

# **ITI Funds UCITS ETF SICAV**

Société d'Investissement à Capital Variable  
Annual Report and Audited Financial  
Statements as at  
December 31, 2021



## TABLE OF CONTENTS

DIRECTORS AND ADMINISTRATION .....	4
INFORMATION TO THE SHAREHOLDERS, NET ASSET VALUE PER SHARE AND RISK MANAGEMENT .....	5
REPORT ON THE ACTIVITIES.....	6
AUDITOR'S REPORT .....	8
COMBINED STATEMENT OF NET ASSETS .....	11
COMBINED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS .....	12
ITI Funds Russia RTS Equity UCITS ETF SICAV (formerly ITI Funds RTS Equity UCITS ETF SICAV) .....	13
STATEMENT OF NET ASSETS.....	13
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS .....	14
STATISTICAL INFORMATION AND CHANGES IN THE NUMBER OF SHARES, IN NET ASSETS AND IN NET ASSET VALUE PER SHARE.....	15
STATEMENT OF INVESTMENTS IN SECURITIES AND OTHER NET ASSETS .....	16
GEOGRAPHICAL CLASSIFICATION OF THE INVESTMENTS IN SECURITIES.....	18
ECONOMIC CLASSIFICATION OF THE INVESTMENTS IN SECURITIES .....	19
ITI Funds Russia-Focused USD Eurobond UCITS ETF SICAV .....	20
STATEMENT OF NET ASSETS.....	20
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS .....	21
STATISTICAL INFORMATION AND CHANGES IN THE NUMBER OF SHARES, IN NET ASSETS AND IN NET ASSET VALUE PER SHARE.....	22
STATEMENT OF INVESTMENTS IN SECURITIES AND OTHER NET ASSETS .....	23
GEOGRAPHICAL CLASSIFICATION OF THE INVESTMENTS IN SECURITIES.....	24
ECONOMIC CLASSIFICATION OF THE INVESTMENTS IN SECURITIES .....	25
NOTES TO THE FINANCIAL STATEMENTS.....	26

## DIRECTORS AND ADMINISTRATION

### REGISTERED OFFICE OF THE COMPANY

4, Rue Robert Stumper  
L-2557 Luxembourg  
Grand Duchy of Luxembourg

### BOARD OF DIRECTORS OF THE COMPANY

Vincent Decalf  
Chairman of the Board, Luxembourg

Gleb Yakovlev (until April 1, 2021)  
Director, Moscow

Natalia Petrova (since April 1, 2021 to May 9, 2022)  
Director, Bulgaria

Nikolay Dontsov  
Director, Spain

Oleg Zhelesko (since May 9, 2022)  
Director, Guernsey

### MANAGEMENT COMPANY

**Fuchs Asset Management S.A.**  
49, Boulevard Prince Henri  
L-1724 Luxembourg  
Grand Duchy of Luxembourg

#### *Board of the directors of the Management Company*

Jean Fuchs  
Chairman of the board of directors, Luxembourg

Timothé Fuchs  
Director, Luxembourg

Christophe Pessault  
Director, Luxembourg

#### *Conducting Persons of the Management Company*

Timothé Fuchs

Jean-Jacques Lava

### INVESTMENT MANAGER

Da Vinci Capital Management Limited  
Old Bank Chambers  
La Grande Rue  
St Martin's, Guernsey  
Channel Islands GY4 6RT

### DEPOSITARY BANK AND DOMICILIARY AGENT IN LUXEMBOURG

Edmond de Rothschild (Europe)  
4, Rue Robert Stumper  
L-2557 Luxembourg  
Grand Duchy of Luxembourg

### ADMINISTRATOR AND TRANSFER AGENT

Edmond de Rothschild Asset Management (Luxembourg)  
4, Rue Robert Stumper  
L-2557 Luxembourg  
Grand Duchy of Luxembourg

### AUDITOR

KPMG Luxembourg, Société anonyme  
39, Avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### LEGAL ADVISER AS TO LUXEMBOURG LAW

Dechert (Luxembourg) LLP  
1, Allée Scheffer  
L-2520 Luxembourg  
Grand Duchy of Luxembourg

### LEGAL ADVISER AS TO IRISH LAW

Dechert LLP  
3 George's Dock  
IFSC  
Dublin 2  
Ireland

### IRISH STOCK EXCHANGE LISTING AGENT

Davy  
49 Dawson Street  
Dublin 2  
Ireland

## INFORMATION TO THE SHAREHOLDERS

Notices concerning ITI Funds UCITS ETF SICAV (the “Company”) are published in newspapers designated by the Board of Directors of the Company and, if prescribed by law, are published in the Mémorial, the official gazette of Luxembourg, and are lodged with the Registrar of the Luxembourg District Court.

The current Articles of Incorporation of the Company are lodged with the Registrar of the Luxembourg District Court, from whom copies may be obtained.

The issue price and the redemption price of the Company shares are made public at the Registered Office of the

Company, where prospectus, KIIDs, Articles of Incorporation and financial reports may be obtained.

Subscriptions cannot be received on the basis of financial reports. Subscriptions are valid only if made on the basis of the current prospectus, supplemented by the last annual report including financial statements and the most recent semi-annual report if published thereafter.

During the period under review, only audit services are provided by KPMG Luxembourg.

## NET ASSET VALUE PER SHARE

The Net Asset Value per Share is calculated on the Business Day following the relevant Valuation Day and be determined by dividing the Net Asset Value of the respective Sub-Fund/Class by the number of such Shares which are in issue on such Valuation Day in the relevant Sub-Fund and/or Class (including Shares in relation to which a Shareholder has requested redemption on such Valuation Day).

The Net Asset Value per Share will in principle be calculated with four decimal places and may be rounded up or down to the nearest whole unit of the currency in which the Net Asset Value of the relevant Shares are calculated.

For all Sub-funds, a non-tradable Net Asset Value was calculated on December 31, 2021 for the purpose of these financial statements. These non-tradable Net Assets Values were based on the latest available market prices of the investments as at December 31, 2021.

## RISK MANAGEMENT

### **Tracking Errors**

ITI Funds Russia Focused USD Eurobond UCITS ETF SICAV as at 31/12/2021: 0.71 % p.a.

Under normal market conditions, the Investment Manager anticipates a level of Tracking Error of up to 5.00% on the annual basis.

The level of Tracking Error has been caused by different evaluation of bonds in the portfolio and in the index, and cash position which was not reinvested due to bond market limitations. If reinvested the level of Tracking Error would have been lower than the one achieved, but still Tracking Error remains within the declared limits.

ITI Funds Russia RTS Equity UCITS ETF SICAV (formerly ITI Funds RTS Equity UCITS ETF SICAV) as at 31/12/2021: 3.19 % p.a.

The positive Tracking Error is caused by accruing dividends.

Under normal market conditions, the Investment Manager anticipates a level of Tracking Error of up to 2.00% on the annual basis.

