

**KEPLER LIQUID STRATEGIES ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**  
**For the financial year ended 31 December 2022**

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<b>TABLE OF CONTENTS</b>	<b>PAGE</b>
General Information	2-7
Director's Report	8-11
Sub-Investment Manager's Report	11
Depository's Report	16
Statement of the Depository's Responsibilities	16
Independent Auditors' Report	17-18
Statement of Financial Position	19-21
Statement of Comprehensive Income	22
Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares	24
Statement of Cash Flows	25
Notes to the Financial Statements	27-63
Schedule of Investments	64-82
Schedule of Significant Portfolio Movements (unaudited)	83
Supplementary Information (unaudited)	85-90
Information for investors in Switzerland (unaudited)	91-93

Words and terms defined in the Prospectus have the same meaning in the annual report and financial statements unless otherwise stated herein.

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**General Information**

**Directors:**

Jim Cleary\*  
Georg Reutter  
Andrea Oman\*\*  
Una Bannon\*\*

*All directors are non-executive*

**Registered Office of the ICAV:**

35 Shelbourne Road 4<sup>th</sup> Floor  
Ballsbridge  
Dublin 4  
Ireland

**Depository:**

Société Générale S.A., Dublin Branch  
3<sup>rd</sup> Floor, IFSC House  
IFSC  
Dublin 1  
Ireland

**Investment Manager:**

Kepler Partners LLP  
70 Conduit Street  
London W1S 2GF  
United Kingdom

**Sub-Investment Manager:**

**(for Sub-Fund KLS Arete Macro Fund)**

Ocean Arete Limited  
22/F No. 8 Queen's Road Central  
Central  
Hong Kong

**Secretary:**

KB Associates Consulting Management Limited  
35 Shelbourne Road 4<sup>th</sup> Floor  
Ballsbridge  
Dublin 4  
Ireland

**Sub-Investment Manager:**

**(for Sub-Fund KLS Ionic Relative Value Arbitrage Fund)**

Ionic Capital Management LLC  
475 Fifth Avenue,  
New York, NY 10017  
United States

**Irish Legal Advisers:**

A&L Goodbody  
25-28 North Wall Quay  
IFSC  
Dublin 1  
Ireland

**Administrator:**

Société Générale Securities Services,  
SSGS (Ireland) Limited  
3<sup>rd</sup> Floor, IFSC House  
IFSC  
Dublin 1  
Ireland

**Auditor:**

KPMG  
Chartered Accountants & Statutory Audit Firm  
1 Harbourmaster Place  
IFSC  
Dublin 1  
Ireland

*\* Independent directors*

*\*\* Andrea Oman resigned as Director and Una Bannon was appointed as a Director on 24 October 2022.*

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**General Information (continued)**

**Information for Swiss Investors**

The representative in Switzerland is FundRock Switzerland SA (formerly ARM Swiss Representative SA), Route de Cité-Ouest 2, 1196 Gland, Switzerland. The paying agent in Switzerland is Banque Cantonale de Genève, Quai de l'Île 17, 1204 Geneva, Switzerland. The Prospectus (and any supplement thereto), the Instrument of Incorporation, KIIDs and annual and semi-annual financial statements and breakdown of purchase and sales during the period can be obtained free of charge from the representative in Switzerland. The place of performance and jurisdiction is the registered office of the representative in Switzerland with regards to the Shares offering in Switzerland.

*“The Prospectus, the Articles of Association, the key investor information document, the annual reports and semi-annual reports as well as a list containing all purchases and sales which have been made during the financial period can be obtained free of charge at the Swiss Representative.”*

## KEPLER LIQUID STRATEGIES ICAV

### ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

#### General Information (continued)

##### Background

Kepler Liquid Strategies ICAV (the “ICAV”), incorporated on 22 December 2015, is an umbrella fund with segregated liability between Sub-Funds registered as an Irish Collective Asset-management Vehicle (“ICAV”) pursuant to the Irish Collective Asset-management Vehicles Act 2015 (as amended) (the “ICAV Act 2015”) on 22 December 2015 with registration number C148679. The ICAV is established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended), (the “UCITS Regulations”) and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the “Central Bank UCITS Regulations”).

The ICAV currently has seven Funds: These financial statements relate to KLS Arete Macro Fund and KLS Ionic Relative Value Arbitrage Fund.

- KLS Arete Macro Fund which was authorised by the Central Bank of Ireland on 17 April 2018 and launched on 5 July 2018;
- KLS Ionic Relative Value Arbitrage Fund which was authorised by the Central Bank of Ireland on 22 June 2020 and launched on 16 July 2020;

At the financial year end, there were:

- Twenty classes of shares in issue for KLS Arete Macro Fund; the Class F USD, Class F EUR, Class F GBP, Class I USD, Class I EUR (Accumulating), Class I GBP (Accumulating), Class I CHF, Class I EUR (Distributing), Class I GBP (Distributing), Class R USD, Class R EUR, Class SI JPY, Class SI USD, Class SI EUR, Class SI GBP, Class SI CHF, and Class SI SEK, Class SI GBP (Distributing), Class SI EUR (Distributing) and Class SI USD (Distributing);
- Eleven classes of shares in issue for KLS Ionic Relative Value Arbitrage Fund; the Class F USD, Class F EUR, Class F GBP, Class I USD, Class I EUR, Class I GBP, Class I CHF, Class SI USD, Class SI EUR, Class SI GBP and Class SIF USD;

KLS Arete Macro Fund currently offers twenty-seven share classes:

Class	Currency	Distribution Policy	Minimum Initial Investment
F-USD*	USD	(Accumulating)	\$50,000,000
F-EUR*	EUR	(Accumulating) Hedged	€50,000,000
F-GBP*	GBP	(Accumulating) Hedged	£50,000,000
F-CHF*	CHF	(Accumulating) Hedged	CHF50,000,000
F-SEK*	SEK	(Accumulating) Hedged	SEK500,000,000
I-USD	USD	(Accumulating)	\$1,000,000
I-EUR	EUR	(Accumulating) Hedged	€1,000,000
I-GBP	GBP	(Accumulating) Hedged	£1,000,000
I-CHF	CHF	(Accumulating) Hedged	CHF1,000,000
I-SEK	SEK	(Accumulating) Hedged	SEK10,000,000
I-JPY	JPY	(Accumulating) Hedged	JPY110,000,000
I-USD	USD	(Distributing)	US\$1,000,000
I-EUR	EUR	(Distributing) Hedged	€1,000,000
I-GBP	GBP	(Distributing) Hedged	£1,000,000
R-USD	USD	(Accumulating)	\$10,000
R-EUR	EUR	(Accumulating) Hedged	€10,000
R-GBP	GBP	(Accumulating) Hedged	£10,000
R-CHF	CHF	(Accumulating) Hedged	CHF10,000
R-SEK	SEK	(Accumulating) Hedged	SEK100,000
R-JPY	JPY	(Accumulating) Hedged	JPY1,000,000
SI-USD	USD	(Accumulating)	\$50,000,000**
SI-EUR	EUR	(Accumulating) Hedged	€50,000,000**
SI-GBP	GBP	(Accumulating) Hedged	£50,000,000**
SI-CHF	CHF	(Accumulating) Hedged	CHF50,000,000**
SI-SEK	SEK	(Accumulating) Hedged	SEK500,000,000**
SI-JPY	JPY	(Accumulating) Hedged	JPY5,000,000,000**
SJ-USD	USD	(Accumulating)	US\$50,000,000**

## KEPLER LIQUID STRATEGIES ICAV

### ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

**For the financial year ended 31 December 2022**

#### General Information (continued)

##### Background (continued)

It should be noted that the details for each Class set out in the tables above include the minimum initial and minimum subsequent subscription amounts. These amounts may be reduced or waived for all Shareholders in the relevant Class at the discretion of the Directors, the Investment Manager or the Sub-Investment Manager.

\* The Directors shall close the F-USD, F-EUR, F-GBP, F-CHF and F-SEK Classes of Shares (the "F Classes") to further subscriptions on the date upon which the Fund has accepted aggregate subscriptions of \$100,000,000 from Founder Investors. The \$100,000,000 limit may be extended at the discretion of the Directors, the Investment Manager or the Sub-Investment Manager.

\*\* The Directors, the Investment Manager and the Sub-Investment Manager may waive the minimum initial subscription amounts completely for the SI and SJ Classes during the Initial Offer Period.

The Directors are given authorisation to effect the issue of any Class and to create new Share Classes on such terms as they may from time to time determine in accordance with the Central Bank's requirements.

KLS Ionic Relative Value Arbitrage Fund currently offers eighteen share classes:

Class	Currency	Distribution Policy	Minimum Initial Investment
F-USD*	USD	(Accumulating)	\$50,000,000
F-EUR*	EUR	(Accumulating) Hedged	€50,000,000
F-GBP*	GBP	(Accumulating) Hedged	£50,000,000
F-CHF*	CHF	(Accumulating) Hedged	CHF50,000,000
I-USD	USD	(Accumulating)	\$1,000,000
I-EUR	EUR	(Accumulating) Hedged	€1,000,000
I-GBP	GBP	(Accumulating) Hedged	£1,000,000
I-CHF	CHF	(Accumulating) Hedged	CHF1,000,000
R-USD	USD	(Accumulating)	\$10,000
R-EUR	EUR	(Accumulating) Hedged	€10,000
R-GBP	GBP	(Accumulating) Hedged	£10,000
R-CHF	CHF	(Accumulating) Hedged	CHF10,000
SI-USD	USD	(Accumulating)	\$50,000,000**
SI-EUR	EUR	(Accumulating) Hedged	€50,000,000**
SI-GBP	GBP	(Accumulating) Hedged	£50,000,000**
SI-CHF	CHF	(Accumulating) Hedged	CHF50,000,000**
SIF-USD	USD	Accumulating	\$50,000,000**
SIF-EUR	EUR	Accumulating	€50,000,000**

It should be noted that the details for each Class set out in the table above include the minimum initial subscription amounts. These amounts may be reduced or waived for all Shareholders in the relevant Class at the discretion of the Directors, the Investment Manager or the Sub-Investment Manager in accordance with the requirements of the Central Bank UCITS Regulations.

\* The Directors shall close the F-USD, F-EUR, F-GBP and F-CHF Classes of Shares (the "F Classes") to further subscriptions on the date upon which the Fund has accepted aggregate subscriptions of \$100,000,000 from Founder Investors in the F Classes. The \$100,000,000 limit may be extended at the discretion of the Directors, the Investment Manager or the Sub-Investment Manager.

\*\* The Directors, the Investment Manager and the Sub-Investment Manager may waive the minimum initial subscription amounts completely for each Class of Shares during the Initial Offer Period.

