statement of Cash Flows

For the financial year ended 30 April 2021

| | Year ended 30 April 2021 JPY | Year ended 30 April 2020 JPY |
|---|---|---|
| Cash flows from operating activities | | |
| Proceeds from sale of investments | 19,659,572,590 | 7,814,929,953 |
| Purchase of investments | (18,140,826,790) | (21,652,996,604) |
| Interest received | 5,405 | - |
| Dividends received | 869,607,926 | 681,791,943 |
| Operating expenses paid | (242,503,155) | (268,915,276) |
| Gains/(losses) from foreign currency | 4,913,004 | (54,919,398) |
| Exchange (loss)/gain on receivables/payables | (603) | 3,263 |
| Net cash from operating activities | <u>2,150,768,377</u> | <u>(13,480,106,119)</u> |
| Cash flows from financing activities | | |
| Interest paid | (7,133,636) | (4,741,607) |
| Distributions | (18,260,763) | - |
| Transfer under Scheme of Amalgamation | - | - |
| Share transactions | | |
| Amounts received on issue of redeemable participating shares | 11,376,962,462 | 16,650,608,691 |
| Amounts paid on redemption of redeemable participating shares | (14,620,591,142) | (2,335,273,775) |
| Net cash (outflows)/inflows from financing activities | <u>(3,269,023,079)</u> | <u>14,310,593,309</u> |
| Net (decrease)/increase in cash and cash equivalents | (1,118,254,702) | 830,487,190 |
| Cash and cash equivalents at beginning of financial year | <u>1,735,846,134</u> | <u>905,358,944</u> |
| Cash and cash equivalents at end of financial year | <u><u>617,591,432</u></u> | <u><u>1,735,846,134</u></u> |

The accompanying notes form an integral part of the Financial Statements.

Notes to the Financial Statements

For the financial year ended 30 April 2021

1. Basis of preparation

a) Statement of compliance

The Financial Statements of Usonian Japan Value Fund (the "Fund"), a sub-fund of Skyline Umbrella Fund ICAV ("the ICAV") were prepared in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS") and interpretations adopted by the International Accounting Standards Board ("IASB"), and Irish statute comprising the Irish Collective Asset-management Vehicles Act 2015 ("the ICAV Act") and pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 ("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").

Management has made an assessment of the Fund's ability to continue as a going concern. Financial markets have been heavily impacted by the COVID-19 pandemic and the Investment Manager has been closely following developments. The Fund holds sufficient cash and liquidity within its portfolios to be able to meet its financial obligations at a minimum for a 12-month period post signing of the financial statements. Therefore, management has concluded that the going concern basis of accounting is the most appropriate and has applied same in these financial statements.

b) Use of estimates and judgements

The Fund is a sub-fund of the ICAV for the financial year ended 30 April 2021. The Financial Statements of the remaining thirteen sub-funds of the ICAV have been prepared as part of the Financial Statements for the ICAV with the exception of SECOR Mazu Global Equity Fund which has been also prepared separately. The Directors consider the basis of preparation of each set of financial statements and they have determined that the Fund's Financial Statements as a sub-fund of the ICAV should be prepared on a going concern basis.

The preparation of Financial Statements in conformity with IFRS requires the Fund to make 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 period. 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 areas involving a higher degree of judgement or complexity or areas where estimates and assumptions are significant to the Financial Statements are disclosed in Note 2(b). The estimates and underlying assumptions are reviewed on an on-going basis.

c) Presentation currency

The Financial Statements are presented in Japanese Yen ("JPY") which is the Fund's functional currency and presentation currency.

2. Significant accounting policies

The Financial Statements of the Fund have been prepared on a going concern basis.

a) Financial Assets and Liabilities at fair value through profit and loss ("FVTPL")

(i) Classification

The Fund classifies investments based on the contractual cash flow characteristics of the financial assets and the Fund's business model.

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

- The asset is held within a business model whose objective is to hold assets to collect contractual cashflows; and
- The contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Notes to the Financial Statements (continued)

For the financial year ended 30 April 2021

2. Significant accounting policies (continued)

a) Financial Assets and Liabilities at fair value through profit and loss (continued)

(i) Classification (continued)

A debt instrument is measured at fair value through other comprehensive income (“FVTOCI”) only if it meets both of the following conditions and is not designated as at FVTPL:

- The asset is held within a business model whose objective is achieved by both collecting contractual cashflows and selling financial assets; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

An equity instrument is measured at FVTOCI only where it is not held for trading and the Fund has made an election at initial recognition to measure it at FVTOCI.

The Fund’s equity instruments are classified as FVTPL as they are held for trading. The Fund classifies its financial liabilities, other than derivatives, if any, as measured at amortised cost. Derivatives, if any, not designated in a qualifying hedge relationship are mandatorily classified at FVTPL.

(ii) Recognition and derecognition

Purchases and sales of investments are recognised on the trade date – the date on which the Fund commits to the purchase or sale of an investment. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred all risks and rewards of ownership. Changes in unrealised gains and losses on financial assets and liabilities are recognised in the Statement of Comprehensive Income.

(iii) Measurement

Financial assets and financial liabilities at FVTPL are initially recognised at fair value. Transaction costs are expensed as incurred in profit or loss in the Statement of Comprehensive Income. Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value.

Financial liabilities, other than those at fair value through profit or loss, are measured at amortised cost using the effective interest rate.

IFRS 13 requires valuation to be based on a price within the bid-ask spread that is most representative of fair value and allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurement within a bid-ask spread. The Directors are of the opinion that the last traded prices used within the valuation for its listed financial assets, financial liabilities and over-the-counter financial derivative instruments whose reference assets are listed, if any, are representative of fair value.

Realised gains or losses on disposal of financial assets at fair value through profit or loss during the financial year and unrealised gains and losses on valuation of financial assets at fair value through profit or loss held at the financial year end are dealt with in the Statement of Comprehensive Income.

(iv) Fair value measurement principles

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Fund has access at that date. The fair value of a financial liability reflects its non-performance risk.

Notes to the Financial Statements (continued)

For the financial year ended 30 April 2021

2. Significant accounting policies (continued)

a) Financial assets and liabilities at fair value through profit and loss (continued)

(iv) Fair value measurement principles (continued)

The fair value of financial instruments traded in active markets, such as equities and exchange traded funds, is based on quoted market prices at the Statement of Financial Position date. The quoted market price used for financial assets and liabilities held by the Fund is the current last traded price.

Grantham, Mayo, Van Otterloo & Co. LLC (the "Investment Manager") (Usonian Investments LLC served as the Fund's Investment Manager prior to 10 August 2020) may pursue the Fund's investment objective by allocating the Fund's assets to other collective investment vehicles including those that are managed by the Investment Manager or one of its affiliates. The fair value of closed ended funds are derived from quoted prices listed on the stock exchange.

Fair values for unquoted equity investments are estimated, if possible, using applicable price/earnings ratios for similar listed companies adjusted to reflect the specific circumstances of the issuer.

If a quoted market price is not available on a recognised stock exchange or from a broker/dealer for non-exchange-traded financial instruments, the fair value of the instrument is estimated 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.

Realised gains and losses on investment disposals are calculated using the average cost method.

(v) Cash and cash equivalents

Cash comprises current deposits with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value.