The high level of Tracking Error of ITI Funds Russia RTS Equity UCITS ETF SICAV (formerly ITI Funds RTS Equity UCITS ETF SICAV) has been caused by dividends of holdings paid in and fund dividend paid out in accordance with dividend policy (accumulated net dividends minus fund costs, part reinvested into the benchmark), while the benchmark doesn't consider any dividends for its members.

### **Global Exposure**

The Sub-Funds use the commitment approach to monitor their global exposure.

## **REPORT ON THE ACTIVITIES**

### **Sub-Fund - ITI Funds Russia RTS Equity UCITS ETF SICAV (formerly ITI Funds RTS Equity UCITS ETF SICAV)**

The sub-fund inception date is January 30, 2018 with USD 25 initial NAV per share Class A (USD). The sub-fund is denominated in USD and tracks index of most liquid Russian stocks on the initial investment plus accumulates dividends which are paid by underlying stocks. Accumulated stock dividends minus costs are distributed annually. In financial year 2021 the sub-fund dividend amount is USD 1.16 per A class share.

To keep the sub-fund performance being similar to tracking index performance some part of accumulated dividends is reinvested into the index composition. Such an investment has given small loss during 2021 financial year which was included into sub-fund dividend.

The sub-fund recorded positive performance +44.15% since the inception and positive one +19.28% over the year 2021 considering dividends.

At the first half of January 2021 the sub-fund Assets under Management (AuM) was growing due to positive Russian stocks market dynamics, increased from USD 5.3m at the beginning of the year 2021 to USD 5.6m in mid-January. However, at the second half of January, the market dynamics changed and Fund AuM fell to USD 5.1m at the end of January 2021. Such a volatile dynamics also took place in February and March. As the end of March, the Fund AuM reached USD 5.3m (the value of the beginning of the year 2021). First half of April was less volatile for the Russian market. It allowed Fund AuM to grow slowly to USD 5.57m as of the mid- April.

In the second half of April 2021 the Russian stocks market had shown significant growth, which continued in May and first half of June 2021. As the result the Fund AuM also had grown to USD 6.37m. The second half of June hadn't shown any determined dynamics, thus Fund AuM reached USD 6.3m at the end of June. Due to the subscription in mid July 2021, the fund's AuM reached USD 6.45m at the end of July 2021. As the result of the subscription in August 2021 the fund's AuM was increased to USD 8m. The market growth in August, September and October 2021 allowed the sub-fund to reach USD 9.24m during the last week of October 2021. However, the market drops in November and December 2021 and the dividend payout in December 2021 reduced the sub-fund AuM to USD 7.53m at the end of the year 2021.

In March 2021 the Unipro (UPRO) equity was excluded from the portfolio as part of the reference index rebalance. In accordance with June 2021 reference index rebalance Fix Price Group Ltd (FIXP) equity was included into the portfolio, while the QIWI Plc (QIWI) equity was excluded from the portfolio. During September 2021 rebalance the Rosseti PJCS (RSTI) equity was excluded from the portfolio in accordance with the reference index composition changes.

In December 2021 the sub-fund paid out dividend to investors in accordance with recommended amount and the Board decision.

Due to sanctions imposed by EU, US and other countries to several Russian companies and organizations in February 2022, the sub-fund assets are potentially affected because of investment restrictions to at least 25% of the sub-fund assets by US. Moscow Exchange has suspended trading since February 28, 2022 and the Executing Broker of the sub-fund also temporary suspended trading & settlement services for Russian equities. There were no unsettled trades as of the moment of trading & settlement suspension. However due to suspension of trading at Moscow Exchange (MOEX), the sub-fund is not able to process subscriptions and redemptions. As the summary, there is a risk of the sub-fund to be not able to operate normally, to receive dividends from several companies (due to restrictions on Russian banks) and to comply with investment policy in the future (due to large amount of sanctioned equities in the reference index).

### **Sub-Fund ITI Funds Russia-Focused USD Eurobond UCITS ETF SICAV**

The sub-fund inception date is January 30, 2018 with USD 25 initial NAV per share Class A (USD). The sub-fund is denominated in USD and tracks total-return index of most rated Russian USD denominated eurobonds.

The sub-fund recorded positive performance +17.67% since the inception and negative one -0.36% over the year 2021.

At the beginning of the year 2021 the sub-fund Assets under Management (AuM) started to decrease due to negative Russian Eurobonds market dynamics, and fallen from USD 22.7m at the beginning of the year to 22.3m at the beginning of March. As the result of March redemption AuM was reduced to USD 16.9m. The AuM continued falling till the end of March due to negative market dynamics. As the result of redemptions in the first half of April, the Fund AUM reached USD 11.2m.

## REPORT ON THE ACTIVITIES (continued)

### Sub-Fund ITI Funds Russia-Focused USD Eurobond UCITS ETF SICAV (continued)

The positive Russian Eurobonds market dynamics allowed Fund AuM to grow at the second half of April. The growth continued at the end of 2nd quarter and in 3rd quarter of the year 2021 allowed sub-fund to reach USD 11.6m in AuM in mid-September 2021. In the second half of September and October there was a negative dynamic at the market and as the result the sub-fund AuM decreased to USD 11.47m. The continued market drops in November 2021 and three redemptions during the month decreased the AuM to USD 6.44m. AuM remained near the November level in December 2021 and reached USD 6.46m at the end of the year 2021.

In accordance with the March 2021 reference index rebalance SCF (SCFRU 5 3/8 06/16/23) Eurobond was excluded from the portfolio. The sub-fund wasn't able to invest into the Lukoil (LUKOIL 3 7/8 05/06/30) Eurobond, which was included into the reference index, as it is under OFAC restrictions. It was decided to invest corresponding cash into part of the allowed index composition to reduce tracking error.

In accordance with the June 2021 reference index rebalance Novatek (NVTKRM 4.422 12/13/22), Nornickel (GMKNRM 4.1 04/11/23), Evraz (EVRAZ 5 1/4 04/02/24) and Sibur (SIBUR 2.95 07/08/25) Eurobonds were excluded from the portfolio, while Evraz (EVRAZ 5 3/8 03/20/23) and Sibur (SIBUR 3.45 09/23/24) Eurobonds were included into the portfolio.

In accordance with the September 2021 reference index rebalance Vimpelcom (VIP 5.95 02/13/23), Polus (PGILLN 5 1/4 02/07/23) were excluded from the portfolio.

In November 2021 the Metalloinvest (METINR 4.85 05/02/24) issue was bought back by the issuer and thus excluded from the portfolio.

In accordance with the December 2021 reference index rebalance MTS (MOBTTEL 5 05/30/23), Evraz (EVRAZ 5 3/8 03/20/23) and Novolipetsk Steel (NLMKRU 4.7 05/30/26) were excluded from the portfolio, while Phosagro (PHORRU 2.6 09/16/28) was included into the portfolio.