The Directors are given authorisation to effect the issue of any Class and to create new Classes on such terms as they may from time to time determine in accordance with the Central Bank's requirements.

# KEPLER LIQUID STRATEGIES ICAV

## ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### General Information (continued)

#### Background (continued)

#### **KLS Arete Macro Fund Investment Objectives and Policies**

##### **Investment Objective**

The investment objective of the Fund is to seek to achieve total returns through capital growth and/or income generation.

##### **Investment Policies**

The Sub-Investment Manager will pursue the investment objective of the Fund by investing primarily in a diversified portfolio of investments, which are listed and/or traded on Recognised Markets. Asset classes and instruments will be selected based on the appropriateness of each investment in expressing the macro-economic views of the Sub-Investment Manager, as well as the marginal risk of the investment in relation to the Fund's overall portfolio. The Fund will seek to benefit both from rapidly changing economic and monetary conditions globally and in Asia. The Fund will focus on investing in Asia including Japan but may also invest up to 30% of its Net Asset Value in Europe and the United States.

The Fund primarily adopts a "macro" or "top down" approach in selecting and structuring its investments across the asset classes listed below. Consistent with this approach, the Fund will typically be invested in multiple asset classes, in order to diversify the portfolio and reduce volatility. The Sub-Investment Manager constructs and maintains macro-analytical frameworks that incorporate the rapidly changing macro-economic conditions around the world, as well as the significant idiosyncrasies of certain large economies such as China and Japan. These frameworks use historical and regional comparisons, social science research and empirical due diligence in order to assist the Sub-Investment Manager in identifying the Fund's investments.

The Fund has flexibility to invest in a wide range of instruments namely, equities, bonds (which shall be Investment Grade and may be fixed and/or floating rate, of any maturity and may be issued by corporates and/or sovereigns), American depositary receipts, contract for difference, equity options, equity index futures, equity index options, options on equity index futures, interest rate futures, foreign exchange futures, foreign exchange swaps, interest rate swaps, foreign exchange forwards, bond futures, options on bond futures, eligible multiple commodity indices (which have been pre-cleared by the Central Bank) and the multi-asset options, swaps and forwards referred to in the FDI table below. FDI may be exchange-traded or over-the-counter.

In addition, as part of the overall risk management and liquidity management of the Fund, the Fund may invest up to 100% of its Net Asset Value in cash, money market instruments including treasury bills, bank deposits, certificates of deposit and commercial paper, along with fixed income and fixed income related securities issued by highly rated (Investment Grade or higher) corporate or sovereign issuers (for example US Treasuries) which are fixed rate, floating rate and variable rate for liquidity, collateral or for temporary defensive purposes. The Fund may invest up to 10% of net assets in other collective investment schemes including exchange traded funds and money market funds.

The Fund may maintain exposure to or hedge a currency based on the Sub-Investment Manager's outlook for a currency or the countries using that currency. Investing in non-US Dollar denominated securities inherently carries with it exposure to other currencies. The investment strategy of the Fund fundamentally incorporates a range of currency exposures and allows the Sub-Investment Manager to express an investment view with respect to those currency exposures through direct exposure to those currencies, hedging, not hedging or increasing the Fund's exposure to those currencies through FDI.

#### **KLS Ionic Relative Value Arbitrage Fund Investment Objectives and Policies**

##### **Investment Objective**

The investment objective of the Fund is to deliver attractive risk-adjusted returns with low volatility and low correlation to equity markets.

# KEPLER LIQUID STRATEGIES ICAV

## ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### General Information (continued)

#### Background (continued)

#### KLS Ionic Relative Value Arbitrage Fund Investment Objectives and Policies (continued)

##### Investment Policies

The Fund will seek to achieve its investment objective by employing a multi-asset, market-neutral relative value arbitrage investment strategy. The Fund's portfolio will be comprised primarily of exposures to equities, depository receipts, preferred stock (perpetual and floating rate), convertible preferred stock, debt securities, market indices representing volatility, eligible indirect commodity exposures through exchange traded instruments, as well as Financial Derivative Instruments (FDI). The Fund's market neutral approach will also utilize various hedging strategies that are intended to enhance returns, mitigate downside risk and generate positive returns over a longer time horizon.

The Fund may invest in or otherwise take exposure to the following debt securities of any credit quality or maturity, fixed rate or floating rate, including Investment Grade, below-Investment Grade and unrated, government and corporate bonds, convertible bonds, convertible preferred stock, mandatory convertible bonds (debt exchangeable for common stock and dividend enhanced convertible bonds) and exchangeable bonds. The Fund will not invest in contingent convertible bonds.

The Fund may invest up to 10% in collective investment schemes, including exchange traded funds (ETFs), which are regulated as UCITS or alternative investment funds (AIFs) which are eligible for investment by the Fund in accordance with the Central Bank's guidance on "UCITS acceptable investment in other investment Funds". Such ETFs will be listed and/or traded on the markets and/or exchanges as set out in Appendix I of the Prospectus. The Fund may also invest in equities issued by U.S. based exchange traded closed-ended collective investment schemes which fulfil the criteria for transferable securities and eligible assets under the Regulations including that: (i) the liability of the Fund is limited to the amount invested in the closed-ended fund; (ii) the liquidity of the closed-ended fund does not compromise the ability of the Fund to satisfy redemption requests; (iii) reliable valuation and other information is available for the closed-ended fund; (iv) the closed-ended fund is subject to corporate governance mechanisms applied to companies; and (v) asset management activity is carried out by an entity subject to national regulation for the purpose of investor protection. It is not anticipated that the Fund will invest more than 20% of its assets in such closed-ended collective investment schemes.

The Fund may invest in issuers of any market capitalization in developed and Emerging Markets which may be denominated in currencies other than the U.S. Dollar, Euro or GBP. Please refer to the "Investing in Emerging Markets" in the "Investment Risks" section of the Prospectus.

The Fund also may invest in cash equivalents including US treasury bills, commercial paper and other money market instruments including certificates of deposit and commercial bills.

The Fund may invest up to 10% in collective investment schemes, including exchange traded funds (ETFs), which are regulated as UCITS or alternative investment funds (AIFs) which are eligible for investment by the Fund in accordance with the Central Bank's guidance on "UCITS acceptable investment in other investment Funds". Such ETFs will be listed and/or traded on the markets and/or exchanges as set out in Appendix I of the Prospectus. The Fund may also invest in equities issued by U.S. based exchange traded closed-ended collective investment schemes which fulfil the criteria for transferable securities and eligible assets under the Regulations including that: (i) the liability of the Fund is limited to the amount invested in the closed-ended fund; (ii) the liquidity of the closed-ended fund does not compromise the ability of the Fund to satisfy redemption requests; (iii) reliable valuation and other information is available for the closed-ended fund; (iv) the closed-ended fund is subject to corporate governance mechanisms applied to companies; and (v) asset management activity is carried out by an entity subject to national regulation for the purpose of investor protection. It is not anticipated that the Fund will invest more than 20% of its assets in such closed-ended collective investment schemes.

The Fund may invest in issuers of any market capitalization in developed and Emerging Markets which may be denominated in currencies other than the U.S. Dollar, Euro or GBP. Please refer to the "Investing in Emerging Markets" in the "Investment Risks" section of the Prospectus.

The Fund also may invest in cash equivalents including US treasury bills, commercial paper and other money market instruments including certificates of deposit and commercial bills.



**KEPLER LIQUID STRATEGIES ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**General Information (continued)**

**Background (continued)**

**KLS Ionic Relative Value Arbitrage Fund Investment Objectives and Policies (continued)**

**Investment Policies (continued)**

*Investment Strategy*

The Fund's investment strategy concentrates on identifying and exploiting arbitrage opportunities across a range of asset classes. The Fund's portfolio will be constructed using four underlying arbitrage strategies focused on the convertible bond, equity, credit and volatility markets. Generally, each of these strategies individually exhibits low correlation to equity markets, which should enable the Fund to generate a stable return stream through diversification.

The Fund's arbitrage strategies generally seek to exploit differences in the prices of, or the price relationships between, various types of securities. Arbitrage opportunities generally arise when prices for individual securities deviate from normal trading patterns, such as when the common stock of a company that is a target of an acquisition trades temporarily at a price lower than the price to be paid as part of the acquisition. In such a scenario, a profit can be made by purchasing the shares of the target company at the lower price and then selling those shares to the acquiring company at the higher acquisition price. The difference between the price of the shares purchased and the acquisition price in such a situation is known as a "spread".

As detailed further below, the Fund intends to pursue arbitrage opportunities across multiple asset classes simultaneously. There is no fixed allocation among the four asset-specific arbitrage categories and the Sub-Investment Manager intends to make adjustments to the Fund's portfolio by evaluating macro-economic conditions and utilizing proprietary analytical tools developed to assess pricing and valuation levels that are distinct for each of the four asset classes. Based on this data the Sub-Investment Manager determines where exposure can be added or reduced to best achieve the Fund's investment objectives. For example, when interest rates are low and volatility levels have increased there may be greater arbitrage opportunities in convertible bonds than in the credit/rates strategy.

The Fund may seek exposure to commodities by investing in UCITS eligible exchange traded instruments which reflect the performance of an underlying commodity or commodity index. Such exposures will be taken opportunistically where exposure to the relevant underlying commodity is considered to be complimentary to, or an effective hedge of, the arbitrage strategies described below. It is not anticipated that the Fund will invest more than 5% of its assets in such instruments.

The Fund's market neutral approach will also utilize various hedging strategies that are intended to enhance returns, mitigate downside risk and generate positive returns over a longer time horizon. In addition, the Sub-Investment Manager's portfolio construction process includes significant stress testing and scenario analysis to aide in risk identification and diversification. The Sub-Investment Manager's market neutral approach and use of hedging strategies is intended to provide a low correlation to equity markets notwithstanding the Fund's investment in the instruments listed above.

**KEPLER LIQUID STRATEGIES ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Director's Report**

The Directors submit their annual report together with the audited financial statements for the financial year ended 31 December 2022.

**Statement of Directors' responsibilities**

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

The Irish Collective Asset-management Vehicles Act 2015 and 2020 (the "ICAV Act 2015") and the UCITS Regulations, 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 ICAV at the end of the financial year and of the profit or loss of the ICAV 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 ICAV will continue in business.

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 ICAV and enable them to ensure that the financial statements comply with the Irish Collective Asset-management Vehicles Act 2015 and 2020 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the ICAV. In this regard they have entrusted the assets of the ICAV to a trustee for safe-keeping. They 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 Irish Collective Asset-management Vehicles Act 2015 and 2020.

**Risk management objectives and policies**

The main risks arising from the ICAV's financial instruments as defined by IFRS 7 for financial reporting purposes are market price, foreign currency, share class currency risk, interest rate, credit risk and liquidity and settlement risks. The Directors review and agrees policies for managing each of these risks. These policies have remained unchanged since the beginning of the financial year to which these financial statements relate (See note 10 for details of the risks facing the ICAV).