(vi) Offsetting Financial Instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statement of Financial Position where 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 assets and settle the liability simultaneously.

b) Critical accounting estimates and assumptions

Management makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities include the fair value of investments (as set out in part (a), (iii) and (iv)), and disclosed in the Statement of Financial Position and the functional currency of the ICAV.

c) Income

Bank interest income and dividend income is accounted for on an accruals basis. Interest income on fixed and floating rate securities is accounted for on an effective yield basis.

d) Fees and charges

In accordance with the Prospectus, management fees, administration fees, depositary fees, sub-custody fees and other operating expenses are charged to the Statement of Comprehensive Income on an accruals basis.

Notes to the Financial Statements (continued)

For the financial year ended 30 April 2021

2. Significant accounting policies (continued)

e) Redeemable participating shares

Redeemable Participating Shares are redeemable at the Shareholder's option and are classified as financial liabilities.

f) Taxation

Interest income and dividend income received by the Fund may be subject to withholding tax imposed in the country of origin. Investment income is recorded gross of such taxes. Capital gains tax may be payable by the Fund for any gains. See Note 18 for further information relating to taxation.

g) Other receivables

Trades awaiting settlement are reflected in Other Receivables in the Statement of Financial Position. Please refer to Note 8 for full breakdown of Other Receivables.

h) Due to and from brokers

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the Statement of Financial Position date respectively. The due from brokers balance is held for collection.

i) Foreign exchange

Foreign exchange gains and losses on financial assets and financial liabilities at fair value through profit or loss are recognised together with other changes in the fair value. Net currency gains/(losses) as set out in Note 5, are net foreign exchange gains and losses on monetary financial assets and financial liabilities other than those classified at fair value through profit or loss. Assets and liabilities denominated in foreign currencies, other than the functional currency of the Fund, have been translated at the rate of exchange ruling at 30 April 2021.

j) Transaction costs

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are included as part of the cost of such purchases. The transaction costs that are separately identifiable are disclosed in Note 16.

k) Distributions

As stated in the "Background to the ICAV" the Directors decide the dividend policy and arrangements relating to each Fund. All distributions are recognised in the Statement of Comprehensive Income as finance costs. The Fund paid out dividends GBP119,777 or JPY 18,260,763 (30 April 2020: JPY Nil) during the year on Class A1 GBP Unhedged Dist Shares.

l) Anti-Dilution Levy

The Directors may, where there are net subscriptions or redemptions, charge an anti-dilution levy which will be calculated to cover the costs of acquiring or selling investments as a result of net subscriptions or redemptions on any dealing day, which will include any dealing spreads and commissions and will be charged in circumstances where the Directors believe it is necessary to prevent an adverse effect on the value of the assets of the Fund. There was no such adjustment for the Fund as at 30 April 2021 or 30 April 2020.

Notes to the Financial Statements (continued)

For the financial year ended 30 April 2021

3. Financial risk management

Strategy in using financial instruments

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

Global exposure

Under UCITS Regulations issued by the Central Bank of Ireland, the ICAV is required to employ a risk management process ("RMP") which enables it to accurately monitor and manage the global exposure to the ICAV from derivatives.

The Fund uses a methodology known as the "Commitment Approach" to measure the global exposure of the ICAV and manage any potential loss due to market risk.

The nature and extent of the financial instruments outstanding at the reporting date and the policies employed by the ICAV to manage these risks are discussed below.

a) Market price risk

Market price risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market price is defined as the prevailing price at which the financial instruments held by the Fund may be sold within a public arena. It is the estimated amount for which an investment should exchange between a willing buyer and a willing seller in an arms-length transaction wherein the parties had each acted knowledgeably, prudently, and without compulsion. The Fund's securities and financial derivative instruments if any are susceptible to market price fluctuations arising from uncertainties about the future performance of each specific security held or to which exposure is obtained by the Funds, future market conditions in general and future economic and political events.

The Board of Directors manage the market price risks inherent in the investment portfolios by ensuring full, regular and timely access to relevant information from the Investment Manager. The Board of Directors meets regularly and at each meeting reviews investment performance and overall market positions. They monitor the Investment Manager's compliance with the Fund's investment objectives.

If the market price of equities had increased by 5% at 30 April 2021, and if all other variables were held constant, then this would have increased net assets attributable to holders of redeemable participating shares of the Fund by approximately JPY 2,108,823,147 (30 April 2020: JPY 1,684,139,907).

Conversely, if the market price of equities had decreased by 5%, then this would have decreased net assets attributable to holders of redeemable shares of the Fund by an equal and opposite amount, if all other variables had remained constant.

b) Interest rate risk

The Fund does not hold interest bearing securities. Therefore, the Fund has no exposure to interest rate risk and consequently, no sensitivity analysis for interest rate risk has been carried out.

Notes to the Financial Statements (continued)

For the financial year ended 30 April 2021

3. Financial risk management (continued)

c) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Fund is exposed to currency risk as the assets are held in a range of currencies other than the Fund's functional currency. The Fund may hedge their foreign currency risks through forward foreign currency contracts. Additionally, circumstances may also arise in which hedging transactions undertaken by the Fund may reduce currency gains which would otherwise accrue where no such hedging transactions were undertaken by the Fund.

In accordance with the Fund's policy, the Investment Manager monitors the Fund's currency positions on a daily basis and the Board of Directors review the details on a quarterly basis.

The table below and overleaf set out the foreign exchange ("FX") exposure of the assets and liabilities, by currency, in relation to the Fund.

30 April 2021

| | GBP (in JPY) | Total (in JPY) |
|---|-------------------------|---------------------------|
| Liabilities | | |
| Bank overdraft | (6,602,995) | (6,602,995) |
| Net assets attributable to holders of redeemable participating shares | (42,983,159,693) | (42,983,159,693) |
| | <u>(42,989,762,688)</u> | <u>(42,989,762,688)</u> |

30 April 2020

| | GBP (in JPY) | Total (in JPY) |
|---|-------------------------|---------------------------|
| Liabilities | | |
| Bank overdraft | (43,967,978) | (43,967,978) |
| Net assets attributable to holders of redeemable participating shares | (35,849,911,635) | (35,849,911,635) |
| | <u>(35,893,879,608)</u> | <u>(35,893,879,613)</u> |

If the JPY exchange rate at 30 April 2021 had increased by 5% with all other variables held constant, this would have decreased Net Assets Attributable to Holders of Redeemable Participating Shares of the Fund by approximately JPY 2,149,157,985 (30 April 2020: JPY 1,794,693,981). Conversely, if the JPY exchange rate had decreased by 5%, this would have increased Net Assets Attributable to Holders of Redeemable Participating Shares of the Fund by an equal and opposite amount, all other variables remaining constant.

Notes to the Financial Statements (continued)

For the financial year ended 30 April 2021

3. Financial risk management (continued)

d) Credit risk

The Fund takes on exposure to credit risk, which is the risk that a counterparty will default by failing to meet its obligations in accordance with agreed terms. The Fund will be exposed to a credit risk on parties with whom it trades, and will also bear the risk of settlement default.

The Fund minimises its credit risk through dealing with counterparties and credit institutions holding cash and interest bearing financial assets which are offered by investment-grade rated companies.