As of the end of the year 2021 Lukoil (LUKOIL 4 3/4 11/02/26) and Gazprom (GAZPRU 3 1/2 07/14/31) Eurobonds, which are members of the reference index, are considered as non-desirable for investment due to being subjects of OFAC sanctions. In order to compensate lack of these investments, corresponding cash is distributed among the allowed constituents of the reference index. Thus, due to OFAC restrictions the sub-fund doesn't replicate the reference index composition in full as of end of the year 2021.

Due to sanctions imposed by EU, US and other countries to several Russian companies and organizations in February 2022, the sub-fund assets are affected because of inclusion of VEB bank (VEBBNK) to Specially Designated Nationals And Blocked Persons List (SDN) list and prohibition of transactions with Ministry of Finance of Russian Federation. Thus VEBBNK 6.8 11/22/25, RUSSIA 5 5/8 04/04/42, RUSSIA 4 7/8 09/16/23, RUSSIA 5 7/8 09/16/43 bonds (34% of sub-fund assets) are at risk of default. The settlement of Russian Eurobonds was also temporarily suspended by executing brokers of the sub-fund, making sub-fund unable to process subscriptions and redemptions. The VEBBNK 6.8 11/22/25 transactions processing was also suspended by Euroclear & Clearstream, making sub-fund unable to sell the asset until the restriction is lifted. There were no unsettled trades as of suspension of settlement moment. Also, US restricted issuance of new debt for some large Russian Companies. Thus, there may be no new issues of top-ranked USD nominated Russian Eurobonds to include into the index in the future and the sub-fund may be unable to continue to track the reference index while meeting UCITS requirements on assets diversification (due to small number of Eurobonds in the index). As the summary, there is a risk of the sub-fund to face default for some bonds in the portfolio, to be not able to sell some of its assets and to comply with investment policy in the future.

ITI Funds UCITS ETF SICAV

March 17, 2022

The information contained in this report is historical and is not necessarily an indication of future performance



**KPMG Luxembourg, Société anonyme**  
39, Avenue John F. Kennedy  
L-1855 Luxembourg

Tel.: +352 22 51 51 1  
Fax: +352 22 51 71  
E-mail: [info@kpmg.lu](mailto:info@kpmg.lu)  
Internet: [www.kpmg.lu](http://www.kpmg.lu)

To the Shareholders of  
ITI Funds UCITS ETF SICAV  
4, Rue Robert Stumper  
L-2557 Luxembourg  
Grand Duchy of Luxembourg

## **REPORT OF THE REVISEUR D'ENTREPRISES AGREE**

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

#### ***Disclaimer of Opinion***

We were engaged to audit the financial statements of ITI Funds UCITS ETF SICAV and each of its sub-funds ("the Fund"), which comprise the statement of net assets and the statement of investments in securities and other net assets as at 31 December 2021 and the statement of operations and changes in net assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

We do not express an opinion on the accompanying financial statements of the Fund. Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

#### ***Basis for Disclaimer of Opinion***

ITI Funds Russia RTS Equity UCITS ETF SICAV and ITI Funds Russia-Focused USD Eurobond UCITS ETF SICAV, both sub funds of the Fund, are Exchange Traded Funds ("ETFs") which are fully invested in Russian equities and/or bonds and for which the portfolio of investments represents 98.64% and 97.16% of their total net assets, respectively, as at 31 December 2021. As a direct consequence of the military action of the Russian Federation in Ukraine, various jurisdictions have introduced sanctions against the Russian Federation, its selected corporates and individuals; in addition, in response to international sanctions, counter-measures have been introduced by the Russian Federation. These events made it no more possible to trade Russian securities. Hence these assets can no longer be considered as liquid, the ETFs' reference indices stopped to be calculated and the calculation of the net asset values of the sub funds were suspended. As a consequence, on 1 April 2022, the Board of Directors of the Fund decided to submit to the upcoming Annual General Assembly the proposition of liquidation of the Fund. Consequently, these financial statements have been prepared on a non-going concern basis.

Even though the valuation of the investments in securities in the financial statements for the year ended 31 December 2021 reflects their market values as at that date, the Board of Directors cannot assess whether or not this valuation represents the net realizable value in the context of the liquidation of the Fund due to the specific market conditions linked to the above events.





As a result of these matters, we were unable to determine whether any adjustments which, under the non-going concern basis principle, might have been found necessary in respect of the Portfolios' net realizable value, and its subsequent impact on the "Change in net appreciation/(depreciation) on investments".

### ***Emphasis of Mater***

We draw attention to the note "Summary of significant accounting policies" of these financial statements, which indicate the intent of the Board of Directors of the Fund to put the Fund into liquidation in the upcoming Annual General Meeting. These financial statements have therefore been prepared using a non-going concern basis of accounting.

### ***Key audit matters***

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

Because of the significance of the matter described in the Basis for Disclaimer of Opinion section of our report, we do not report on key audit matters.

### ***Responsibilities of the Board of Directors of the Fund for the financial statements***

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's and each of its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors of the Fund either intends to liquidate the Fund or any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

### ***Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements***

Our responsibility is to conduct an audit of the Fund's financial statements in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("Law of 23 July 2016") and with International Standards on Auditing ("ISAs") as adopted for Luxembourg by the Commission de Surveillance du Secteur Financier ("CSSF") and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of Opinion section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.



We are independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements.

***Report on other legal and regulatory requirements***

We have been appointed as "réviseur d'entreprises agréé" by the Annual General Meeting of the shareholders on 12 April 2021 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 4 years.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Fund.

Luxembourg, 30 June 2022

KPMG Luxembourg  
Société anonyme  
Cabinet de révision agréé

A handwritten signature in blue ink, appearing to read 'P. Perichon'.

P. Perichon

## COMBINED STATEMENT OF NET ASSETS

December 31, 2021  
(in EUR)

### ASSETS

Portfolio:	(see notes)	
- Cost		11,085,783.22
- Net unrealised result		964,216.23
		<b>12,049,999.45</b>
Cash:		
- Cash at sight		190,136.93
Other assets:		
- Interest receivable		52,050.25
- Dividend receivable		15,482.05
		<b>12,307,668.68</b>

### LIABILITIES

Other liabilities:		
- Taxes and expenses payable		6,111.00
		<b>6,111.00</b>

<b>NET ASSETS</b>		<b>12,301,557.68</b>
-------------------	--	----------------------

**COMBINED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

Year ended December 31, 2021  
(in EUR)

<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>		<b>22,863,082.72</b>
<b>INCOME</b>		
Income from investments:		
- Dividends, net	(see notes)	278,649.77
- Bond interest, net		511,136.31
Commissions on issue and repurchase of shares		3,436.95
		<b>793,223.03</b>
<b>EXPENSES</b>		
Bank interest, net		1.42
Fees:		
- Global fee	(see notes)	105,193.69
Other expenses:		
- Transaction fees	(see notes)	16,597.76
		<b>121,792.87</b>
<b>NET OPERATING RESULT</b>		<b>671,430.16</b>
Net realised result on:		
- Sales of investments		(211,917.82)
- Foreign exchange		(7,259.41)
<b>NET REALISED RESULT</b>		<b>452,252.93</b>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		116,738.96
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>		<b>568,991.89</b>
<b>MOVEMENTS IN CAPITAL</b>		
Subscriptions of shares		1,432,200.68
Redemptions of shares		(14,055,989.39)
		<b>(12,623,788.71)</b>
<b>DIVIDEND PAID</b>	(see notes)	<b>(242,771.72)</b>
<b>EXCHANGE DIFFERENCE FROM SUB-FUNDS</b>		<b>1,736,043.50</b>
<b>NET ASSETS AT THE END OF THE YEAR</b>		<b>12,301,557.68</b>

The notes are an integral part of the financial statements.