**Directors' statement on accounting records**

The measures that the Directors have taken to ensure compliance with the requirements of the ICAV Act 2015 with regard to keeping of accounting records include the use of appropriate systems and procedures and employment of a Sub-Fund administration company. The accounting records are retained at the Société Générale.

**Principal activities and review of the business**

A detailed review of the ICAV's activities for the financial year is included in the Sub-Investment Manager's Report on page 11.

**Results**

The results of operations for the financial year are set out in the Statement of Comprehensive Income on page 17.

**Distributions**

The ICAV did not distribute any dividends during the year.

## KEPLER LIQUID STRATEGIES ICAV

### ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

#### Director's Report (continued)

##### Directors and Company Secretary

The Directors of the ICAV are:

- Jim Cleary
- Georg Reutter
- Una Bannon

The Company Secretary is KB Associates and referenced on page 2.

##### Directors' & Secretary's interests in shares of the ICAV

Any Directors' or Secretary's interests in the share capital of the ICAV are outlined in note 13.

##### Statement on relevant audit information

Each of the persons who are Directors at the time the report is approved confirm the following:

- 1) so far as the each Director is aware, there is no relevant audit information of which the ICAV's statutory auditors are unaware, and
- 2) the Director has taken all the steps that he or she ought to have taken as a Director in order to make himself or herself aware of any relevant audit information and to establish that the ICAV's statutory auditors are aware of that information.

##### Likely future developments

There are currently no future developments that are not in line with the objectives already stated.

##### Financial Statements

The Directors are ultimately responsible for overseeing the establishment and maintenance of adequate internal control and risk management systems of the ICAV in relation to the financial reporting process. As all directors serve in a non-executive capacity, all functions including the preparation of the financial statements have been outsourced to the Administrator.

The annual financial statements of the ICAV are required to be approved by the Board and filed with the Central Bank of Ireland.

##### Connected Persons Disclosure

The Central Bank's UCITS Regulations require that any transaction carried out with the ICAV by a manager, depository or an associated company ("connected person") are carried out as if conducted at arm's length and are in the best interests of the shareholders.

The Directors of the ICAV are satisfied that there are arrangements in place to ensure that this requirement is applied to transactions with a connected person, and that transactions with a connected person during the period complied with this requirement.

##### Significant events during the financial year

An updated prospectus and supplement were issued for KLS Arete Macro Fund and KLS Ionic Relative Value Arbitrage Fund on 1 January 2022.

An updated supplement was issued for KLS Arete Macro Fund on 11 January 2022.

KLS Arete Macro Fund launched Class SI EUR (Distributing), Class SI GBP (Distributing) and Class SI USD on 15 November 2022.

On 28 October 2022, the Manager and Secretary became members of the Waystone Group and, on 12 December 2022, changed their address to 35 Shelbourne Road, 4th Floor, Ballsbridge, Dublin, D04 A4E, Ireland. As part of the change, the registered office of the ICAV also changed to the same address.

An updated prospectus and supplement were issued for KLS Arete Macro Fund and KLS Ionic Relative Value Arbitrage Fund on 13 July 2022.

**KEPLER LIQUID STRATEGIES ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Director's Report (continued)**

**Significant events during the financial year (continued)**

The Board of Directors conducted a search for an appropriate service provider and, following extensive due diligence, decided to appoint KBA Consulting Management Limited as UCITS management company for the ICAV on 13 July 2022.

Andrea Oman resigned as Director on 24 October 2022 and Una Bannon was appointed as Director on the same date.

There are no other significant events during the financial year which require disclosure in these financial statements.

**Events since the financial year**

An updated supplement was issued for KLS Arete Macro Fund on 24 February 2023 to reflect the Funds change from Article 6 to Article 8 under SFDR.

There are no other events subsequent to the financial year end which require disclosure in these financial statements.

**Independent Auditors**

KPMG, Chartered Accountants have expressed their willingness to continue in office in accordance with Section 125(1) of the ICAV Act 2015.

**Directors Emoluments**

The Directors will charge a fee for their services to the ICAV, and may be entitled to special remuneration if called upon to perform any special or extra services to the ICAV.

Jim Cleary is entitled to EUR 15,000 per annum for the fund including the first & second sub-fund and €7,500 for each of the third and subsequent sub-fund; Andrea Oman was entitled to an annual fee of EUR 7,500 per annum, Una Bannon is entitled to an annual fee of EUR 7,500. Andrea Oman was entitled to receive EUR 6,114, Una Bannon and Jim Cleary were entitled to EUR 1,418 and EUR 48,750 respectively during the year and Georg Reutter has waived his fees until further notice.

**Remuneration**

The Directors do not receive performance related remuneration, pension contributions or any other incentive related payment. The Directors' fees paid to both non-independent and independent non-executive Directors are agreed with the full Board of Directors. The Board of Directors believes that the level of remuneration to the independent and non-executive Directors reflects the time commitment and responsibilities of their roles. The detail of Directors' remuneration is disclosed in Note 9 of the notes to the financial statements.

**Audit Committee**

The Directors are ultimately responsible for overseeing the establishment and maintenance of adequate internal control and risk management systems of the ICAV in relation to the financial reporting process. As all directors serve in a non-executive capacity, all functions including the preparation of the financial statements have been outsourced to the Administrator.

The Directors believe that there is no requirement to form an audit committee as the Board is formed of non-executive Directors with one independent Directors and the ICAV complies with the provisions of the Irish Funds (IF) Corporate Governance Code for Irish domiciled Collective Investment Schemes and Management Companies (the "Code"). The Directors have delegated the day to day investment management and administration of the ICAV to the Investment Manager and to the Administrator, respectively.

The annual financial statements of the ICAV are required to be approved by the Directors and filed with the Central Bank of Ireland.

**Corporate Governance**

The Directors have applied the voluntary Irish Funds (IF) Corporate Governance Code for Irish domiciled Collective Investment Schemes and Management Companies throughout the financial year. The Board has reviewed and assessed the measures included in the Code and considers its corporate governance practices and procedures consistent with the Code.

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Director's Report (continued)**

**Going concern**

The financial statements continue to be prepared on the going concern basis for the Sub-Fund. The Board of Directors is aware the impact of Covid-19 could be highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the Sub-Fund's investments. This may impact liquidity in the marketplace, which in turn may affect the Sub-Fund's ability to meet redemption requests. Public health crisis caused by the Covid-19 pandemic may exacerbate other pre-existing political, social and economic risks in certain countries or globally. The duration of the Covid-19 pandemic and its effects cannot be determined with certainty, and could prevent the Sub-Fund from executing advantageous investment decisions in a timely manner and negatively impact the Sub-Fund's ability to achieve its investment objective. The Board of Directors continue to monitor the impact of the pandemic on the Sub-Fund.

The imposition of economic sanctions against Russia in response to its invasion of Ukraine which may result in restricted or no access to certain markets, investments, service providers or counterparties will likely negatively impact the performance of any Fund which has direct exposure to this region and may restrict the ability of the Manager to implement the investment strategy of a Fund and achieve its investment objective. The Investment Manager will continue to monitor the situation and impact on the Fund.

On behalf of the Board

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Jim Cleary  
26 April 2023

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Una Bannon  
26 April 2023

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Sub-Investment Manager's Report**

**KLS Arete Macro Fund**

The KLS Arete Macro Fund (USD F Class) returned -8.5% net of fees and expenses for 2022. Despite our best efforts, 2022 has become the first losing year in the almost 11 years since the launch of our strategy. Key contributors for the difficulty had largely fell into two categories:

1) We underestimated the effect of rising cost of capital on valuation multiples of developed market equities. While our macro framework did predict a secular rise in the cost of capital, it also predicted relatively resilient growth and corporate profitability. Whilst both predictions in fact came to pass in 2022, the losses from our long positions in US equities in the first half of the year outweighed our profits from fixed income trades that expressed these views.

2) China's exit from Zero Covid policy came faster than we expected, which ignited a broad-based and sharp rally in Chinese equities, driven partly by short covering in 4Q 2022. As a result, our short positions in equity sectors, including SOE developers and consumer discretionary baskets, that we built around our medium to long-term thesis of the Chinese economy have incurred losses in November. Given the extreme volatility experienced by the Chinese financial markets in the October-November time frame, driven by the twin catalysts of the conclusion of the CCP's 20th Party Congress and the sudden pivot on the Zero Covid policy, more active tactical trading and more use of options would have had a significantly positive impact on our PnL.

We are confident that we have adjusted our trading styles to suit the new environment, and retain great confidence in our proprietary macro analytical frameworks that have successfully helped us with formulating medium to longer-term macro views during the past 11 years.

Looking ahead, we have formulated a nuanced, two-part view: 1) In the short term, we embrace the positive momentum from China's reopening and prioritization on growth. In the early innings of reopening, the strength of economic recovery and the effectiveness of policy stimulus are yet to be tested. In this grace period, markets can trade on hope more than evidence and hard data. 2) In the long term, we stay true to our long-standing proprietary framework, which points to the over-indebtedness in the Chinese economy as a source of concern. At the same time, we also remain open-minded about the possibility that reopening can push out the timing of a potential debt crisis. As always, we will stay liquid and vigilant into the New Year.

**Ocean Arete Limited**  
**31 December 2022**

**KEPLER LIQUID STRATEGIES ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Sub-Investment Manager's Report**

**KLS Ionic Relative Value Arbitrage Fund**

The KLS Ionic Relative Value Arbitrage Fund returned -7.66% (USD F Class) for the year ending 31 December 2022.

The macro-dominated market environment posed challenges for relative value strategies in 2022. Our allocation to convertibles was a headwind in the context of the asset class down -19% for the year. Additionally, our Equity Arbitrage strategy saw losses amidst broad market weakness. Hedges in the Credit / Rates Relative Value and Volatility Arbitrage strategies were the Fund's profitable exposures in 2022.

In January 2022, markets experienced the first broad dislocation investors had witnessed since March 2020, catalysed by the realization that Fed tightening in 2022 would be inevitable. A violent rotation away from more speculative and growth-oriented companies drove the NASDAQ and Russell 2000 Indices down by -9%. Irrespective of these absolute declines, the relentlessness of the selling pressure in these sectors was noteworthy, but as the crisis in Ukraine escalated in February, concerns over potential contagion gave way to even more pronounced de-risking. In addition, energy costs surged and supply chain disruptions increased. Given the uncertainties associated with the Russian invasion in conjunction with rising inflation and looming Fed action, we reduced overall exposure into month-end across the Fund. After a very turbulent start to March, equity markets staged a strong rebound during the month despite sustained geopolitical risk and rising interest rates. Equity gains in March aside, Q1 2022 was an especially difficult quarter for investors, resulting in negative returns across every major asset class except commodities. With uncertainty around macro factors and rising interest rates, we increased portfolio hedges in March. We also opportunistically added exposure across the Equity Arbitrage strategy to take advantage of these significant dislocations.