As at 30 April 2021 and 30 April 2020, the Fund does not hold debt securities. Therefore, this Fund has no exposure to credit risk.

Northern Trust Fiduciary Services (Ireland) Limited (“NTFSIL”) is the appointed Depository (“Depository”) of the Fund, responsible for the safe-keeping of assets. NTFSIL has appointed The Northern Trust Company (“TNTC”) as its global sub-custodian. Both NTFSIL and TNTC are wholly owned subsidiaries of Northern Trust Corporation (“NTC”). As at year-end date 30 April 2021, NTC had a long term credit rating from Standard & Poor’s of A+ (30 April 2020: A+).

TNTC (as global sub-custodian of NTFSIL) does not appoint external sub-custodians within the U.S., the U.K., Ireland, Canada, Belgium, France, Germany, Netherlands and Saudi Arabia. However, in all other markets, TNTC appoints local external sub-custodians. NTFSIL, in the discharge of its depository duties, verifies the Fund’s ownership of Other Assets, (as defined under Other Assets, Art 22(5) of UCITS V Directive 2014/91/EU), by assessing whether the Fund holds the ownership based on information or documents provided by the Fund or where available, on external evidence.

TNTC, in the discharge of its delegated depository duties, holds in custody (i) all financial instruments that may be registered in a financial instruments account opened on the books of TNTC and (ii) all financial instruments that can be physically delivered to TNTC. TNTC ensures all financial instruments (held in a financial instruments account on the books of TNTC) are held in segregated accounts in the name of the Fund, clearly identifiable as belonging to the Fund, and distinct and separately from the proprietary assets of TNTC, NTFSIL and NTC.

In addition TNTC, as banker, holds cash of the Fund’s on deposit. Such cash is held on the Statement of Financial Position of TNTC. In the event of insolvency of TNTC, in accordance with standard banking practice, the Fund will rank as an unsecured creditor of TNTC in respect of any cash deposits.

Insolvency of NTFSIL and or one of its agents or affiliates may cause the Fund’s rights with respect to its assets to be delayed. The Investment Manager manages risk by monitoring the credit quality and financial position of the Depository and such risk is further managed by the Depository monitoring the credit quality and financial positions of sub-custodian appointments.

e) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Fund is exposed to daily cash redemptions of redeemable participating shares. The Fund generally retains a portion of its assets in cash, which is available to satisfy redemptions. The Fund invests the proportion of its assets in investments that are traded in an active market and can be readily disposed, it invests the majority of its assets in investments not actively traded on a stock exchange. The Fund’s listed securities are considered readily realisable as they are listed on a stock exchange.

The Central Bank of Ireland Regulations, the Fund’s prospectus and supplements give guidance to the Investment Managers as to the maximum amount of the Fund’s resources that should be invested in any one holding.

Notes to the Financial Statements (continued)

For the financial year ended 30 April 2021

3. Financial risk management (continued)

e) Liquidity risk (continued)

In accordance with the Fund's policy, the Investment Manager monitors the Fund's liquidity positions on a daily basis, and the Board of Directors review these on a quarterly basis. There were no material changes to the Fund's policies and processes for managing liquidity risk and the methods used to measure risk since the prior financial year end.

The tables below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts in the tables are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances as the impact of discounting is not significant.

| As at 30 April 2021 | Less than 1 month JPY | More than 1 month JPY | Total JPY |
|---|--------------------------------------|--------------------------------------|------------------------------|
| Financial liabilities at fair value through profit or loss | - | - | - |
| Accruals and other payables | 68,909,655 | - | 68,909,655 |
| Payable for securities purchased | 31,688,921 | - | 31,688,921 |
| Payable for shares redeemed | 341,312 | - | 341,312 |
| Net assets attributable to holders of redeemable participating shares | <u>43,171,519,984</u> | - | <u>43,171,519,984</u> |
| Total financial liabilities | <u><u>43,272,459,872</u></u> | <u><u>-</u></u> | <u><u>43,272,459,872</u></u> |

| As at 30 April 2020 | Less than 1 month JPY | More than 1 month JPY | Total JPY |
|---|--------------------------------------|--------------------------------------|------------------------------|
| Financial liabilities at fair value through profit or loss | - | - | - |
| Accruals and other payables | 32,998,536 | - | 32,998,536 |
| Payable for securities purchased | - | - | - |
| Payable for shares redeemed | 10,020,900 | - | 10,020,900 |
| Net assets attributable to holders of redeemable participating shares | <u>35,972,720,744</u> | - | <u>35,972,720,744</u> |
| Total financial liabilities | <u><u>36,015,740,180</u></u> | <u><u>-</u></u> | <u><u>36,015,740,180</u></u> |

f) Concentration risk

The Fund may have a relatively high percentage of assets in a single or small number of issuers and may have fewer holdings than other funds. As a result, a decline in the value of an investment in a single issuer could cause the Fund's overall value to decline to a greater degree than if the Fund held a more diverse portfolio.

Notes to the Financial Statements (continued)

For the financial year ended 30 April 2021

3. Financial risk management (continued)

Fair value hierarchy disclosure

Fair value hierarchy disclosure

IFRS 13 'Fair Value Measurement: Disclosures' requires disclosure relating to the fair value hierarchy in which fair value measurements are categorised for assets and liabilities in the Statement of Financial Position.

The disclosures are based on a three-level fair value hierarchy for the inputs used in valuation techniques to measure fair value. The fair value of financial assets and financial liabilities traded in an active market (such as trading securities) are based on quoted market prices at the close of trading on the year-end date. The quoted market price used for financial assets held by the Fund is the last traded price as a practical expedient for fair value.

A financial instrument is regarded as quoted in an active market if the 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.

The fair value of financial assets and financial liabilities that are not traded in an active market is determined by using valuation techniques. The Fund uses a variety of methods and make assumptions that are based on market conditions existing at the year-end date. The Fund classifies 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:

- Quoted 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 following table analyses within the fair value hierarchy the Fund's investments at fair value at 30 April 2021 and 30 April 2020.

| 30 April 2021 | Level 1 | Level 2 | Level 3 | Total |
|--------------------------------------|-----------------------|----------------|----------------|-----------------------|
| Assets | JPY | JPY | JPY | JPY |
| Financial assets held for trading: | | | | |
| - Equity securities | 42,176,462,939 | - | - | 42,176,462,939 |
| - Total Return Swaps | - | - | - | - |
| - Futures Contracts | - | - | - | - |
| - Forward Foreign Currency Contracts | - | - | - | - |
| Total assets | 42,176,462,939 | - | - | 42,176,462,939 |
| 30 April 2020 | Level 1 | Level 2 | Level 3 | Total |
| Assets | JPY | JPY | JPY | JPY |
| Financial assets held for trading: | | | | |
| - Equity securities | 33,682,798,141 | - | - | 33,682,798,141 |
| - Total return swaps | - | - | - | - |
| - Futures Contracts | - | - | - | - |
| - Forward Foreign Currency Contracts | - | - | - | - |
| Total assets | 33,682,798,141 | - | - | 33,682,798,141 |

Other Financial Assets and Liabilities

At the 30 April 2021 and 30 April 2020, cash and cash equivalents are considered to be classified as level 1 within the fair value hierarchy.