**STATEMENT OF NET ASSETS**December 31, 2021  
(in USD)**ASSETS**

Portfolio:	(see notes)	
- Cost		6,233,397.11
- Net unrealised result		1,188,754.21
		<b>7,422,151.32</b>
Cash:		
- Cash at sight		89,062.24
Other assets:		
- Dividend receivable		17,606.19
		<b>7,528,819.75</b>

**LIABILITIES**

Other liabilities:		
- Taxes and expenses payable		4,197.43
		<b>4,197.43</b>

**NET ASSETS** **7,524,622.32****CLASS A (USD)**

Net asset value per share	<b>31.4885</b>
Shares outstanding	<b>238,000.0000</b>

**CLASS P (USD)**

Net asset value per share	<b>164.1040</b>
Shares outstanding	<b>185.0000</b>

The notes are an integral part of the financial statements.

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**Year ended December 31, 2021  
(in USD)

<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>		<b>5,247,362.94</b>
<b>INCOME</b>		
Income from investments:		
- Dividends, net	(see notes)	316,880.52
Commissions on issue and repurchase of shares		3,900.30
		<b>320,780.82</b>
<b>EXPENSES</b>		
Bank interest, net		0.12
Fees:		
- Global fee	(see notes)	48,625.73
Other expenses:		
- Transaction fees	(see notes)	14,445.99
		<b>63,071.84</b>
<b>NET OPERATING RESULT</b>		<b>257,708.98</b>
Net realised result on:		
- Sales of investments		102,660.05
- Foreign exchange		(8,274.80)
<b>NET REALISED RESULT</b>		<b>352,094.23</b>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		572,546.54
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>		<b>924,640.77</b>
<b>MOVEMENTS IN CAPITAL</b>		
Subscriptions of shares		1,628,698.61
		<b>1,628,698.61</b>
<b>DIVIDEND PAID</b>	(see notes)	<b>(276,080.00)</b>
<b>NET ASSETS AT THE END OF THE YEAR</b>		<b>7,524,622.32</b>

The notes are an integral part of the financial statements.

**STATISTICAL INFORMATION**

Year ended December 31, 2021

**SHARES**

	<b>Class A (USD)</b>	<b>Class P (USD)</b>
Shares outstanding at the beginning of the year	189,000.0000	185.0000
Subscriptions of shares	49,000.0000	0.0000
Redemptions of shares	(0.0000)	(0.0000)
<b>Shares outstanding at the end of the year</b>	<b>238,000.0000</b>	<b>185.0000</b>

<b>NET ASSET VALUE PER SHARE</b>	<b>USD</b>	<b>USD</b>
Highest	38.8301 26/10/2021	195.3039 26/10/2021
Lowest	26.8712 01/02/2021	135.1543 01/02/2021
<b>At the end of the year</b>	<b>31.4885</b>	<b>164.1040</b>

**CHANGES IN THE NUMBER OF SHARES,  
IN NET ASSETS AND  
IN NET ASSET VALUE PER SHARE**

Date	Share Class	Number of shares outstanding	Net Assets	Ccy	Net asset value per share
31/12/2019	Class A (USD)	203,000.0000	6,191,297.20	USD	30.4990
	Class P (USD)	185.0000	27,312.37	USD	147.6344
31/12/2020	Class A (USD)	189,000.0000	5,221,655.35	USD	27.6278
	Class P (USD)	185.0000	25,707.59	USD	138.9599
31/12/2021	Class A (USD)	238,000.0000	7,494,263.08	USD	31.4885
	Class P (USD)	185.0000	30,359.24	USD	164.1040

**STATEMENT OF INVESTMENTS IN SECURITIES  
AND OTHER NET ASSETS**

December 31, 2021

(in USD)