In April, the war in Ukraine, fears of an economic slowdown, stubbornly high inflation, and increasingly aggressive tightening rhetoric by the Fed took a toll on investors, especially as the combined impact of falling equity prices, rising interest rates, and wider credit spreads afforded no safe havens. Relative value-oriented strategies struggled amidst April's pronounced and highly correlated decline in asset prices, compounded by a surprisingly muted level of implied equity volatility. Investor concerns quickly shifted in May from uncertainty around rate volatility and the sustainability of corporate earnings to include fears of an imminent recession. Broader markets ultimately experienced a rebound at month-end on news that the Fed could pause rate hikes later in the year. However, the rebound was bifurcated by a flight to quality that drove defensive sectors of the equity markets higher and IG spreads tighter while more speculative equity and credit indices remained very weak. May's hedge fund de-leveraging, a by-product of sustained losses and investor outflows, also led to forced selling that put additional pressure on strategies like convertible and merger arbitrage. Amidst heightened recessionary fears in June, the S&P 500 Index fell by -8.3% and credit spreads widened to near March 2020 widths. The 10-year treasury yield fell to 3%, a steep retreat from a mid-June peak near 3.5%, and commodity prices collapsed, with copper prices declining over 20% in just under two weeks. These pronounced moves reflected investors' growing fixation on an economic slowdown and the possibility that the Fed could shift away from its aggressive path of interest rate increases, even as inflation readings in Europe and the U.S. remained at the highest levels in over 40 years. The relentless decline in markets experienced over the first half of the year reduced our ability to gamma trade across the fund, preventing us from benefitting from any mean reversion at the position level, while the muted pace of these declines also made hedging more difficult.

Equity and credit markets generated strong gains in July with investors increasingly comfortable that slowing economic growth would stem inflationary pressures and encourage the Fed to raise rates at a slower pace. The annualized headline CPI for June reached 9.1% (the highest in 40 years), and the market proceeded to rally. Markets continued their move higher through early August, catalysed by the pervading narrative of peak inflation and interest rates. However, market sentiment quickly shifted in mid-August when Fed Chairman Powell voiced a more hawkish outlook, and inflation readings continued to surge, particularly in Europe. In September, investors felt the full impact of the central banks' commitment to combating rising inflation, as higher interest rates accelerated a rout in government bond interest rates, leading to pronounced FX market dislocations globally. At 4.22%, 2-year rates in the U.S. were the highest since 2007 and GBP reached a 37-year low to the USD. While equity market volatility was more benign in comparison to moves in the FX and rates markets (the VIX only reached 31), the S&P 500 still fell -9.2%, with selling pressure accelerating into month-end as investors appeared to be feverishly bracing for a recession.

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Sub-Investment Manager's Report**

**KLS Ionic Relative Value Arbitrage Fund (continued)**

In October the S&P 500 rose 8% and investment grade credit spreads narrowed sharply amidst rising investor enthusiasm that the Fed (and central banks in Europe) would begin to ease the pace of monetary tightening to suppress inflation while still avoiding a sharp economic contraction. Risk assets continued to rebound globally in November on hopes that peaking inflation would encourage central bankers to slow the pace of rate hikes. Looking for confirmation of that narrative, investors remained fixated on economic data and comments from Fed officials in the U.S., driving pronounced S&P 500 gains after the CPI announcement on November 14<sup>th</sup> (the S&P's largest single daily gain in two years), and again on November 30<sup>th</sup> when Fed Chair Powell signalled that the central bank should be able to tame inflation without creating a deep recession. We were correct to remain cautious in our positioning, as risk assets later fell in December amidst mounting recessionary fears and rising interest rates. However, consistent with much of the year, the declines were orderly and concentrated in the more speculative sectors of the equity markets. Although investor sentiment wavered in December, much of Q4 was marked by investors dismissing policymakers' hawkish messages and favouring more dovish signalling. Consequently, markets appeared to not fully appreciate the central banks' resolve to subdue inflation or the looming impact of the fastest, most aggressive hiking cycle on record. Investors' renewed confidence in the Fed has inflated markets despite strong wage gains, the deepest yield curve inversion since the early 1980s, and signs that higher interest rates have already begun to have a severe impact on areas like consumer credit and the real estate market. We continued to shift exposure in the Convertible Arbitrage strategy, add to strategic-oriented event-driven positions in the Equity Arbitrage strategy, and tactically trade short credit and short rates exposure within the Credit / Rates Relative Value strategy.

Sustained inflationary pressures, higher interest rates, and central bank dispersion continue to be central themes in the portfolio. While acute pressures on the economy and uncertainty around the path of inflation remain, there is potential for conditions to improve and relative value strategies to benefit as some of these factors stabilize and corporate activity resumes.

**Ionic Capital Management LLC**  
**31 December 2022**



**KEPLER LIQUID STRATEGIES ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Depositary's Report to the Shareholders of Kepler Liquid Strategies ICAV**

We have enquired into the conduct of Kepler Liquid Strategies ICAV (the "ICAV") for the financial year ended 31 December 2022 in our capacity as Depositary of the ICAV.

In our opinion the ICAV has been managed, in all material respects, during the financial year in accordance with the provisions of the Instrument of Incorporation and the UCITS Regulations including specifically the provisions relating to the limitations imposed on the investment and borrowing powers of the ICAV.

This report including the opinion has been prepared for and solely for the shareholders in the ICAV as a body, in accordance with the Central Banks UCITS Regulations 7 and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

**Statement of the Depositary's Responsibilities**

The Depositary is required to:

- Take responsibility for safe-keeping the assets of the ICAV in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (the "UCITS Regulations");
- Ensure that the ICAV has been managed, in all material respects, in that period, in accordance with its constitutional documentation and the UCITS Regulations;
- Prepare a report for inclusion in the annual report on the conduct of the ICAV in accordance with its constitutional documentation and the UCITS Regulations;
- If the ICAV has not complied, in all material respects, with its constitutional documentation or the appropriate regulations, the Depositary must state why this is the case and outline the steps which it has taken to rectify the situation.

**Basis of Depositary Opinion**

The Depositary conducts its reviews on a test basis to ensure that it adheres to the duties outlined in UCITS Regulations 7 and to ensure that the ICAV is managed, in all material respects, in accordance with its constitutional documentation and the UCITS Regulations.

On behalf of the Depositary

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Société Générale S.A. (Dublin Branch)

26 April 2023

# **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KLS ARETE MACRO FUND (A SUB FUND OF KEPLER LIQUID STRATEGIES ICAV)**

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

We have audited the financial statements of KLS Arete Macro Fund of Kepler Liquid Strategies ('the ICAV') for the year ended 31 December 2022 set out on pages 15 to 64, which comprise the statement of financial position, the statement of comprehensive income, the statement of changes in net assets attributable to shareholders of redeemable participating shares, the statement of cash flow, schedule of investments and related notes, including the summary of significant accounting policies set out in note 3. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union.

In our opinion:

- the financial statements give a true and fair view of the assets, liabilities and financial position of the ICAV as at 31 December 2022 and of its changes in net assets attributable to holders of redeemable participating shares for the year then ended;
- the financial statements have been properly prepared in accordance with IFRS as adopted by the European Union; and
- the financial statements have been properly prepared in accordance with the requirements of the Irish Collective Asset-management Vehicles Acts 2015 and 2020 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019.

### ***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the ICAV in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

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

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

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

### ***Other information***

The directors are responsible for the other information presented in the Annual Report together with the financial statements. The other information comprises the information included in the directors' report, table of contents, general information, sub-investment manager reports, depositary report, statement of the depositary's responsibilities, schedule of significant portfolio movements, supplementary information and information for investors in Switzerland. The financial statements and our auditor's report thereon do not comprise part of the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work undertaken during the course of the audit, we have not identified material misstatements in the other information.

## **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF KLS ARETE MACRO FUND (A SUB FUND OF KEPLER LIQUID STRATEGIES ICAV)**

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

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

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

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

### **Respective responsibilities and restrictions on use**

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

As explained more fully in the directors' responsibilities statement set out on page 7, the directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the ICAV's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the ICAV or to cease operations, or have no realistic alternative but to do so.

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

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

A fuller description of our responsibilities is provided on IAASA's website at <http://www.iaasa.ie/Publications/Auditing-standards/International-Standards-on-Auditing-for-use-in-Ire/Description-of-the-auditor-s-responsibilities-for>.

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

Our report is made solely to the shareholders of the ICAV, as a body, in accordance with the Section 120 of the Irish Collective Asset-management Vehicles Act 2015. Our audit work has been undertaken so that we might state to the ICAV'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 ICAV and the ICAV's shareholders, as a body, for our audit work, for this report, or for the opinions we have formed.

**26 April 2023**

**Jorge Fernández Revilla**  
**for and on behalf of**  
**KPMG**  
**Chartered Accountants, Statutory Audit Firm**  
1 Harbourmaster Place  
IFSC  
Dublin 1

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Statement of Financial Position**

		<u>KLS Arete Macro Fund</u>	<u>KLS Arete Macro Fund</u>
		As at	As at
		31-Dec-2022	31-Dec-2021
	Notes	USD	USD
<b>Assets</b>			
Cash and cash equivalents	6	664,689,009	327,226,665
Balances due from broker	6	268,536,667	161,594,430
Financial assets at fair value through profit or loss			
- Equities		180,923,439	50,899,077
- Bonds		-	-
- Warrants		685,616	147,503
- Money market		336,165,241	938,474,187
- CFDs		422,265	10,213
- Interest rate Swaps		251,973	-
- Options		14,243,690	3,711,190
- Futures		8,749,403	6,418,748
- Forward currency contracts		79,911,881	20,881,078
Receivable for investments sold		-	342,144
Coupon receivable		1,207,946	858,571
Subscriptions receivable		472,945	3,976,614
Dividends receivable		114,291	-
<b>Total assets</b>		<b><u>1,556,374,366</u></b>	<b><u>1,514,540,420</u></b>
<b>Liabilities</b>			
Bank overdraft	6	(10,706,396)	(2,590,180)
Balances due to broker	6	(44,886,661)	(4,833,864)
Financial liabilities at fair value through profit or loss			
- Options		(8,843,326)	(1,857,728)
- Futures		(10,288,001)	(2,433,422)
- Forward currency contracts		(121,219,804)	(17,749,645)
- CFDs		(6,231,775)	(1,658)
- Interest rate swaps		(5,157)	-
Payable for investments purchased		-	(135,305)
Coupon payable		(318)	(27,228)
Dividend Payable		(315,205)	(19,609)
Redemptions payable		(5,025,665)	(1,751,165)
Accrued expenses	5	(2,966,710)	(19,547,808)
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b><u>(210,489,018)</u></b>	<b><u>(50,947,612)</u></b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b><u>1,345,885,348</u></b>	<b><u>1,463,592,808</u></b>