All other financial assets and liabilities, other than investments at fair value, whose carrying amounts approximate to fair value have been considered to be classified within Level 2 of the fair value hierarchy.

Notes to the Financial Statements (continued)

For the financial year ended 30 April 2021

4. Operating Income

| | Year ended 30 April 2021 JPY | Year ended 30 April 2020 JPY |
|----------------------|------------------------------------|------------------------------------|
| Bank interest income | 5,405 | - |
| Dividend income | 1,015,927,900 | 1,055,803,035 |
| | <u>1,015,933,305</u> | <u>1,055,803,035</u> |

5. Net gains/(losses) on financial assets and liabilities at fair value through profit or loss

| | Year ended 30 April 2021 JPY | Year ended 30 April 2020 JPY |
|--|------------------------------------|------------------------------------|
| Realised losses on sale of investments | (2,476,979,726) | (1,364,202,495) |
| Realised gains on sale of investments | 2,456,228,489 | 551,271,709 |
| Net currency gains/(losses) | 4,912,401 | (54,916,135) |
| Net change in unrealised depreciation on investments | (652,966,296) | (4,979,921,508) |
| Net change in unrealised appreciation on investments | 10,675,663,353 | 885,008,914 |
| | <u>10,006,858,221</u> | <u>(4,962,759,515)</u> |

6. Operating Expenses

| | Year ended 30 April 2021 JPY | Year ended 30 April 2020 JPY |
|----------------------------|------------------------------------|------------------------------------|
| Administration fees | 19,337,702 | 17,607,178 |
| Auditor's fees | 1,534,528 | 720,865 |
| Sub-custodian fees | 11,388,657 | 7,591,189 |
| Reporting fee | 630,285 | 158,699 |
| Financial regulator levy | 105,060 | - |
| Investment management fees | 219,236,788 | 219,183,939 |
| Legal fees | 916,920 | 76,968 |
| General expenses | 4,370,556 | (239,660) |
| Distributor fee | 12,175,250 | 11,478,708 |
| Set up costs | - | 781,975 |
| Transaction costs | 20,301,227 | 19,381,710 |
| Depository fees | 8,355,154 | 9,265,691 |
| Bank charges | 7,126,283 | 5,172,648 |
| VAT fees | 370,727 | 87,240 |
| | <u>305,849,137</u> | <u>291,267,150</u> |

Refer to Note 14 for further details on the Fund's expenses.

Notes to the Financial Statements (continued)

For the financial year ended 30 April 2021

7. Cash and cash equivalents

| | As at 30 April 2021 JPY | As at 30 April 2020 JPY |
|----------------------------|-------------------------------|-------------------------------|
| Cash at bank | | |
| The Northern Trust Company | 617,591,432 | 1,735,846,134 |
| | <u>617,591,432</u> | <u>1,735,846,134</u> |

8. Other receivables

| | As at 30 April 2021 JPY | As at 30 April 2020 JPY |
|----------------------------|-------------------------------|-------------------------------|
| Dividend income | 457,952,977 | 463,999,693 |
| Securities sold receivable | 922,916 | - |
| | <u>458,875,893</u> | <u>463,999,693</u> |

9. Accruals and other payables

| | As at 30 April 2021 JPY | As at 30 April 2020 JPY |
|-----------------------------------|-------------------------------|-------------------------------|
| Accrued administration fees | 8,561,039 | 6,043,099 |
| Accrued audit fees | 1,620,553 | 922,251 |
| Accrued bank interest | 675,169 | 682,522 |
| Accrued sub-custody fees | 4,917,431 | 3,342,618 |
| Accrued distributor fee | 4,946,395 | 1,670,285 |
| Accrued financial reporting fee | 522,791 | 108,149 |
| Accrued general expenses | 1,612,773 | 1,458,189 |
| Accrued financial regulator levy | 500,354 | - |
| Accrued investment management fee | 41,501,774 | 15,907,168 |
| Accrued depositary fee | 3,612,479 | 2,599,427 |
| Accrued VAT fee | 438,897 | 264,828 |
| | <u>68,909,655</u> | <u>32,998,536</u> |

10. Share capital

The authorised Share capital of the Fund is 2 subscriber shares (“Subscriber Shares”) of €1 each and 1,000,000,000,000 Shares of no par value initially designated as unclassified shares and available for issue as shares.

The issued share capital of the ICAV is €2 represented by 2 subscriber shares issued for the purpose of incorporation of the ICAV at an issue price of €1.

The right of holders of any shares to participate in the assets of the ICAV is limited to the assets (if any) of the Fund relating to such shares. If the realised net assets of any fund are insufficient to pay any amounts due on the relevant shares in full in accordance with the Supplement, the relevant shareholders will have no further right of payment in respect of such shares or any claim against any other fund or any other assets of the ICAV. Each shareholder's right to any return of capital or income on the shares is subject to the Prospectus, the relevant Supplement generally.

Notes to the Financial Statements (continued)

For the financial year ended 30 April 2021

10. Share capital (continued)

| | Year end 30 April 2021 | Year end 30 April 2020 |
|---|---------------------------|---------------------------|
| Number of Class A1 GBP Acc Shares Issued and Fully Paid | | |
| Balance at beginning of financial year | 29,110,981 | 18,399,511 |
| Issued during financial year | 6,348,578 | 12,408,001 |
| Redeemed during financial year | (10,010,969) | (1,696,531) |
| Total number of Class A1 GBP Acc Shares in issue at end of financial year | 25,448,590 | 29,110,981 |
| *Number of Class A2 USD Acc Shares Issued and Fully Paid | | |
| Balance at beginning of financial year | - | - |
| Issued during financial year | 135,709 | - |
| Redeemed during financial year | - | - |
| Total number of Class A2 USD Acc Shares in issue at end of financial year | 135,709 | - |
| **Number of Class A1 GBP Unhedged Dist Shares Issued and Fully Paid | | |
| Balance at beginning of financial year | - | - |
| Issued during financial year | 1,495,339 | - |
| Redeemed during financial year | (77,738) | - |
| Total number of Class A1 GBP Unhedged Dist Shares in issue at end of financial year | 1,417,601 | - |

* Class A2 USD Acc shares launched on 22 May 2020.

** Class A1 GBP Unhedged Dist shares launched on 29 January 2021.

11. Net Asset Value

| | Net Asset Value | Net Asset per Share |
|--|------------------------|----------------------------|
| Class A1 GBP Acc Shares | GBP | GBP |
| 30 April 2021 | 277,541,447 | 10.9060 |
| 30 April 2020 | 266,682,410 | 9.1301 |
| 30 April 2019 | 179,588,302 | 9.7605 |
| | Net Asset Value | Net Asset per Share |
| *Class A2 USD Acc Shares | USD | USD |
| 30 April 2021 | 1,724,808 | 12.7096 |
| | Net Asset Value | Net Asset per Share |
| **Class A1 GBP Unhedged Dist Shares | GBP | GBP |
| 30 April 2021 | 25,539,405 | 18.0159 |

* Class A2 USD Acc shares launched on 22 May 2020.