Quantity	Description	Ccy	Cost	Value per security	Market value	% of net assets
<b>TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET</b>						
<b>EQUITIES</b>						
<b>BRITISH VIRGIN ISLANDS</b>						
5,254.00	FIX PRICE	RUB	46,849.05	543.10	38,042.80	0.51
3,519.00	VKCO --- SHS GDR REPR 1 SH REG-	RUB	95,229.21	872.00	40,910.83	0.54
	<b>TOTAL BRITISH VIRGIN ISLANDS</b>		<b>142,078.26</b>		<b>78,953.63</b>	<b>1.05</b>
<b>CYPRUS</b>						
3,060.00	GLOBALTRANS INV --- SHS SPONSORED GLOBAL	RUB	19,987.71	647.00	26,395.40	0.35
697.00	HEADHUNTER GR --- SHS SPONSORED AMERICAN	RUB	23,742.95	3,836.00	35,646.26	0.47
1,615.00	OZON HLDGS --- SHS SPONSORED AMERICAN DE	RUB	77,859.89	2,278.50	49,059.62	0.65
3,400.00	TCS GROUP HOLDINGS GDR REPR 1 SH A REGS	RUB	128,440.06	6,102.60	276,628.17	3.68
	<b>TOTAL CYPRUS</b>		<b>250,030.61</b>		<b>387,729.45</b>	<b>5.15</b>
<b>JERSEY</b>						
9,877.00	POLYMETAL INTERNATIONAL PLC	RUB	179,676.12	1,312.50	172,833.11	2.30
	<b>TOTAL JERSEY</b>		<b>179,676.12</b>		<b>172,833.11</b>	<b>2.30</b>
<b>RUSSIA</b>						
29,070.00	AEROFLOT	RUB	37,335.39	58.96	22,850.99	0.30
73,610.00	ALROSA CJSC	RUB	101,282.75	122.80	120,514.07	1.60
20,468.00	AO TATNEFT	RUB	183,747.79	500.50	136,578.42	1.82
205,700.00	CREDIT BANK MOS - REGISTERED SHS	RUB	17,653.93	6.85	18,785.70	0.25
14,960.00	DETSKY MIR PJSC	RUB	23,583.96	124.76	24,883.39	0.33
6,630,000.00	FEDERAL GRID	RUB	18,654.41	0.16	14,331.98	0.19
283,730.00	GAZPROM	RUB	853,538.28	343.28	1,298,543.03	17.25
1,258.00	GROUP LSR OJSC	RUB	13,497.34	609.00	10,214.11	0.14
996,200.00	INTER RAO UES	RUB	65,616.77	4.27	56,745.47	0.75
91,800.00	JSFC SISTEMA	RUB	22,664.79	23.44	28,691.84	0.38
9,877.00	LUKOIL HOLDING	RUB	738,629.22	6,570.00	865,153.18	11.49
1,887.00	MAGNIT JSC	RUB	125,231.14	5,441.50	136,896.74	1.82
61,370.00	MAGNITOGORSK IRON	RUB	46,311.32	69.44	56,815.71	0.76
1,564.00	MMC NORILSK NIC	RUB	411,514.26	22,828.00	476,000.27	6.33
24,650.00	MOBILE TELESYSTEMS	RUB	116,147.73	298.60	98,131.70	1.30
42,160.00	MOSCOW EXCHANGE	RUB	78,343.33	153.18	86,100.42	1.14
18,717.00	NOVATEK	RUB	291,661.80	1,720.00	429,207.47	5.70
36,890.00	NOVOLIPETSK STEEL	RUB	91,765.85	217.64	107,040.95	1.42
935.00	PHOSAGRO - REGISTERED SHS	RUB	40,976.59	5,833.00	72,712.01	0.97
3,434.00	PIK-SPECIALIZED HOMEBUILDER	RUB	26,590.42	1,110.00	50,818.97	0.68
833.00	POLYUS GOLD CO ZAO	RUB	110,075.52	13,075.00	145,207.58	1.93
34,238.00	ROSNEFT OIL COMPANY OJSC	RUB	207,736.50	599.90	273,835.55	3.64
27,540.00	ROSTELECOM	RUB	32,952.03	87.22	32,024.52	0.43
3,179,000.00	RUSHYDRO	RUB	35,697.50	0.74	31,448.29	0.42
241,910.00	SBERBANK	RUB	865,823.92	293.62	946,982.69	12.58
23,460.00	SBERBANK PREF.	RUB	75,276.08	278.15	86,998.08	1.16
5,406.00	SEVERSTAL JSC CHEREPOVETS METAL FACTORY	RUB	89,410.17	1,605.20	115,693.19	1.54
261,800.00	SURGUTNEFTEGAZ	RUB	134,188.15	39.78	138,847.16	1.85
163,200.00	SURGUTNEFTEGAZ PREF.SHS	RUB	85,634.34	38.48	83,725.51	1.11
4,267.00	TATNEFT PREF.SHS	RUB	32,097.11	459.30	26,128.93	0.35

The notes are an integral part of the financial statements.



Quantity	Description	Ccy	Cost	Value per security	Market value	% of net assets
17.00	TRANSNEFT PREF.SHS	RUB	41,304.15	158,800.00	35,991.67	0.48
74,800.00	UC RUSAL - REGISTERED SHS	RUB	37,604.86	74.00	73,796.52	0.98
137,020,000.00	VTB BANK	RUB	96,427.51	0.05	88,233.54	1.17
	<b>TOTAL RUSSIA</b>		<b>5,148,974.91</b>		<b>6,189,929.65</b>	<b>82.26</b>
	<b>THE NETHERLANDS</b>					
3,264.00	X5 RETAIL GROUP GDR REPR SHS REG-S	RUB	100,534.47	1,961.50	85,357.37	1.13
8,109.00	YANDEX N.V.	RUB	377,991.01	4,514.40	488,056.30	6.49
	<b>TOTAL THE NETHERLANDS</b>		<b>478,525.48</b>		<b>573,413.67</b>	<b>7.62</b>
	<b>UNITED KINGDOM</b>					
74,800.00	PETROPAVLOVSK --- REGISTERED SHS	RUB	34,111.73	19.35	19,291.81	0.26
	<b>TOTAL UNITED KINGDOM</b>		<b>34,111.73</b>		<b>19,291.81</b>	<b>0.26</b>
	<b>TOTAL EQUITIES</b>		<b>6,233,397.11</b>		<b>7,422,151.32</b>	<b>98.64</b>
	<b>TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET</b>		<b>6,233,397.11</b>		<b>7,422,151.32</b>	<b>98.64</b>
	<b>TOTAL INVESTMENTS IN SECURITIES</b>		<b>6,233,397.11</b>		<b>7,422,151.32</b>	<b>98.64</b>
	Cash/(bank overdraft)				89,062.24	1.18
	Other assets and liabilities				13,408.76	0.18
	<b>TOTAL NET ASSETS</b>				<b>7,524,622.32</b>	<b>100.00</b>

**GEOGRAPHICAL CLASSIFICATION  
OF THE INVESTMENTS IN SECURITIES**December 31, 2021  
(in %)

<b>COUNTRIES</b>	<b>% of net assets</b>
Russia	82.26
The Netherlands	7.62
Cyprus	5.15
Jersey	2.30
British Virgin Islands	1.05
United Kingdom	0.26
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>98.64</b>
Other assets/(liabilities) and liquid assets	1.36
<b>NET ASSETS</b>	<b>100.00</b>

**ECONOMIC CLASSIFICATION  
OF THE INVESTMENTS IN SECURITIES**  
December 31, 2021  
(in %)

<b>ECONOMIC SECTORS</b>	<b>% of net assets</b>
Oil	37.51
Banks and other credit institutions	15.16
Holding and finance companies	11.20
Non-ferrous metals	9.61
Internet and software services	7.68
Mining industry	5.58
Data transmission	2.11
Precious stones and metals	1.93
Foodstuffs and non-alcoholic drinks	1.82
Energy and water supply	1.36
Retail trade	1.13
Transportation	1.13
Chemicals	0.97
Other	0.51
Miscellaneous services	0.47
Miscellaneous consumer goods	0.33
Real estate	0.14
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>98.64</b>
Other assets/(liabilities) and liquid assets	1.36
<b>NET ASSETS</b>	<b>100.00</b>

**STATEMENT OF NET ASSETS**December 31, 2021  
(in USD)**ASSETS**

Portfolio:	(see notes)	
- Cost		6,373,355.52
- Net unrealised result		(92,247.52)
		<b>6,281,108.00</b>
Cash:		
- Cash at sight		127,161.48
Other assets:		
- Interest receivable		59,191.53
		<b>6,467,461.01</b>

**LIABILITIES**

Other liabilities:		
- Taxes and expenses payable		2,752.00
		<b>2,752.00</b>

**NET ASSETS** **6,464,709.01****CLASS A (USD)**

Net asset value per share	<b>29.4181</b>
Shares outstanding	<b>219,000.0000</b>

**CLASS P (USD)**

Net asset value per share	<b>119.6551</b>
Shares outstanding	<b>185.0000</b>

The notes are an integral part of the financial statements.