*The accompanying notes and schedule of investments form an integral part of these financial statements*

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Statement of Financial Position (continued)**

	Notes	KLS Ionic Relative Value Arbitrage Fund	KLS Ionic Relative Value Arbitrage Fund
		As at 31-Dec-2022 USD	As at 31-Dec-2021 USD
<b>Assets</b>			
Cash and cash equivalents	6	10,066,735	21,698,866
Balances due from broker	6	5,156,420	9,615,051
Financial assets at fair value through profit or loss			
- Equities		6,530,426	1,350,912
- Bonds		44,633,206	3,720,073
- Investment funds		5,418,720	9,372,216
- Warrants		612,865	3,164,472
- Money market		92,501,126	227,990,927
- CFDs		70,165	183,222
- Total Return Swaps		944,806	23,567
- Options		-	-
- Futures		-	-
- Forward currency contracts		294,470	2,252,637
Receivable for investments sold		989,505	568,600
Coupon receivable		2,167	217
Subscriptions receivable		17,004	7,551,384
Dividends receivable		-	-
<b>Total assets</b>		<b>167,237,615</b>	<b>287,492,144</b>
<b>Liabilities</b>			
Bank overdraft	6	(545,922)	(2,308,228)
Balances due to broker	6	(1,159,679)	-
Financial liabilities at fair value through profit or loss			
- Options		-	-
- Futures		-	(2,324)
- Forward currency contracts		(518,738)	(26,609)
- Warrants		-	(7,952)
- CFDs		(23,137)	(355,894)
- Total Return Swaps		944,806	(7,480,831)
Payable for investments purchased		(5,029,962)	(569,300)
Coupon payable		(7,853)	(4,750)
Dividend Payable		(1,344)	-
Redemptions payable		(396,123)	(5,459)
Accrued expenses	5	(429,730)	(826,563)
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>(7,167,682)</b>	<b>(11,587,910)</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>160,069,933</b>	<b>275,904,234</b>

**KEPLER LIQUID STRATEGIES ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Statement of Financial Position (continued)**

The financial statements were approved by the Board of Directors of the ICAV on 26 April 2023 and signed on its behalf by:

\_\_\_\_\_  
Jim Cleary  
26 April 2023

\_\_\_\_\_  
Una Bannon

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Statement of Comprehensive Income**

		<u>KLS Arete Macro Fund</u>	<u>KLS Arete Macro Fund</u>
		Year ended	Year ended
		31-Dec-2022	31-Dec-2021
		USD	USD
<b>Income</b>			
Dividend income		2,768,844	2,849,172
Interest income		8,739,120	121,595
Net (loss)/gain on financial instruments at fair value through profit or loss	4	(242,295,144)	51,586,657
<b>Total investment (loss)/gain</b>		<b>(230,787,180)</b>	<b>54,557,424</b>
<b>Expenses</b>			
Investment management fees	9(a)	(15,952,568)	(11,988,477)
Management company	9(b)	(88,464)	-
Performance fees	9(a)	(259)	(17,073,352)
Depository and trustee fees	9(c)	(285,508)	(242,587)
Administration and transfer agent fees	9(d)	(583,871)	(478,218)
Directors' fees	9(f)	(9,880)	(8,327)
Audit fees	9(d)	(13,256)	(14,933)
Transactions fees		(4,744,431)	(4,240,908)
Consultancy fees		(2,493)	(2,359)
Fund registration fees		(77,589)	(73,415)
Risk management fees		(428,521)	(320,249)
Tax reporting fees		(9,178)	(7,098)
MIFD II fees		(27,112)	(25,591)
Other fees		(554,469)	(366,426)
<b>Total expenses</b>		<b>(22,777,599)</b>	<b>(34,841,940)</b>
<b>Operating (loss)/gain</b>		<b>(253,564,779)</b>	<b>19,715,484</b>
Withholding tax		(278,469)	(199,871)
Interest expense		(880,880)	(638,004)
<b>(Decrease)/increase in net assets attributable to holders of redeemable participating shares from operations</b>		<b>(254,724,128)</b>	<b>18,877,609</b>

*The accompanying notes and schedule of investments form an integral part of these financial statements.*

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Statement of Comprehensive Income (continued)**

		<u>KLS Ionic Relative Value</u>	<u>KLS Ionic Relative Value</u>
		Year ended	Year ended
		31-Dec-2022	31-Dec-2021
	Notes	USD	USD
<b>Income</b>			
Dividend income		1,614,693	389,621
Interest income		249,227	56,972
Net (loss)/gain on financial instruments at fair value through profit or loss	4	(40,851,923)	(6,146,229)
<b>Total investment (loss)/gain</b>		<b>(38,988,003)</b>	<b>(5,699,636)</b>
<b>Expenses</b>			
Investment management fees	9(a)	(2,054,891)	(2,057,343)
Management company	9(b)	(14,255)	-
Performance fees	9(a)	-	(377,245)
Depository and trustee fees	9(c)	(92,117)	(74,926)
Administration and transfer agent fees	9(d)	(152,408)	(144,914)
Directors' fees	9(f)	(8,055)	(10,667)
Audit fees	9(d)	(9,814)	(14,934)
Transactions fees		(83,581)	(86,052)
Consultancy fees		(1,268)	(3,030)
Fund registration fees		(29,516)	(36,244)
Risk management fees		(76,369)	(65,583)
Set-up fees		(11,930)	-
Tax reporting fees		(6,303)	(7,099)
MIFD II fees		(6,176)	(23,653)
Other fees		(161,433)	(106,093)
<b>Total expenses</b>		<b>(2,708,116)</b>	<b>(3,007,783)</b>
<b>Operating (loss)/gain</b>		<b>(41,696,119)</b>	<b>(8,707,419)</b>
Withholding tax		(64,372)	(109,932)
Interest expense		(33,889)	(39,028)
<b>(Decrease)/increase in net assets attributable to holders of redeemable participating shares from operations</b>		<b>(41,794,380)</b>	<b>(8,856,379)</b>

*The accompanying notes and schedule of investments form an integral part of these financial statements.*



**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

	Notes	<u>KLS Arete Macro Fund</u>	<u>KLS Arete Macro Fund</u>
		Year ended 31-Dec-2021 USD	Year ended 31-Dec-2020 USD
<b>Net assets attributable to holders of redeemable participating shares at beginning of the year</b>		<b>1,463,592,808</b>	<b>745,163,962</b>
Redeemable participating shares issued	7	832,493,491	838,557,246
Redeemable participating shares redeemed	7	<u>(695,476,823)</u>	<u>(139,006,009)</u>
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from operations		137,016,668	699,551,237
		<u>(254,724,128)</u>	18,877,609
<b>Net assets attributable to holders of redeemable participating shares at end of the year</b>		<b><u>1,345,885,348</u></b>	<b><u>1,463,592,808</u></b>

  

	Notes	<u>KLS Ionic Relative Value Arbitrage Fund</u>	<u>KLS Ionic Relative Value Arbitrage Fund</u>
		Year ended 31-Dec-2022 USD	Year ended 31-Dec-2021 USD
<b>Net assets attributable to holders of redeemable participating shares at beginning of the year</b>		<b>275,904,234</b>	<b>123,203,384</b>
Redeemable participating shares issued	7	169,273,010	231,300,600
Redeemable participating shares redeemed	7	<u>(244,257,737)</u>	<u>(69,743,372)</u>
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from operations		(74,984,727)	161,557,229
		<u>(41,794,380)</u>	(8,856,379)
<b>Net assets attributable to holders of redeemable participating shares at end of the year</b>		<b><u>159,125,127</u></b>	<b><u>275,904,234</u></b>

*The accompanying notes and schedule of investments form an integral part of these financial statements.*

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Statement of Cash Flows**

	<u>KLS Arete Macro Fund</u>	<u>KLS Arete Macro Fund</u>
	Year ended	Year ended
	31-Dec-2022	31-Dec-2021
	USD	USD
<b>Operating activities</b>		
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from operations	(254,724,128)	18,877,609
<i>Adjustments to reconcile increase in assets attributable to holders of participating redeemable shares resulting from operations to cash (used in) operating activities</i>		
Net movement in financial assets/liabilities at fair value through profit or loss	523,940,937	(584,930,214)
Net movement in dividends receivable/payable	181,305	19,609
Net movement in coupon receivable/payable	(376,285)	(849,625)
Net movement in balances due from/to broker	(66,889,440)	(118,295,688)
Net movement in accrued expenses	(16,581,098)	2,811,054
Net cash (used in) operating activities	<u>185,551,291</u>	<u>(682,367,255)</u>
<b>Financing activities</b>		
Proceeds from redeemable participating shares issued	835,997,160	846,626,464
Payments for redeemable participating shares redeemed	(692,202,323)	(137,294,894)
Net cash provided by financing activities	<u>143,794,837</u>	<u>709,331,570</u>
<b>Net increase in cash and cash equivalents</b>	<b>329,346,128</b>	<b>26,964,315</b>
Cash and cash equivalents at beginning of the financial year	324,636,485	297,672,170
<b>Cash and cash equivalents at end of the financial year</b>	<u><b>653,982,613</b></u>	<u><b>324,636,485</b></u>
<i>Cash Breakdown</i>		
Cash	664,689,009	327,226,665
Overdraft	(10,706,396)	(2,590,180)
	<u><b>653,982,613</b></u>	<u><b>324,636,485</b></u>
<u>Supplementary information:</u>		
Interest received	8,739,120	121,595
Interest paid	(880,880)	(638,004)
Dividends received	2,768,844	2,849,172

*The accompanying notes and schedule of investments form an integral part of these financial statements.*

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Statement of Cash Flows (continued)**

	<b>KLS Ionic Relative Value Arbitrage Fund</b>	<b>KLS Ionic Relative Value Arbitrage Fund</b>
	<b>Year ended 31-Dec-2022</b>	<b>Year ended 31-Dec-2021</b>
	<b>USD</b>	<b>USD</b>
<b>Operating activities</b>		
(Decrease)/increase in net assets attributable to holders of redeemable participating shares from operations	(41,794,380)	(8,856,379)
<i>Adjustments to reconcile increase in assets attributable to holders of participating redeemable shares resulting from operations to cash (used in) operating activities</i>		
Net movement in financial assets/liabilities at fair value through profit or loss	93,760,481	(146,089,912)
Net movement in dividends receivable/payable	(4,115)	11,339
Net movement in coupon receivable/payable	936	(3,843)
Net movement in balances due from/to broker	5,618,310	(2,808,481)
Net movement in accrued expenses	(396,833)	(407,841)
Net cash (used in) operating activities	57,184,399	(158,155,117)
<b>Financing activities</b>		
Proceeds from redeemable participating shares issued	176,807,390	223,785,930
Payments for redeemable participating shares redeemed	(243,861,614)	(70,087,961)
Net cash provided by financing activities	(67,054,224)	153,697,969
<b>Net increase in cash and cash equivalents</b>	<b>(9,869,825)</b>	<b>(4,457,148)</b>
Cash and cash equivalents at beginning of the financial year	19,390,638	23,847,786
<b>Cash and cash equivalents at end of the financial year</b>	<b>9,520,813</b>	<b>19,390,638</b>
<i>Cash Breakdown</i>		
Cash	10,066,735	21,698,866
Overdraft	(545,922)	(2,308,228)
	<b>9,520,813</b>	<b>19,390,638</b>
<u>Supplementary information:</u>		
Interest received	249,227	56,972
Interest paid	(33,889)	(39,028)
Dividends received	1,614,693	389,621

*The accompanying notes and schedule of investments form an integral part of these financial statements.*

**KEPLER LIQUID STRATEGIES ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Notes to the Financial Statements**

**Statement of Cash Flows (continued)**

**1. General information**

Kepler Liquid Strategies ICAV (the "ICAV") is an open-ended umbrella Irish collective asset management vehicle with variable capital and segregated liability between Sub-Funds. The financial statements of the Kepler Liquid Strategies ICAV have been prepared in accordance with the ICAV Act 2015 (as amended), and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations").