** Class A1 GBP Unhedged Dist shares launched on 29 January 2021.

Notes to the Financial Statements (continued)

For the financial year ended 30 April 2021

12. Auditor remuneration

The remuneration (excluding VAT) for all work carried out by the statutory audit firm in respect of the financial period is as follows:

| | Year ended 30 April 2021 EUR | Year ended 30 April 2020 EUR |
|-----------------------------|------------------------------------|------------------------------------|
| Statutory audit of the Fund | 10,000 | 6,000 |
| Other assurance services | - | - |
| Tax advisory services | - | - |
| Other non-audit services | - | - |
| | <u>10,000</u> | <u>6,000</u> |

There was no out of pocket expenses charged to the Fund for the year ended 30 April 2021 (30 Apr 2020: JPY Nil).

13. Reconciliation of net asset value in accordance with IFRS

At 30 April 2021, an adjustment was required to the financial statements. This was required as the Prospectus requires formation expenses to be amortised over the first 60 months but IFRS requires formation expenses to be expensed as incurred. This adjustment was for the purposes of the year-end financial statements only and did not affect the daily reported dealing NAV. The NAV of the Fund has been adjusted by the formation expenses written off in accordance with IFRS. Formation expenses and late deals are reflected in the original reported NAV for the Fund and the NAV is also adjusted for material late trades as and when such timing differences arise.

The following is the reconciliation detail as at 30 April 2021:

| | 30 April 2021 JPY | 30 April 2020 JPY |
|---|-----------------------|-----------------------|
| Net asset value originally reported | 43,152,502,312 | 35,849,911,635 |
| Formation expenses written off | (170,624) | (266,203) |
| Adjustment for late trades | 19,188,296 | 123,075,312 |
| Net assets per the financial statements | <u>43,171,519,984</u> | <u>35,972,720,744</u> |

14. Fees

Investment management fees

There are three active share class on the Fund, Class A1 GBP Acc Shares, Class A2 USD Acc Shares and Class A1 GBP Unhedged Dist Shares.

Effective 10 August 2020, Grantham, Mayo, Van Otterloo & Co. LLC (“GMO”) replaced Usonian Investments LLC as investment manager of Usonian Japan Value Fund.

Under the provisions of the Investment Management Agreement, the ICAV paid Usonian Investments LLC the Investment Manager a fee of 0.56% of the Net Asset Value. The Investment management fee charged by Usonian Investments LLC amounted to JPY 68,299,917 (30 Apr 2020: JPY 219,183,939).

Notes to the Financial Statements (continued)

For the financial year ended 30 April 2021

14. Fees (continued)

Investment management fees (continued)

Under the provisions of the Investment Management Agreement, the Fund will pay GMO a fee of 0.56% of the NAV for both the Class A1 GBP Acc Shares and Class A2 USD Acc Shares shareclasses and 0.80% of the NAV for Class A1 GBP Unhedged Dist Shares. The Investment management fee charged by GMO amounted to JPY 150,936,871 (30 Apr 2020: JPY Nil).

The Fund will also reimburse the Investment Manager at normal commercial rates for its reasonable out-of-pocket expenses. The Investment Manager may from time to time and at its sole discretion decide to pay rebates/retrocessions to shareholders or to the Fund.

Please refer to the 'Other Expenses' section of this note for further detail on the expense limitation that is in place.

Management fee

Davy Global Fund Management Limited, in its role as Manager and Global Distributor of the Fund, will be entitled to receive out of the assets of the Fund an annual fee which will not exceed 0.04% of the net assets of the Fund (plus VAT, if any) subject to a minimum annual fee of €55,000.

Performance fee

No performance fees were charged on the active share classes of the Fund.

Administration fee

The Administrator shall be entitled to receive out of the assets of the Fund an annual administration fee as detailed below subject to a minimum annual charge of €40,000 payable at least quarterly in arrears.

| Assets | Percentage fee |
|------------------------------|----------------|
| €0 - €100 million | 0.06% |
| €100 million to €200 million | 0.05% |
| €200 million to €300 million | 0.04% |
| >€300 million | 0.025% |

Depositary and sub-custody fee

The Depositary shall be entitled to receive out of the assets of the Fund an annual depositary fee as set out below of the NAV of the Fund subject to an annual minimum fee of €10,000 which shall accrue monthly and be payable quarterly in arrears. In addition the Depositary will be entitled to receive from the Fund sub custody fees charged at normal commercial rate, including safekeeping and transaction fees. The Depositary will further be entitled to be reimbursed by the Fund for reasonable costs and expenses at normal commercial rates incurred by the Depositary in the performance of its duties as Depositary of the Fund.

| Assets | Percentage fee |
|------------------------------|----------------|
| €0 - €100 million | 0.07% |
| €100 million to €200 million | 0.06% |
| >€200 million | 0.05% |

Notes to the Financial Statements (continued)

For the financial year ended 30 April 2021

14. Fees (continued)

Distributor fee

J&E Davy, in its role as distributor of the Fund, was entitled to receive out of the assets of the Fund an annual fee which did not exceed 0.04% of the net assets of the Fund (plus VAT, if any) subject to a minimum annual fee of €55,000. Effective 12 June 2020, Davy Global Fund Management Limited replaced J&E Davy as Distributor and Manager. Please refer to the 'Management fee' section of this note for the annual fee of Davy Global Fund Management Limited.

Other expenses

There is an expense limitation in place for the Fund of 110 basis points, comprising of 56-80 basis points applicable to the management fee and 30 basis points for general expenses.

15. Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or 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.

The Fund incurred transaction costs of JPY 20,301,227 during the financial year (30 April 2020: JPY 19,381,710).

16. Use of financial derivative instruments

The Fund does not currently utilise financial derivative instruments ("FDI") but is entitled to do so subject to the UCITS Regulations and the Central Bank UCITS Regulations, the Fund may utilise FDI.

If and when the Fund utilises FDI such use will be limited to forward currency exchange contracts in order to hedge currency foreign exchange risks arising for hedged classes of shares of the Fund. No such hedged classes of shares have been issued to date.

The leverage exposure of the Fund through the use of FDIs will not exceed 100% of the Fund's Net Asset Value.

17. Related party transactions

IAS 24 "Related Party Disclosures" requires the disclosure of information relating to material transactions with persons who are deemed to be related to the reporting entity.

Investment manager

Related Persons include the Investment Manager of the Fund.

The fees charged by the Investment Manager to the Fund for the financial year ended 30 April 2021 were JPY 219,236,788 (30 April 2020: JPY 219,183,939) of which JPY 41,501,774 (30 April 2020: JPY 15,907,168) was payable at the financial year end. Refer to Note 14 for further breakdown of the Investment Management fee.

Directors

Paul O'Shea (resigned as Director of the ICAV on 17 November 2020) and Tom Berrigan (resigned as Director of the ICAV on 17 August 2020) are Directors of Davy Global Fund Management Limited, the Manager and the Distributor.

None of the Directors hold shares in the Fund at 30 April 2021 (30 April 2020: Nil).

There were no Director fees charged to the Fund during the year ended 30 April 2021 (30 April 2020: JPY Nil).

Notes to the Financial Statements (continued)

For the financial year ended 30 April 2021

18. Taxation

The ICAV is an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997. The ICAV will not be liable to Irish tax in respect of its income and gains, other than on the occurrence of a chargeable event with respect to Irish resident shareholders.