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**Year ended December 31, 2021  
(in USD)

<b>NET ASSETS AT THE BEGINNING OF THE YEAR</b>	<b>22,726,763.28</b>
<b>INCOME</b>	
Income from investments:	
- Bond interest, net	581,264.22
Commissions on issue and repurchase of shares	8.20
	<b>581,272.42</b>
<b>EXPENSES</b>	
Bank interest, net	1.49
Fees:	
- Global fee (see notes)	71,000.54
Other expenses:	
- Transaction fees (see notes)	4,428.98
	<b>75,431.01</b>
<b>NET OPERATING RESULT</b>	<b>505,841.41</b>
Net realised result on:	
- Sales of investments	(343,653.00)
- Foreign exchange	19.40
<b>NET REALISED RESULT</b>	<b>162,207.81</b>
Change in net unrealised appreciation/(depreciation) on:	
- Investments	(439,791.00)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	<b>(277,583.19)</b>
<b>MOVEMENTS IN CAPITAL</b>	
Redemptions of shares	(15,984,471.08)
	<b>(15,984,471.08)</b>
<b>NET ASSETS AT THE END OF THE YEAR</b>	<b>6,464,709.01</b>

The notes are an integral part of the financial statements.

**STATISTICAL INFORMATION**

Year ended December 31, 2021

**SHARES**

	<b>Class A (USD)</b>	<b>Class P (USD)</b>
Shares outstanding at the beginning of the year	769,000.0000	185.0000
Subscriptions of shares	0.0000	0.0000
Redemptions of shares	(550,000.0000)	(0.0000)
<b>Shares outstanding at the end of the year</b>	<b>219,000.0000</b>	<b>185.0000</b>

<b>NET ASSET VALUE PER SHARE</b>	<b>USD</b>	<b>USD</b>
Highest	30.0152 16/09/2021	122.0836 16/09/2021
Lowest	28.7420 30/03/2021	116.9050 30/03/2021
<b>At the end of the year</b>	<b>29.4181</b>	<b>119.6551</b>

**CHANGES IN THE NUMBER OF SHARES,  
IN NET ASSETS AND  
IN NET ASSET VALUE PER SHARE**

Date	Share Class	Number of shares outstanding	Net Assets	Ccy	Net asset value per share
31/12/2019	Class A (USD)	355,000.0000	9,939,123.39	USD	27.9975
	Class P (USD)	185.0000	21,067.17	USD	113.8766
31/12/2020	Class A (USD)	769,000.0000	22,704,546.88	USD	29.5248
	Class P (USD)	185.0000	22,216.40	USD	120.0886
31/12/2021	Class A (USD)	219,000.0000	6,442,572.82	USD	29.4181
	Class P (USD)	185.0000	22,136.19	USD	119.6551

**STATEMENT OF INVESTMENTS IN SECURITIES  
AND OTHER NET ASSETS**

December 31, 2021

(in USD)

Quantity	Description	Ccy	Cost	Value per security	Market value	% of net assets
<b>TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET</b>						
<b>BONDS</b>						
<b>IRELAND</b>						
800,000.00	PHOSAGRO(PHOS B 2.6000 21-28 16/09S	USD	780,400.00	97.10	776,760.00	12.02
600,000.00	SIBUR SECURITIES DAC 3.45 19-24 23/09S	USD	630,000.00	102.10	612,612.00	9.48
800,000.00	VEB FINANCE REG S 6.80 10-25 22/11S	USD	938,846.06	114.01	912,096.00	14.10
<b>TOTAL IRELAND</b>			<b>2,349,246.06</b>		<b>2,301,468.00</b>	<b>35.60</b>
<b>LUXEMBOURG</b>						
600,000.00	ALROSA FINANCE SA 3.10 20-27 25/06S	USD	622,478.57	100.65	603,876.00	9.34
600,000.00	GAZ CAPITAL 7.288 07-37 16/08S	USD	812,848.32	133.15	798,900.00	12.36
400,000.00	GPN CAPITAL REGS 6.00 13-23 27/11S	USD	444,293.90	106.91	427,640.00	6.61
600,000.00	STEEL CAPITAL SA 3.1500 19-24 16/09S	USD	630,712.50	102.03	612,180.00	9.47
<b>TOTAL LUXEMBOURG</b>			<b>2,510,333.29</b>		<b>2,442,596.00</b>	<b>37.78</b>
<b>RUSSIA</b>						
200,000.00	MIN. OF FIN. OF THE RUSSIAN FED. 4.875 13-23 16/09A	USD	218,050.33	105.29	210,584.00	3.26
600,000.00	MIN. OF FIN. OF THE RUSSIAN FED. 5.625 12-42 04/04S	USD	766,622.84	130.34	782,040.00	12.10
400,000.00	MIN. OF FIN. OF THE RUSSIAN FED. 5.875 13-43 16/09S	USD	529,103.00	136.11	544,420.00	8.42
<b>TOTAL RUSSIA</b>			<b>1,513,776.17</b>		<b>1,537,044.00</b>	<b>23.78</b>
<b>TOTAL BONDS</b>			<b>6,373,355.52</b>		<b>6,281,108.00</b>	<b>97.16</b>
<b>TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET</b>			<b>6,373,355.52</b>		<b>6,281,108.00</b>	<b>97.16</b>
<b>TOTAL INVESTMENTS IN SECURITIES</b>			<b>6,373,355.52</b>		<b>6,281,108.00</b>	<b>97.16</b>
Cash/(bank overdraft)					127,161.48	1.97
Other assets and liabilities					56,439.53	0.87
<b>TOTAL NET ASSETS</b>					<b>6,464,709.01</b>	<b>100.00</b>

The notes are an integral part of the financial statements.

---

**GEOGRAPHICAL CLASSIFICATION  
OF THE INVESTMENTS IN SECURITIES**  
December 31, 2021  
(in %)

<b>COUNTRIES</b>	<b>% of net assets</b>
Luxembourg	37.78
Ireland	35.60
Russia	23.78
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>97.16</b>
Other assets/(liabilities) and liquid assets	2.84
<b>NET ASSETS</b>	<b>100.00</b>



---

**ECONOMIC CLASSIFICATION  
OF THE INVESTMENTS IN SECURITIES**  
December 31, 2021  
(in %)

<b>ECONOMIC SECTORS</b>	<b>% of net assets</b>
Holding and finance companies	73.38
Countries and central governments	23.78
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>97.16</b>
Other assets/(liabilities) and liquid assets	2.84
<b>NET ASSETS</b>	<b>100.00</b>

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2021

### GENERAL

ITI Funds UCITS ETF SICAV (the "Company"), is an open-ended investment company organised under the laws of Luxembourg as a société d'investissement à capital variable (SICAV), under the form of a public limited liability company (société anonyme) and authorised under part I of the amended Law dated December 17, 2010 on undertaking for collective investments.