The following is a summary of the significant accounting policies adopted by the ICAV.

As at 31 December 2022, the ICAV had seven active Sub-Funds. These financial statements relate to KLS Arete Macro Fund and KLS Ionic Relative Value Arbitrage Fund.

**Sub-Fund Launch Date**

KLS Arete Macro Fund on 5 July 2018, and KLS Ionic Relative Value Arbitrage Fund on 16 July 2020.

The ICAV may create additional Sub-Funds, with the prior approval of the Central Bank.

**2. Basis of preparation and Statement of compliance**

The financial statements of the ICAV are prepared under the going concern basis and on the historical cost basis, except that financial instruments classified as at fair value through profit or loss, are held at fair value.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates and also requires management to exercise its judgement in the process of applying the ICAV's accounting policies.

As the ICAV invests mainly in US denominated investment, the Directors consider USD the currency which most faithfully represents the economic effects of the underlying transactions, events and conditions (the "functional currency") of the Sub-Fund. The financial statements as a whole are presented in USD, which is the Sub-Fund's functional currency. All financial information presented in USD are rounded to the nearest USD.

Details of the ICAV's accounting policies are included in Note 3.

**3. Significant accounting policies**

**a) Financial assets and financial liabilities at fair value through profit and loss**

*(i) Recognition and initial measurement*

Financial assets and financial liabilities are initially recognised at fair value through profit or loss on the ICAV's Statement of Financial Position on the trade date, which is the date on which the ICAV becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised at the date they are originated. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded in the Statement of Comprehensive Income.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. Transaction costs on financial assets and financial liabilities at fair value through profit or loss are expensed immediately, while on other financial instruments they are amortised.

**KEPLER LIQUID STRATEGIES ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**3. Significant accounting policies (continued)**

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

*(ii) Classification and subsequent measurement*

On initial recognition, the ICAV classifies financial assets as measured at amortised cost or FVTPL.

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

- It is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

All other financial assets of the ICAV are measured at FVTPL.

*Business model assessment*

In making an assessment of the objective of the business model in which a financial asset is held the ICAV considers all of the relevant information about how the business is managed, including:

- The documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the ICAV's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How the Investment Manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the ICAV's continuing recognition of the assets.

The ICAV has determined that it has two business models.

- Held-to-collect business model: this includes cash and cash equivalents, amounts due from brokers, receivable for investments sold, coupon receivable, subscriptions receivable and dividends receivable. These financial assets are held to collect contractual cash flow.

- Other business model: this includes debt securities, equity investments, investments in unlisted open-ended investment funds and derivatives financial instruments. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

*Assessment whether contractual cash flows are SPPI*

For the purpose of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are SPPI, the ICAV considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the ICAV considers:

**KEPLER LIQUID STRATEGIES ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**3. Significant accounting policies (continued)**

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

*(ii) Classification and subsequent measurement(continued)*

- Contingent events that would change the amount or timing of cash flows;
- Leverage features;
- Prepayment and extension features;
- Terms that limit the ICAV's claim to cash flows from specified assets (e.g. non-recourse features; and
- Features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

*Reclassifications*

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

*Subsequent measurement of financial assets*

Financial assets at FVTPL

These assets are subsequently measured at fair value. Net gains and losses, including any coupon or dividend income and expense and foreign exchange gains and losses, are recognised in profit or loss in 'net income from financial instruments at FVTPL' in the statement of comprehensive income.

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. Interest income is recognised in 'interest income calculated using the effective interest method', foreign exchange gains and losses are recognised in 'net gain/loss on foreign exchange' and impairment would be recognised in 'impairment losses on financial instruments' in the statement of comprehensive income. Any gain or loss on derecognition is also recognised in profit or loss.

Cash and cash equivalents, amounts due from brokers, receivable for fund shares sold, receivable for management fee reimbursement, receivable for investments sold, interest receivable and other debtors are included in this category.

*Financial liabilities – Classification, subsequent measurement and gains and losses*

Financial liabilities are classified as measured at amortised cost or FVTPL.

A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss.

Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

Financial liabilities at FVTPL:

- Held-for-trading: derivative financial instruments

Financial liabilities at amortised cost:

- This includes amounts due to brokers, payable for investments purchased, coupon payable, redemptions payable, dividend payable and accrued expenses.

# KEPLER LIQUID STRATEGIES ICAV

## ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### Notes to the Financial Statements (continued)

#### 3. Significant accounting policies (continued)

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

###### (iii) 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 Sub-Funds have access to at that date. The fair value of a liability reflects its non-performance risk.

Instruments held by the ICAV and traded on an exchange are measured at fair value based on the market price on such regulated market as at the relevant valuation point in accordance with the Prospectus. If an investment is quoted, listed or normally dealt in on more than one market, the Directors may, in their absolute discretion, select any of such markets for the valuation purposes. If prices for an investment are not available at the relevant time or are unrepresentative in the opinion of the Investment-Manager or the Administrator as its delegate such investments shall be valued at such values as shall be certified with care and in good faith as the probable realisation value of the investment, approved for this purpose by the Depositary.

The fair value of derivatives that are not exchange traded are estimated at the amount that the Sub-Fund would receive or pay to terminate the contract at the financial year end date, taking into account current market conditions and the current creditworthiness of the counterparties.

###### (iv) Amortised cost measurement principles

The 'amortised cost' of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition minus the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

###### (v) Impairment

IFRS 9 requires an impairment assessment to be carried out on its financial assets. The Directors have assessed that impairment does not apply to financial assets classified as fair value through profit or loss. The Directors consider the probability of default to be close to zero, as these instruments have a low risk of default and the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised in the financial statements based on 12-month expected credit losses as any such impairment would be wholly insignificant to the ICAV.

###### (vi) Derecognition

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

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expired.

The ICAV uses the average cost method to determine realised gains and losses on derecognition.

###### (vii) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the ICAV has legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realise the assets and settle the liability simultaneously.

Income and expense are presented on a net basis for gains or losses from financial instruments at fair value through profit or loss and foreign exchange gains or losses.

# KEPLER LIQUID STRATEGIES ICAV

## ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### Notes to the Financial Statements (continued)

#### 3. Significant accounting policies (continued)

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

###### (viii) Specific instruments

###### Total Return Swaps

A total return swap is a swap agreement in which one party makes payments based on a set rate, either fixed or variable, while the other party makes payments based on the return of an underlying asset, which includes both the income it generates and any capital gains. In Total Return Swaps, the underlying asset, referred to as the reference asset, is usually an equity index, a basket of loans, or bonds. The asset is owned by the party receiving the set rate payment. Unrealised and realised gains and losses on swap contracts are recognised in the Statement of Comprehensive Income. Any swap related income/expenses are recognised in net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income.

###### Interest Rate Swaps

Interest rate swaps are swaps used to manage the exposure to interest rates and inflation fluctuations. Interest rate swaps are arrangements between two parties to exchange cash flows based on a notional principal amount. In an inflation swap, one party pays a fixed rate on a notional principal amount, while the other party pays a floating rate linked to an index. The party paying the floating rate pays the adjusted rate multiplied by the notional principal amount. Interest rate swaps are valued at fair value by marking to market and the change is recorded as a net change in fair value on derivative financial instrument. The discounted value of each single inflow and outflow of interest and capital is calculated at the year end. The net difference arising on this calculation is included as the "mark to market" value of the swap and is recorded in the Statement of Comprehensive Income. Payments made or received are recorded as part of the realised gains and losses. Interest expense and income on the swap is recorded within the net change in fair value on derivative financial instrument - interest rate swap.

###### Forward Foreign Exchange Contracts

A forward foreign exchange contract involves an obligation to purchase or sell a specific currency at a future date, at a price set at the time the contract is made. Forward foreign exchange contracts are valued by reference to the forward price at which a new forward foreign exchange contract of the same size and maturity could be undertaken at the forward foreign exchange contract valuation date. The unrealised gain or loss on open forward foreign exchange contracts is calculated as the difference between the contract rate and the forward price and are recognised in the Statement of Comprehensive Income.

###### Contracts for differences

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



**KEPLER LIQUID STRATEGIES ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**3. Significant accounting policies (continued)**

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

*(viii) Specific instruments*

Option Contracts

A call option on an investment is a contract under which the purchaser, in return for a premium paid, has the right to buy the securities underlying the option at the specified exercise price at any time during the term of the option. A put option (which may be covered or uncovered) is a contract that gives the purchaser, in return for a premium paid, the right to sell the underlying securities at the specified exercise price during the term of the option. An option is uncovered where the party writing the option does not hold the underlying security which may be purchased (call) or sold (put) pursuant to the option. The unrealised gain or loss at the financial year end is reported as a financial asset or financial liability as applicable in the Statement of Financial Position.

Futures contracts

Futures contracts are commitments either to purchase or sell a designated financial instrument, currency, commodity or an index at a specified future date for a specified price and may be settled in cash or another financial asset. Futures are standardised exchange traded contracts. Initial margin requirements for futures are met in cash or other instruments, and changes in the future contract values are settled daily. Futures are measured initially at fair value on the date on which the derivative contract is entered into and subsequently remeasured at fair value. Futures contracts have little credit risk because the counterparties are futures exchanges. Any changes in fair value are recognised in the Statement of Comprehensive Income.