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

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

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

In the absence of an appropriate declaration, the ICAV will be liable to Irish tax on the occurrence of a chargeable event. There were no chargeable events during the financial year under review.

Capital gains, dividends, and interest received by the ICAV may be subject to withholding taxes imposed by the country of origin and such taxes may not be recoverable by the ICAV or its shareholders.

19. Soft commission arrangements

There were no soft commission arrangements affecting this Fund during the financial year ended 30 April 2021 (30 April 2020: Nil).

20. Contingent liability

As at the financial year end date, the Directors were not aware of any existing or contingent liability of the Fund (30 April 2020: Nil).

21. Exchange rates

The following exchange rates were used to convert financial assets and financial liabilities to the functional currency of the Fund at 30 April 2021 and 30 April 2020:

| | As at | As at |
|----------------------|----------------------|----------------------|
| 1 JPY = | 30 April 2021 | 30 April 2020 |
| Euro | 131.7523 | 117.2333 |
| United States Dollar | 109.4092 | 106.9350 |
| Pound Sterling | 151.5152 | 134.9528 |

Notes to the Financial Statements (continued)

For the financial year ended 30 April 2021

22. Significant Events During the Financial Year

The Usonian Japan Value Fund launched Class A2 USD Acc shares on 22 May 2020 and Class A1 GBP Unhedged Dist shares on 29 January 2021.

On 2 June 2020 John Craddock and Robbie Kelleher resigned as Directors of the Fund. Ruth (Patterson) Sullivan, Darragh Mooney and Aidan Donnelly were appointed as Directors on the same date.

On 12 June 2020, Davy Global Fund Management Limited was appointed as Manager.

On 17 July 2020, the Central Bank of Ireland approved a new supplement for Usonian Japan Value Fund which includes the change in Investment Manager to Grantham, Mayo, Van Otterloo & Co. LLC. Effective 10 August 2020, Grantham, Mayo, Van Otterloo & Co. LLC replaced Usonian Investments LLC as investment manager of Usonian Japan Value Fund.

On 17 August 2020, Tom Berrigan resigned as Director of the ICAV.

On 17 November 2020, Paul O'Shea resigned as Director of the ICAV.

On 5 January 2021 and 9 March 2021 Usonian supplements and the Umbrella prospectus dated 9 March 2021 were updated.

Financial markets have experienced significant volatility as a result of the COVID-19 outbreak. The impact can be seen across all sectors and all asset classes. This is a rapidly evolving situation, both from a public health and financial markets perspective. Recent government actions in respect of restriction of movement, social distancing guidelines, and limiting certain activities have resulted in a significant fall in economic activity. As of now it is unclear as to how long these measures will be in effect for, or the ultimate impact on asset valuations but it should be noted as a significant risk to the Fund.

There have been no other significant events during the financial year, which, in the opinion of the Directors of the ICAV, may have had an impact on the Financial Statements for the financial year ended 30 April 2021.

23. Significant subsequent events

An announcement was made on 22 July 2021 that IQ-EQ will acquire DGFm, the Manager to Skyline. The sale is subject to regulatory approval.

Up to the date of approval of these financial statements there were no other significant subsequent events other than the above to report after the financial year ended 30 April 2021.

24. Approval of financial statements

The Financial Statements were approved by the Directors on 21 July 2021.

Schedule of Investments

As at 30 April 2021

| Holdings | Financial assets at fair value through profit or loss | Fair Value JPY | % of Net Assets |
|---|---|-------------------|--------------------|
| Equities | | | |
| Japan: 97.70% (93.63% 2020) | | | |
| Advertising: 1.03% (0.00% 2020) | | | |
| 526,800 | Macromill Inc Com NPV | 445,146,000 | 1.03 |
| Apparel: 0.63% (3.52% 2020) | | | |
| 155,700 | Asics Corp Com NPV | 270,139,500 | 0.63 |
| Auto Manufacturers: 0.00% (1.55% 2020) | | | |
| Auto Parts & Equipment: 4.76% (6.46% 2020) | | | |
| 542,800 | Pacific Industrial Co Ltd Com NPV | 636,704,400 | 1.47 |
| 388,300 | Tachi-S Co Ltd Com NPV | 440,332,200 | 1.02 |
| 112,100 | Toyota Industries Corp Com NPV | 980,875,000 | 2.27 |
| Banks: 5.85% (1.65% 2020) | | | |
| 2,530,400 | Mitsubishi UFJ Financial Group Inc Com NPV | 1,462,571,200 | 3.39 |
| 285,900 | Sumitomo Mitsui Trust Holdings Inc Com NPV | 1,063,548,000 | 2.46 |
| Building Materials: 0.00% (0.85% 2020) | | | |
| Chemicals: 5.14% (5.49% 2020) | | | |
| 658,700 | Chugoku Marine Paints Ltd Com NPV | 648,160,800 | 1.50 |
| 224,100 | Denka Co Ltd Com NPV | 960,268,500 | 2.22 |
| 299,800 | T Hasegawa Co Ltd Com NPV | 612,191,600 | 1.42 |
| Commercial Services: 7.61% (6.24% 2020) | | | |
| 82,300 | Aeon Delight Co Ltd NPV | 274,470,500 | 0.64 |
| 229,600 | Kanamoto Co Ltd Com NPV | 614,639,200 | 1.42 |
| 105,300 | Secom Co Ltd Com NPV | 955,702,800 | 2.21 |
| 773,800 | Toppan Printing Co Ltd Com NPV | 1,441,589,400 | 3.34 |
| Cosmetics/Personal Care: 1.89% (1.19% 2020) | | | |
| 399,200 | Mandom Corp Com NPV | 816,763,200 | 1.89 |
| Distribution/Wholesale: 6.16% (2.97% 2020) | | | |
| 586,200 | Daiwabo Holdings Co Ltd NPV | 1,001,815,800 | 2.32 |
| 431,100 | Inabata & Co Ltd Com NPV | 710,021,700 | 1.64 |
| 660,800 | Kanematsu Corp NPV | 951,552,000 | 2.20 |
| Diversified Financial Services: 5.36% (2.73% 2020) | | | |
| 835,800 | ORIX Corp Com NPV | 1,468,918,500 | 3.40 |
| 172,500 | Zenkoku Hosho Co Ltd NPV | 846,112,500 | 1.96 |
| Electronics: 5.08% (3.23% 2020) | | | |
| 171,300 | Horiba Ltd Com NPV | 1,217,943,000 | 2.82 |
| 165,300 | Tokyo Seimitsu Co Ltd NPV | 854,601,000 | 1.98 |
| 60,000 | Yokogawa Electric Corp Com NPV | 119,040,000 | 0.28 |

Schedule of Investments (continued)