The Company was incorporated in Luxembourg on August 4, 2017 and is registered at the Register of Commerce and Companies of Luxembourg under number B 217005. The Articles of Incorporation have been published in the Mémorial, Recueil Spécial des Sociétés et Associations (the "Mémorial") on August 11, 2017.

On December 31, 2021, the following sub-funds are available to investors:

-ITI Funds Russia RTS Equity UCITS ETF SICAV (formerly ITI Funds RTS Equity UCITS ETF SICAV)  
-ITI Funds Russia-focused USD Eurobond UCITS ETF SICAV

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) *Presentation of financial statements*

Further the specific market conditions linked to the war between Russia and Ukraine (see also the "Subsequent event note") the Board of Directors of the Company decided on April 1, 2022 to propose to an upcoming Annual General Meeting (AGM) the voluntary liquidation of the Company. Consequently the financial statements are prepared under a non-going concern basis in accordance with Luxembourg regulations relating to undertakings for collective investment. However the valuation of the investments portfolios as of December 31, 2021 was retained and reflects the market values at this date because of the Board of Directors of the Company cannot assess whether or not this valuation represents the realizable value of the portfolio in the context of the liquidation of the Company.

Additionally, the Board of Directors decided not to include in these financial statements the USD 30,000 liquidation fee provision per sub-funds which has been reasonably estimated.

#### b) *Combined financial statements*

The accounts of the sub-funds are kept in the reference currency of the Sub-Fund. The combined statements are the sum of the statement of net assets and the statement of operations and changes in net assets of each Sub-Fund converted with the exchange rate prevailing at the period-end. The combination currency is the Euro.

#### c) *Valuation of assets*

The value of any cash in hand or on deposit notes and bills payable on demand and accounts receivable, prepaid expenses and cash dividends declared and interest accrued but not yet collected, shall be deemed the nominal value of these assets unless it is improbable that it can be paid and collected in full; in which case, the value will be arrived at after deducting such amounts as the Company or the Management Company may consider appropriate to reflect the true value of these assets.

The Securities and Money Market Instruments listed on an official stock exchange or dealt on any other Regulated Market will be valued at their last available price in Luxembourg as of the Valuation Day (December 31, 2021) and, if the security or Money Market Instrument is traded on several markets, on the basis of the last known price on the main market of this security. If the last known price is not representative, valuation will be based on the fair value at which it is expected it can be sold, as determined with prudence and in good faith by the Company or the Management Company.

Unlisted securities and securities or Money Market Instruments not traded on a stock exchange or any other Regulated Market as well as listed securities and securities or Money Market Instruments listed on a Regulated Market for which no price is available, or securities or Money Market Instruments whose quoted price is, in the opinion of the Company or the Management Company, not representative of actual market value, will be valued at their last known price in Luxembourg or, in the absence of such price, on the basis of their probable realisation value, as determined with prudence and in good faith by the Company or the Management Company.

Securities or Money Market Instruments denominated in a currency other than the relevant Sub-Fund's or Class' valuation currency will be converted at the spot exchange rate (T+0) of the currency concerned applicable on the Valuation Day.

The valuation of investments reaching maturity within a maximum period of 90 days may include straight-line daily amortisation of the difference between the principal 91 days before maturity and the value at maturity.

UCIs are valued on the basis of their last available net asset value in Luxembourg. This net asset value may be adjusted by applying a recognised index so as to reflect market changes since the last valuation.

Swaps are valued at their fair value, based on the last closing price known for the underlying security

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Any other securities and assets are valued in accordance with the procedures put in place by the Company or the Management Company and, where necessary and appropriate, with the support of valuers who will be instructed to carry out valuations.

Liquid assets are valued at their nominal value plus accrued interest, or on the basis of amortised costs.

The liquidation value of futures, spot, forward or options contracts that are not traded on stock exchanges or other Regulated Markets will be equal to their net liquidation value determined in accordance with the policies established by the Company or the Management Company on a basis consistently applied to each type of contract. The liquidation value of futures, spot, forward or options contracts traded on stock exchanges or other Regulated Markets will be based on the latest available price for these contracts on the stock exchanges and Regulated Markets on which these options, spot, forward or futures contracts are traded, provided that if an option or future contract cannot be liquidated on the date on which the net assets are valued, the basis for determining the liquidation value of said contract shall be determined by the Company or the Management Company in a fair and reasonable manner.

### EXCHANGE RATES AS AT DECEMBER 31, 2021

1	EUR	=	85.2971 RUB
1	EUR	=	1.1372 USD

### GLOBAL FEE

The Company pays out of the net assets of sub-funds a fixed global fee, which is accrued on each Valuation Day and paid monthly in arrears to the Investment Manager.

The global fee rates effective at December 31, 2021 were as follows:

- ITI Funds Russia RTS Equity UCITS ETF SICAV (formerly ITI Funds RTS Equity UCITS ETF SICAV): 0.65%
- ITI Funds Russia-focused USD Eurobond UCITS ETF SICAV : 0.50%

The global fee is fixed in the sense that the Investment Manager will either bear any excess of the Company's actual operating expenses, as listed below, to the fixed global fee or be entitled to retain any amount of fixed global fee in excess of the Company's actual operating expenses, as listed below.

The fixed global fee covers expenses directly incurred by the Company including, without limitation, the following:

- formation expenses;
- fees and expenses payable to the Management Company and to the Investment Manager;
- fees and expenses payable to all other service providers of the Company (including the Auditors, accountants, the Depositary and its correspondents, the Administrator, the Distributor(s) and any pricing agencies);
- costs in relation to lease of premises in Luxembourg or elsewhere or any permanent representation in places of registration, as well as any other agent employed by the Company;
- the remuneration of the Directors and officers and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with board meetings;
- fees and expenses for legal and auditing services consultants;
- any fees and expenses involved in registering and maintaining the registration of the Company or any Sub-Fund with any governmental agencies or stock exchanges in Luxembourg and in any other country;
- reporting and publishing expenses, including the costs of preparing, printing, advertising and distributing prospectuses, explanatory memoranda, periodical reports or registration statements;
- the costs of any reports to Shareholders;
- costs for the publication of the issue and redemption prices;
- costs to pay interests, bank charges, postage, telephone and telex.

The following is an illustration of the fees that can be charged by the various service providers of the Company. The percentages indicated are maximum fees.

#### a) Management Company Fee

The Management Company receives annual servicing fee in respect of each Sub-Fund. This fee is payable out of the fixed global fee at the end of each month by the Company in respect of each Sub-Fund and is accrued on each Valuation Day based on the applicable Net Asset Value. The fee is calculated by the agreed schedule to the Management Company Services Agreement and shall not exceed 0.10% per annum of the Net Asset Value of each Sub-Fund.

#### b) Investment Manager Fee

The Investment Manager receives out of the fixed global fee a Management Fee, equal to the difference between the fixed global fee and the actual operating expenses incurred by the Company.