**(b) New standards, amendments and interpretations**

Standards and amendments to existing standards effective for the current reporting period

New standards, interpretations and amendments to existing standards during the financial year have a minimal impact on the ICAV.

The Directors set out below upcoming accounting standards.

Description	Effective date (period beginning)
IFRS 17 Insurance Contracts	01 January 2023
Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)	01 January 2024
Definition of Accounting Estimate - (Amendments to IFRS3)	01 January 2023
Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2	01 January 2023

The Fund don't expect the adoption of the standards, amendments and interpretations that are in issue but not yet effective listed above as there will no material impact on the financial statements in the future year based on assessment y the Directors of the Funds.

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

**(c) Gains and losses on financial assets and liabilities at fair value through profit or loss**

Realised gains and losses on sale of securities are calculated on a weighted average cost basis, while realised gains and losses on sale of derivatives are calculated using the first-in-first-out (FIFO) method. Realised, including coupons and unrealised gains and losses on investments arising during the financial year are recognised in the Statement of Comprehensive Income.

**KEPLER LIQUID STRATEGIES ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**3. Significant accounting policies (continued)**

**(d) Foreign exchange translation**

Items included in the ICAV's financial statements are measured using the currency of the primary economic environment in which it operates (the "functional currency"), which is USD for KLS Arete Macro Fund. Assets and liabilities expressed in foreign currencies are converted into the functional currency of the Sub-Fund using the exchange rates prevailing at the financial year end. Transactions in foreign currencies are translated into the functional currency at exchange rates ruling at the transaction dates. Gains and losses on translation of investments are included in net movement in financial assets and liabilities at fair value through profit or loss. Gains and losses on foreign exchange transactions are recognised in the Statement of Comprehensive Income in determining the result for the financial year.

**(e) Income**

Interest income on bonds is recognised in the Statement of Comprehensive Income using the effective interest rate method.

**(f) Expenses**

Expenses are accounted for on an accrual basis.

**(g) Transaction costs**

Transaction costs are expensed to the Statement of Comprehensive Income as they are incurred. There were EUR 5,460,898 transaction costs incurred on the trading of investments during the financial year (2020: EUR 5,151,080).

**(h) Net asset value per share**

The net asset value per share of each class of share is calculated by dividing the Net Asset Value attributable to that class by the number of Shares in issue for that class.

**(i) Net assets attributable to holders of Redeemable Participating Shares.**

Shares issued by the ICAV in respect of the Sub-Fund provide shareholders with the right to redeem their shares for cash equal to their proportional share of the net asset value of the Sub-Fund and are classified as liabilities. The liabilities to shareholders are presented in the Statement of Financial Position as "Net assets attributable to shareholders of redeemable participating shares" and are determined based on the residual assets of the Sub-Fund after deducting the Sub-Fund's other liabilities.

**(j) Cash and cash equivalents**

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

**(k) Due to/from brokers**

Due to/from brokers relates to cash on deposit with a broker as collateral for unsettled total return swap contracts, collateral and cash due to/from brokers for unsettled trading.

**(l) Establishment expenses**

In accordance with IFRS, all establishment expenses must be debited to the Statement of Comprehensive Income in the first year of operations, resulting in a difference between the published Net Asset Value of the Fund's share classes, which amortise the fees over a period of five years from the launch date of the Fund, and the Net Asset Value in these financial statements. This difference will be reduced each financial year for five years until the establishment expenses are fully amortised in the published Net Asset Value.

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**4. Net gain on financial instruments at fair value through profit or loss**

	<b>KLS Arete Macro Fund</b>	<b>KLS Arete Macro Fund</b>
	<b>Year ended</b>	<b>Year ended</b>
	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>
	<b>USD</b>	<b>USD</b>
Net realised (loss)/gain on investments	(183,796,961)	63,429,324
Net realised gain on foreign exchange	5,688,347	4,390
Net unrealised loss on investments	(64,997,184)	(11,316,457)
Net unrealised gain/(loss) on foreign exchange	810,654	(530,600)
	<u>(242,295,144)</u>	<u>51,586,657</u>
	<b>KLS Ionic Relative Value</b>	<b>KLS Ionic Relative Value</b>
	<b>Arbitrage Fund</b>	<b>Arbitrage Fund</b>
	<b>Year ended</b>	<b>Year ended</b>
	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>
	<b>USD</b>	<b>USD</b>
Net realised (loss)/gain on investments	(44,350,323)	9,969,204
Net realised loss on foreign exchange	(214,957)	(177,214)
Net unrealised gain/(loss) on investments	3,645,703	(15,814,832)
Net unrealised gain/(loss) on foreign exchange	67,654	(123,387)
	<u>(40,851,923)</u>	<u>(6,146,229)</u>

**5. Accrued expenses**

	<b>KLS Arete Macro Fund</b>	<b>KLS Arete Macro Fund</b>
	<b>Year ended</b>	<b>Year ended</b>
	<b>31-Dec-2022</b>	<b>31-Dec-2021</b>
	<b>USD</b>	<b>USD</b>
Investment management fees	(2,498,767)	(2,682,279)
Management Company	(48,407)	-
Performance fees	(259)	(16,470,905)
Administration and transfer agent fees	(151,912)	(80,941)
Depositary and trustee fees	(54,487)	(67,811)
Directors' fees	(6,032)	(2,007)
Audit fees	(11,664)	(14,239)
MIFD II fees	1,523	(4,708)
Fund registration fees	(1,289)	-
Other fees	(195,416)	(224,918)
	<u>(2,966,710)</u>	<u>(19,547,808)</u>

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**5. Accrued expenses**

	<b>KLS Ionic Relative Value Arbitrage Fund</b>	<b>KLS Ionic Relative Value Arbitrage Fund</b>
	<b>Year ended 31-Dec-2022</b>	<b>Year ended 31-Dec-2021</b>
Investment management fees	(319,349)	(358,631)
Management Company	(5,663)	-
Performance fees	-	(377,246)
Administration and transfer agent fees	(30,589)	(20,040)
Depositary and trustee fees	(10,396)	(8,960)
Directors' fees	(6,026)	(2,008)
Audit fees	(13,435)	(14,237)
MIFD II fees	18,972	(504)
Fund registration fees	(1,285)	-
Other fees	(61,959)	(44,937)
	<b>(429,730)</b>	<b>(826,563)</b>

**6. Cash and cash equivalents and due to/from brokers**

		<b>KLS Arete Macro Fund</b>	<b>KLS Arete Macro Fund</b>
	<b>S&amp;P Credit Rating</b>	<b>Year ended 31-Dec-2022</b>	<b>Year ended 31-Dec-2021</b>
		<b>USD</b>	<b>USD</b>
<i>Cash</i>			
Société Générale S.A.	A-1	154,556,037	188,007,885
Bank of New York Mellon	A-1+	6,861	19,679,070
Morgan Stanley	A-2	157,700,680	64,516,267
Merrill Lynch	A-1	209,142,261	55,023,443
Goldman Sachs	A-2	143,283,170	-
		<b>664,689,009</b>	<b>327,226,665</b>
<i>Bank overdraft</i>			
Merrill Lynch	A-1	-	(2,528,230)
Morgan Stanley	A-2	(10,706,396)	(61,950)
		<b>(10,706,396)</b>	<b>(2,590,180)</b>
<b>Total cash and cash equivalents</b>		<b>653,982,613</b>	<b>324,636,485</b>
		<b>USD</b>	<b>USD</b>
		<b>Year ended 31-Dec-2022</b>	<b>Year ended 31-Dec-2021</b>
		<b>USD</b>	<b>USD</b>
<i>Due to/from brokers</i>			
Morgan Stanley	A-2	113,901,940	62,839,114
Goldman Sachs	A-2	47,278,909	90,860,000
Merrill Lynch	A-1	12,649,157	3,061,452
BNP Paribas	A+	49,820,000	-
<b>Total due to/from brokers</b>		<b>223,650,006</b>	<b>156,760,566</b>

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**6. Cash and cash equivalents and due to/from brokers**

	<b>S&amp;P Credit Rating</b>	<b>KLS Ionic Relative Value Arbitrage Fund Year ended 31-Dec-2022 USD</b>	<b>KLS Ionic Relative Value Arbitrage Fund Year ended 31-Dec-2021 USD</b>
<i>Cash</i>			
Société Générale S.A.	A-1	987,561	17,719,212
Morgan Stanley	A-2	8,449,600	3,744,235
JP Morgan	A-1	334,423	235,419
Goldman Sachs	A-2	295,151	-
		<b>10,066,735</b>	<b>21,698,866</b>
<i>Bank overdraft</i>			
Goldman Sachs	A-2	(296,053)	-
Morgan Stanley	A-2	(249,869)	(2,308,228)
		<b>(545,922)</b>	<b>(2,308,228)</b>
<b>Total cash and cash equivalents</b>		<b>9,520,813</b>	<b>19,390,638</b>
<i>Due to/from brokers</i>			
	Note 11		
Morgan Stanley	A-2	(1,089,679)	189,506
JP Morgan	A-1	(70,000)	1,349,896
Credit Suisse	A-2	-	7,060,249
BNP Paribas	A+	266,420	1,015,400
Goldman Sachs	A-2	4,890,000	-
<b>Total due to/from brokers</b>		<b>3,996,741</b>	<b>9,615,051</b>

**7. Redeemable participating shares issued and redeemed during the financial year**

The net assets attributable to holders of redeemable participating shares in the Sub-Fund are at all times equal to the net asset value of the Sub-Fund. Participating shares, which comprise the capital of the ICAV, are in substance a liability of the ICAV to shareholders. The shares are freely transferable and are all entitled to participate equally in profit and distributions (if any) of the Sub-Fund and in the assets in the event of termination. The participating shares carry no preferential or pre-emptive rights and are in registered form.