As at 30 April 2021

| Holdings | Financial assets at fair value through profit or loss | Fair Value JPY | % of Net Assets |
|--|---|-------------------|--------------------|
| <u>Equities (continued)</u> | | | |
| Japan: 97.70% (93.63% 2020) (continued) | | | |
| Engineering & Construction: 7.76% (10.13% 2020) | | | |
| 858,083 | Hazama Ando Corp Com NPV | 714,783,139 | 1.66 |
| 328,100 | Kyowa Exo Corp NPV | 953,786,700 | 2.21 |
| 221,000 | Kyudenko Corp NPV | 839,800,000 | 1.95 |
| 268,500 | Takuma Co Ltd Com NPV | 601,708,500 | 1.39 |
| 115,100 | Yokogawa Bridge Holdings Corp NPV | 236,990,900 | 0.55 |
| Food: 7.42% (7.17% 2020) | | | |
| 318,200 | Arcs Co Ltd Com NPV | 747,133,600 | 1.73 |
| 222,800 | Morinaga & Co Ltd NPV | 810,992,000 | 1.88 |
| 242,200 | NH Foods Ltd Com NPV | 1,180,725,000 | 2.74 |
| 109,900 | San-A Co Ltd Class A Com NPV | 460,481,000 | 1.07 |
| Forest Products & Paper: 2.73% (3.08% 2020) | | | |
| 466,400 | Sumitomo Forestry Co Ltd Com NPV | 1,179,992,000 | 2.73 |
| Hand/Machine Tools: 1.46% (1.29% 2020) | | | |
| 531,400 | Amada Holdings Co Ltd Com NPV | 628,646,200 | 1.46 |
| Healthcare-Products: 1.75% (2.53% 2020) | | | |
| 228,900 | Hogy Medical Co Ltd Com NPV | 755,370,000 | 1.75 |
| Home Builders: 1.94% (3.01% 2020) | | | |
| 572,200 | Haseko Corp Com NPV | 838,273,000 | 1.94 |
| Home Furnishings: 1.86% (1.93% 2020) | | | |
| 623,300 | Maxell Holdings Ltd Com NPV | 802,187,100 | 1.86 |
| Insurance: 2.19% (2.50% 2020) | | | |
| 304,900 | MS&AD Insurance Group Holdings Inc Com NPV | 943,665,500 | 2.19 |
| Machinery-Diversified: 4.52% (3.35% 2020) | | | |
| 177,900 | Daihen Corp Com NPV | 850,362,000 | 1.97 |
| 196,400 | Ebara Corp NPV | 917,188,000 | 2.12 |
| 162,500 | Raiznext Corp Com NPV | 187,037,500 | 0.43 |
| Media: 3.89% (3.61% 2020) | | | |
| 207,800 | Kadokawa Corp Com NPV | 904,969,000 | 2.10 |
| 1,684,100 | SKY Perfect JSAT Holdings Inc Com NPV | 773,001,900 | 1.79 |
| Metal Fabricate/Hardware: 2.14% (2.17% 2020) | | | |
| 337,500 | Maruichi Steel Tube Ltd Com NPV | 923,737,500 | 2.14 |
| Oil & Gas: 0.00% (0.58% 2020) | | | |
| Pharmaceuticals: 2.08% (3.67% 2020) | | | |
| 487,800 | Toho Holdings Co Ltd Com NPV | 899,503,200 | 2.08 |

Schedule of Investments (continued)

As at 30 April 2021

| Holdings | Financial assets at fair value through profit or loss | Fair Value JPY | % of Net Assets |
|---|---|-----------------------|-----------------------------------|
| <u>Equities (continued)</u> | | | |
| Japan: 97.70% (93.63% 2020) (continued) | | | |
| Private Equity: 3.48% (0.00% 2020) | | | |
| 190,900 | JAFCO Co Ltd NPV | 1,500,474,000 | 3.48 |
| Real Estate: 3.46% (3.33% 2020) | | | |
| 529,300 | Aeon Mall Co Ltd Com NPV | 917,806,200 | 2.13 |
| 532,500 | Tosei Corp Com NPV | 575,632,500 | 1.33 |
| Retail: 1.72% (2.59% 2020) | | | |
| 496,400 | K's Holdings Corp Com NPV | 741,125,200 | 1.72 |
| Semiconductors: 0.00% (2.96% 2020) | | | |
| Textiles: 2.66% (0.00% 2020) | | | |
| 639,000 | Teijin Ltd Com NPV | 1,148,922,000 | 2.66 |
| Transportation: 3.13% (3.85% 2020) | | | |
| 448,900 | Konoike Transport Co Ltd Com NPV | 513,990,500 | 1.20 |
| 179,200 | Sankyu Inc Com NPV | 835,072,000 | 1.93 |
| Total Japan | | 42,176,462,939 | 97.70 |
| Total Equities | | 42,176,462,939 | 97.70 |
| Total Value of Investments | | 42,176,462,939 | 97.70 |
| Cash and Cash Equivalents* | | 617,591,432 | 1.43 |
| Other Net Assets | | 377,465,613 | 0.87 |
| Net assets attributable to holders of redeemable participating shares | | 43,171,519,984 | 100.00 |
| Portfolio Classification | | | Total Assets % of Fund |
| Transferable securities and money market instruments admitted to an official stock exchange listing or traded on a regulated market | | | 97.47 |
| Cash | | | 1.43 |
| Other assets | | | 1.10 |
| | | | 100.00 |

*All cash holdings are held with The Northern Trust Company.

Schedule of Total Expense Ratios for the financial year ended 30 April 2021 (Unaudited)

| | TER % |
|-----------------------------------|--------------|
| Class A1 GBP Acc Shares | 0.71% |
| Class A2 USD Acc Shares | 0.91% |
| Class A1 GBP Unhedged Dist Shares | 0.29% |

Usonian Japan Value Fund

Schedule of Portfolio Changes (Unaudited)

For the financial year ended 30 April 2021

| Largest Purchases | | Cost JPY |
|--------------------------|--|---------------------|
| 658,000 | Teijin Ltd Com NPV | 1,250,853,253 |
| 285,900 | Sumitomo Mitsui Trust Holdings Inc Com NPV | 1,066,155,967 |
| 726,900 | Kanematsu Corp NPV | 950,241,605 |
| 222,800 | Morinaga & Co Ltd NPV | 896,224,405 |
| 207,800 | Zenkoku Hosho Co Ltd NPV | 872,352,161 |
| 328,100 | Kyowa Exo Corp NPV | 867,876,816 |
| 179,200 | Sankyu Inc Com NPV | 834,828,307 |
| 156,000 | Daiwabo Holdings Co Ltd NPV | 832,044,869 |
| 198,400 | JAFCO Co Ltd NPV | 799,945,930 |
| 228,900 | Kyudenko Corp NPV | 752,284,229 |
| 215,100 | Ebara Corp NPV | 691,393,307 |
| 1,361,900 | Mitsubishi UFJ Financial Group Inc Com NPV | 641,035,165 |
| 173,500 | Tokyo Seimitsu Co Ltd NPV | 629,054,088 |
| 392,800 | Toppan Printing Co Ltd Com NPV | 595,319,021 |
| 1,041,800 | Kenedix Inc NPV | 582,991,047 |
| 82,000 | Horiba Ltd Com NPV | 495,079,974 |
| 596,300 | Macromill Inc Com NPV | 456,397,819 |
| 249,300 | Mandom Corp Com NPV | 440,547,995 |
| 230,200 | Aeon Mall Co Ltd Com NPV | 404,219,115 |
| 102,900 | Denka Co Ltd Com NPV | 336,304,265 |
| 181,900 | ORIX Corp Com NPV | 311,349,558 |
| 292,900 | Amada Holdings Co Ltd Com NPV | 275,138,506 |
| 82,300 | Aeon Delight Co Ltd NPV | 260,177,373 |
| 102,100 | Maruichi Steel Tube Ltd Com NPV | 255,460,622 |
| 115,100 | Yokogawa Bridge Holdings Corp NPV | 240,489,145 |
| 73,400 | MS&AD Insurance Group Holdings Inc Com NPV | 224,670,678 |
| 148,100 | Yokogawa Electric Corp Com NPV | 219,769,717 |
| 23,300 | Secom Co Ltd Com NPV | 218,280,924 |
| 114,600 | Kadokawa Corp Com NPV | 195,201,419 |