**GLOBAL FEE (continued)****c) Depositary Fee**

The Depositary receives annual safekeeping and servicing fees in respect of each Sub-Fund. The depositary fee is payable out of the fixed global fee at the end of each month by the Company in respect of each Sub-Fund and is accrued on each Valuation Day based on the previous day's Net Asset Value and the number of transactions processed during that month. The depositary fee is calculated in accordance with usual practice in the Grand Duchy of Luxembourg and shall not exceed 0.30% per annum of the Net Asset Value of each Sub-Fund.

**d) Administration Fee**

The Administrator receives annual administrative fees in respect of each Sub-Fund. The administrative fee is payable out of the fixed global fee at the end of each month by the Company in respect of each Sub-Fund and is accrued on each Valuation Day based on the previous Valuation Day's Net Asset Value. The administrative fee is calculated in accordance with usual practice in the Grand Duchy of Luxembourg, subject to a minimum flat fee of EUR 30.000 per annum for the first year and EUR 50.000 after the first anniversary of the launch of the Company. In addition to the above-mentioned fees, the Administrator and the Depositary are entitled to any other fees for specific services and transactions as agreed from time to time between the Company and the Depositary (the Other Fees), disclosed in the agreements. They are further entitled to be reimbursed by the Company for their respective reasonable out-of-pocket expenses properly incurred in carrying out their duties as such and for the charges of any correspondents. Other Fees include for example set-up fees, listing fees, fees in relation to the organization of Board meetings, Shareholders meetings, financial statements, extraordinary NAV calculation, KIID preparation, etc.

**e) Annual Tax**

Unless otherwise provided by the 2010 Act, the Company's assets are subject to a subscription tax (taxe d'abonnement) in Luxembourg of 0.05% p.a. on net assets (and 0.01% p.a. on total net assets in case of sub-funds or Classes reserved to Institutional Investors), payable quarterly. The 2010 Act notably provides for the following exemption :

- sub-funds whose Shares are listed or traded on at least one stock exchange or another regulated market operating regularly, recognised and open to the public and whose exclusive object is to replicate the performance of one or more indices are exempt from the annual subscription tax (taxe d'abonnement).

The Company is exempt from the annual subscription tax (taxe d'abonnement).

**TRANSACTION FEES**

The total amount of transaction fees is included in the statement of operations and changes in net assets of each Sub-Fund and consists of transaction fees paid to the Custodian and Sub-Custodian (taxes included) as well as Brokerage fees.

**SUBSCRIPTION AND REDEMPTION FEES**

The price of subscription and redemption is the net asset value per share plus a maximum fee of 3.00%.

**DIVIDEND PAID**

A dividend of USD 1.16 per Class A (USD) for the ITI Funds Russia RTS Equity UCITS ETF SICAV (formerly ITI Funds RTS Equity UCITS ETF SICAV) sub-fund has been declared with a record date on December 10, 2021 and payment date on December 15, 2021.

**CHANGES IN THE INVESTMENT PORTFOLIO**

A copy of the list of changes in the portfolio of each Sub-Fund may be obtained free of charge at the registered office of the Company for the period under review.

**EVENTS OCCURED DURING THE YEAR**

By Circular resolution dated December 20, 2021, the Board of Directors approve the change of name of the Sub-Fund ITI Funds RTS Equity UCITS ETF SICAV to ITI Funds Russia RTS Equity UCITS ETF SICAV as from December 22, 2021.

**SUBSEQUENT EVENT**

On March 1<sup>st</sup>, 2022, the Board of Directors resolved to the suspension of the calculation of the net asset value of shares based on clause 12 of the Fund's article of incorporation and on clause 23 of its prospectus, suspension of subscriptions and redemptions in the primary market and suspension of the trading of each of the sub-funds in the context of the recent capital restrictions introduced in Russia as well as the sanctions upon Russia.

The Board of Directors acknowledges that 16 securities have been sanctioned by the United States of America and 32 securities have been sanctioned by the European Union.

The Board of Directors resolved to review and monitor the portfolios in light of upcoming sanctions however the Board of Directors decided on April 1<sup>st</sup>, 2022 to propose to a coming AGM the voluntary liquidation of the Company because of the poor market and regulatory perspective.

**NON-AUDIT SERVICES**

During the period under review, only Audit services are provided by KPMG Luxembourg.

## SECURITIES FINANCING TRANSACTIONS AND OF REUSE REGULATION ("SFTR") (UNAUDITED)

The Company does not use any instruments falling into the scope of SFTR.

## REMUNERATION POLICY (UNAUDITED)

The Management Company, Fuchs Asset Management, has elaborated a remuneration policy as required by the Law of 17 December 2010 (UCITS Law). Such policy aims at preventing excessive risk taking and at ensuring a proper and effective management of risks. Currently, the remuneration of

all the employees of the Management Company is fixed. The remuneration of the staff or management was not linked in any way to the performance of the Funds under management. Variable remuneration as defined in the remuneration policy is consistent with the risk management and governance processes. Fixed remuneration is mainly based on the experience, the level of responsibility and the complexity of the task performed. No significant change in the remuneration policy has been noted in 2020..

The article 69 (3) of the UCITS V directive (Directive 2014/91/EU of 23 July 2014) requires disclosing in the annual report of the Fund the information on the total remuneration of the employees of the Management Company for the financial year. Such information is detailed in the below tables.

**Total amount of remuneration for the financial year 2021, split into fixed and variable remuneration, paid by Fuchs Asset Management to its staff, and number of**

**beneficiaries, and, where relevant, carried interest paid by the Fund:**

Fixed remuneration	Variable remuneration	Carried interest	Total remuneration	Average number of staff
EUR 3,209,084.00	EUR 2,776,332.00	-	EUR 5,985,416.00	32

**Aggregate amount of remuneration broken down by senior management and members of staff of Fuchs Asset**

**Management whose actions have a material impact on the risk profile of the Fund:**

Category	Total remuneration
Senior Management	EUR 2,955,093.00
Staff	EUR 3,030,323.00

## SUSTAINABILITY-RELATED DISCLOSURES IN THE FINANCIAL SERVICES SECTOR ("SFDR") (UNAUDITED)

Unless otherwise stated for a relevant Sub-Fund in its Special Section, the purpose of each Sub-Fund is to replicate the Reference Index as determined in the applicable Special Section. The Reference Indexes do not pursue sustainability-related objectives. It results that no sustainability-related factors can be taken into account by the Sub-Fund. The fact that no sustainability-related factors are not taken into account may have an impact on the performance of the Sub-Fund.

However, the objective of the sub-funds is not to outperform the Reference Index but to track the Reference Index. The sub-funds qualify as a non-ESG fund in the meaning of last paragraph of article 6.1 of SFDR.

The investments underlying this financial product do not take into account EU criteria for environmentally sustainable economic activities.