Usonian Japan Value Fund

Schedule of Portfolio Changes (Unaudited) (continued)

For the financial year ended 30 April 2021

| Largest Sales | | Proceeds JPY |
|----------------------|--|-------------------------|
| 780,100 | Kinden Corp Com NPV | 1,347,263,345 |
| 476,800 | Yokogawa Electric Corp Com NPV | 1,004,478,257 |
| 107,200 | Toyota Industries Corp Com NPV | 848,800,116 |
| 249,700 | Kadokawa Corp Com NPV | 845,750,865 |
| 1,041,800 | Kenedix Inc NPV | 773,952,530 |
| 211,700 | Gunze Ltd Com NPV | 760,237,915 |
| 139,400 | Tokyo Ohka Kogyo Co Ltd Com NPV | 705,425,153 |
| 357,600 | Asics Corp Com NPV | 665,347,287 |
| 292,600 | Nikkon Holdings Co Ltd Com NPV | 648,102,159 |
| 319,600 | Doshisha Co Ltd Com NPV | 622,925,530 |
| 418,900 | Sumitomo Forestry Co Ltd Com NPV | 608,468,879 |
| 328,500 | Takuma Co Ltd Com NPV | 590,747,636 |
| 735,100 | Hazama Ando Corp Com NPV | 571,052,062 |
| 389,100 | K's Holdings Corp Com NPV | 565,951,865 |
| 504,600 | Shinmaywa Industries Ltd Com NPV | 537,872,012 |
| 122,100 | Daihen Corp Com NPV | 531,972,929 |
| 380,100 | Haseko Corp Com NPV | 516,367,261 |
| 401,800 | Raiznext Corp Com NPV | 492,922,734 |
| 196,700 | Arcs Co Ltd Com NPV | 483,926,880 |
| 176,100 | Ryosan Co Ltd Com NPV | 397,686,369 |
| 381,800 | Chugoku Marine Paints Ltd Com NPV | 361,123,974 |
| 155,200 | Toho Holdings Co Ltd Com NPV | 328,158,562 |
| 215,700 | Sinko Industries Ltd Com NPV | 309,422,188 |
| 415,100 | Sintokogio Ltd Com NPV | 305,116,824 |
| 64,100 | NH Foods Ltd Com NPV | 290,534,906 |
| 235,200 | Amada Holdings Co Ltd Com NPV | 287,799,917 |
| 247,800 | Konoike Transport Co Ltd Com NPV | 282,492,598 |
| 67,400 | Hogy Medical Co Ltd Com NPV | 232,904,411 |
| 128,900 | Toppan Printing Co Ltd Com NPV | 224,954,846 |
| 85,200 | Maruichi Steel Tube Ltd Com NPV | 216,654,927 |
| 197,900 | Tosei Corp Com NPV | 208,349,643 |
| 110,600 | Japan Petroleum Exploration Co Ltd Com NPV | 203,615,710 |
| 187,000 | Tachi-S Co Ltd Com NPV | 199,195,771 |

As required by the Central Bank UCITS regulations, the above data represents those purchases / sales transactions exceeding 1% of the total value of purchases / sales during the year. Where the number of purchases / sales transactions exceeding 1% of the total value of purchases / sales for the year is less than 20, then a minimum of 20 purchases / sales will be disclosed.

Appendix I

UCITS V Remuneration (Unaudited)

Skyline Umbrella Fund ICAV - Remuneration

Skyline Umbrella Fund ICAV is an ICAV with no employees, other than the Board of Directors. The following sub funds were in operation for the full financial year ARGA Global Equity Fund, ARGA Emerging Market Equity Fund, The GM Fund, Fortem Capital Progressive Growth, Levendi Thornbridge Defined Return Fund, Arbrook American Equities Fund, Usonian Japan Value Fund, Lowes UK Defined Strategy Fund, ARGA European Equity Fund, Fortem Capital Alternative Growth Fund, Eagle Capital US Equity Fund, and Fortem Capital REIT Fund. SECOR Mazu Global Equity Fund terminated on 18 March 2021. SECOR Hedged Equity Fund launched on 27 April 2021. Separate financial statements are presented for SECOR Mazu Global Equity Fund and for Usonian Japan Value Fund.

Remuneration paid by the Manager, Davy Global Fund Management, to identified staff is as follows:

The total remuneration for the identified staff of the Manager in relation to the activities for Skyline and its relevant sub funds is EUR 1,428,323. This was allocated as fixed 80% and variable 20%. The average number of identified staff engaged during the year was 14. These are the latest available remuneration figures for the year ended 31 December 2020.

There are three Non-Executive Directors of the ICAV, two of whom are independent, with the two independent non-executive Directors receiving an annual fixed fee and no variable fee – these fees are paid by Davy Global Fund Management directly and are not charged to the ICAV's sub-funds. No remuneration was paid to persons who are assigned Designated Person Management functions for Skyline Umbrella Fund ICAV.

Remuneration Policy of the ICAV

Under the UCITS Directive, the ICAV is required to establish and apply remuneration policies and practices for its Identified Staff that are consistent with and promote sound and effective risk management and that neither encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the ICAV nor impair compliance with the ICAV's duty to act in the best interests of its shareholders. In accordance with Article 14(b)(1) of the UCITS Directive (as inserted by the UCITS V Directive), the ICAV must comply with the principles regarding remuneration applicable to its Identified Staff in a way and to the extent that is appropriate to the ICAV's size, internal organisation and the nature, scope and complexity of its activities. Details of the remuneration policy of the ICAV including, but not limited to, a description of how remuneration and benefits are calculated, the identity of persons responsible for awarding the remuneration and benefits including the composition of the remuneration committee, where such a committee exists, is available at www.davygfm.com/funds-factsheets/management-company-services/ireland/skyline.html and a paper copy will be made available to investors free of charge upon request.

Remuneration Code

The UCITS V provisions, which became effective on 18 March 2016, require the ICAV to establish and apply remuneration policies and practices that promote sound and effective risk management, and do not encourage risk taking which is inconsistent with the risk profile of the ICAV. The Investment Manager has a business model, policies and procedures which by their nature do not promote excessive risk taking and take account of the nature, scale and complexity of the Investment Manager and the ICAV.

To that effect, the Investment Manager has implemented a Remuneration Policy. The purpose of the Investment Manager's remuneration policy is to seek to ensure that the remuneration arrangements of "identified staff":

- (i) are consistent and promote sound and effective risk management and do not encourage risk-taking which is inconsistent with the risk profile, rules or instruments of incorporation of the Investment Manager or any fund which the Investment Manager is the manager of; and
- (ii) are consistent with the Investment Manager's business strategy, objectives, values and interests and include measures to avoid conflicts of interest.