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**7. Redeemable participating shares issued and redeemed during the financial year (continued)**

The movement in the number of participating shares is as follows:

As at 31 December 2022	At beginning of financial period	Issued	Redeemed	At end of financial period	Net Asset Value per Share	Net Asset Value
Class F USD	83,130	-	(54,513)	28,616	120.04	3,435,181
Class F EUR	218,392	-	(113,892)	104,500	110.83	11,581,990
Class F GBP	97,552	2,400	(20,500)	79,452	115.39	9,167,996
Class I USD	1,442,356	411,424	(687,063)	1,166,718	114.73	133,861,244
Class I EUR (ACC)	1,244,601	270,607	(518,632)	996,576	106.79	106,425,201
Class I GBP (ACC)	1,433,724	160,836	(1,240,475)	354,085	111.00	39,302,643
Class I CHF	20,688	27,061	(5,170)	42,579	90.74	3,863,792
Class I EUR (DIS)	8,800	2,900	(4,200)	7,500	89.89	674,158
Class I GBP(DIS)	554,001	105,295	(60,977)	598,319	108.70	65,037,821
Class R USD	146,124	29,907	(33,246)	142,785	104.37	14,903,055
Class R EUR	20,312	10,910	(2,099)	29,123	91.00	2,650,083
Class R SEK	18,949	1,490	(20,439)	-	-	-
Class SI JPY	1,384,543	46,322	(785,756)	645,109	10,606.03	6,842,044,591
Class SI USD	1,335,983	1,772,433	(1,039,079)	2,069,337	115.88	239,789,049
Class SI EUR	533,227	162,792	(279,604)	416,414	109.10	45,428,571
Class SI GBP	1,173,598	1,637,628	(699,147)	2,112,079	113.02	238,712,800
Class SI CHF	52,174	600	(5,370)	47,404	103.27	4,895,262
Class SI SEK	945,849	367,751	(195,278)	1,118,322	991.29	1,108,585,434
Class SI-EUR (DIS)	-	142,195	(4,447)	137,748	98.15	13,519,846
Class SI-GBP (DIS)	-	1,163,087	(5,034)	1,158,053	98.39	113,939,737
Class SI-USD (DIS)	-	298,165	(2,337)	295,828	98.54	29,150,165

  

As at 31 December 2021	At beginning of financial period	Issued	Redeemed	At end of financial period	Net Asset Value per Share	Net Asset Value
Class F USD	83,130	-	-	83,130	131.14	10,901,238
Class F EUR	224,917	-	(6,525)	218,392	123.54	26,979,853
Class F GBP	110,973	-	(13,421)	97,552	126.48	12,338,635
Class I USD	726,047	973,364	(257,054)	1,442,356	125.90	181,590,803
Class I EUR (ACC)	814,679	561,902	(131,980)	1,244,601	119.57	148,815,603
Class I GBP (ACC)	173,520	1,307,374	(47,170)	1,433,724	122.22	175,223,694
Class I CHF	-	20,688	-	20,688	101.96	2,109,285
Class I EUR (DIS)	-	8,800	-	8,800	100.64	885,661
Class I GBP(DIS)	375,861	211,679	(33,539)	554,001	119.69	66,306,025
Class R USD	8,259	141,565	(3,701)	146,124	115.10	16,819,473
Class R EUR	-	20,312	-	20,312	102.40	2,079,860
Class R SEK	-	18,949	-	18,949	103.40	1,959,303
Class SI JPY	1,285,832	209,527	(110,816)	1,384,543	11,855.54	16,414,501,878
Class SI USD	319,864	1,280,924	(264,805)	1,335,983	126.90	169,537,170
Class SI EUR	378,243	216,117	(61,133)	533,227	121.91	65,002,878
Class SI GBP	348,017	905,171	(79,590)	1,173,598	124.20	145,755,840
Class SI CHF	1,478	51,450	(754)	52,174	115.80	6,041,595
Class SI SEK	987,812	-	(41,963)	945,849	1,102.26	1,042,567,343

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**7. Redeemable participating shares issued and redeemed during the financial year (continued)**

**KLS Arete Macro Fund (continued)**

As at 31 December 2020	At beginning of financial year	Issued	Redeemed	At end of financial year	Net Asset Value per Share	Net Asset Value
Class F USD	583,274	856	(501,000)	83,130	121.17	10,073,131
Class F EUR	251,050	838	(26,971)	224,917	114.80	25,821,021
Class F GBP	120,388	-	(9,415)	110,973	117.07	12,991,344
Class I USD	359,911	545,502	(179,366)	726,047	116.78	84,785,782
Class I EUR (ACC)	557,879	410,320	(153,520)	814,679	111.65	90,957,196
Class I GBP (ACC)	326,077	143,303	(295,860)	173,520	113.56	19,704,428
Class I GBP(DIS)	-	402,855	(26,994)	375,861	111.26	41,818,541
Class R USD	-	8,259	-	8,259	107.06	884,243
Class SI JPY	864,553	421,279	-	1,285,832	11,003.86	14,149,115,301
Class SI USD	46,926	331,262	(58,324)	319,864	117.42	37,557,988
Class SI EUR	450,748	98,400	(170,905)	378,243	113.55	42,948,794
Class SI GBP	160,511	284,063	(96,557)	348,017	115.30	40,124,936
Class SI CHF	-	1,478	-	1,478	108.24	159,976
Class SI SEK	-	987,812	-	987,812	1,024.28	1,011,797,628
Class SJ USD	250,000	-	(250,000)	-	-	-

**KLS Ionic Relative Value Arbitrage Fund**

As at 31 December 2022	At beginning of financial year	Issued	Redeemed	At end of financial year	Net Asset Value per Share	Net Asset Value
Class F USD	20,925	-	(7,371)	13,554	104.89	1,421,598
Class F EUR	184,118	23,000	(90,940)	116,178	101.61	11,804,988
Class F GBP	282,585	5,972	(154,800)	133,757	103.78	13,881,720
Class I USD	160,365	96,089	(73,213)	183,242	102.84	18,844,853
Class I EUR	393,377	202,427	(258,452)	337,352	99.43	33,542,809
Class I GBP	1,000	3,520	(1,220)	3,300	93.00	306,892
Class I CHF	25,012	2,555	-	27,567	85.51	2,357,129
Class SI USD	74,538	1,026,246	(952,174)	148,610	87.04	12,934,359
Class SI EUR	352,162	54,911	(18,550)	388,524	84.89	32,980,375
Class SI GBP	179,737	56,573	(117,568)	118,742	101.89	12,098,013
Class SIF EUR	8,573	18,678	(27,251)	-	-	-
Class SIF USD	558,541	172,966	(653,362)	78,144	104.58	8,171,892

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**7. Redeemable participating shares issued and redeemed during the financial year (continued)**

**KLS Ionic Relative Value Arbitrage Fund (continued)**

As at 31 December 2021	At beginning of financial year	Issued	Redeemed	At end of financial year	Net Asset Value per Share	Net Asset Value
Class F USD	25,724	8,414	(13,214)	20,925	113.59	2,376,790
Class F EUR	197,832	18,831	(32,545)	184,118	112.38	20,690,313
Class F GBP	259,694	188,420	(165,529)	282,585	113.11	31,963,068
Class I USD	21,213	143,356	(4,204)	160,365	111.88	17,941,095
Class I EUR	41,845	396,904	(45,372)	393,377	110.46	43,451,312
Class I GBP	-	1,000	-	1,000	101.81	101,810
Class I CHF	-	25,012	-	25,012	95.30	2,383,712
Class SI USD	-	74,538	-	74,538	94.49	7,043,241
Class SI EUR	-	352,433	(271)	352,162	94.11	33,143,021
Class SI GBP	3,778	184,131	(8,172)	179,737	111.32	20,007,839
Class SIF EUR	-	10,403	(1,830)	8,573	90.21	773,398
Class SIF USD	426,829	372,621	(240,910)	558,541	114.39	63,890,645

**KLS Ionic Relative Value Arbitrage Fund (continued)**

As at 31 December 2020	At beginning of financial year	Issued	Redeemed	At end of financial year	Net Asset Value per Share	Net Asset Value
Class F USD	-	25,724	-	25,724	109.08	2,806,050
Class F EUR	-	201,398	(3,566)	197,832	108.65	21,493,618
Class F GBP	-	264,686	(4,992)	259,694	108.92	28,285,055
Class I USD	-	21,213	-	21,213	108.55	2,302,617
Class I EUR	-	41,845	-	41,845	108.07	4,522,343
Class SI GBP	-	3,778	-	3,778	108.22	408,862
Class SIF USD	-	432,545	(5,716)	426,829	110.24	47,053,203

**Capital management:**

The ICAV's capital is represented by the redeemable shares outstanding.

The ICAV is required under UCITS regulations to have an initial capital of at least EUR 300,000, and the ICAV has met this requirement. The ICAV's objectives in managing the redeemable shares are to ensure a stable base and to manage liquidity risk arising from redemptions.

The ICAV is not subject to other externally imposed capital requirements.

The minimum authorised share capital of the ICAV is EUR 2 represented by 2 Subscriber Shares of no par value at EUR 1 each. The maximum authorised share capital of the ICAV is 500,000,300,002 Shares of no par value represented by 2 Subscriber Shares of no par value, 300,000 Capitalisation Shares of no par value and 500,000,000,000 Shares of no par value initially designated as unclassified Shares.

The Subscriber Shares and the Capitalisation Shares entitle the shareholders to attend and vote at general meetings of the ICAV but do not entitle the shareholders to participate in the profits or assets of the ICAV except for a return of capital on a winding-up. The Shares entitle the shareholders to attend and vote at general meetings of the ICAV and to participate in the profits and assets of the ICAV. There are no pre-emption rights attaching to the Shares.



## KEPLER LIQUID STRATEGIES ICAV

### ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

#### 7. Redeemable participating shares issued and redeemed during the financial year (continued)

The dealing day for each shareclass for KLS Arete Macro Fund is each Business Day or such other days as the Directors may determine and notify to Shareholders in advance provided that there shall be at least one Dealing Day per fortnight. All Classes of Shares shall be issued at the Net Asset Value per Share calculated at the Valuation Point being 10.00pm (Irish time) on the Dealing Day, or such other time or Business Day as the Directors may determine and notify in advance to Shareholders, provided that there shall always be a Valuation Point for every Dealing Day.

#### 8. Tax

Under current law and practice, the ICAV qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis it is not chargeable to Irish tax on its income or capital gains.

However, Irish tax may arise on the happening of a "chargeable event" in the ICAV. A chargeable event includes any distribution payments to shareholders or any encashment, redemption, cancellation or transfer of shares, and the holding of shares at the end of each eight year period beginning with the acquisition of the shares.

No Irish Tax will arise on the ICAV in respect of chargeable events in respect of:

- A shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided that appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the Sub-Fund.
- Certain exempted Irish resident shareholders who have provided the Sub-Fund with the necessary signed statutory declarations.
- Dividends, interest and capital gains (if any) received on investments made by the ICAV may be subject to withholding taxes imposed by the country from which the investment income or capital gains are received and such taxes may not be recoverable by the ICAV.

#### 9. Fees

##### (a) Investment management and performance fees

The Investment Manager, Kepler Partners LLP, is entitled to the following investment management and performance fees payable out of the assets of the Sub-Fund in relation to the relevant Class of Shares:

For KLS Arete Macro Fund, the investment management fee is calculated at each valuation point and payable monthly in arrears at an annual rate of:

- 0.80% of the average Net Asset Value of the Class F-USD, Class F-EUR, Class F-GBP, Class F-CHF and Class F-SEK;
- 1.25% of the average Net Asset Value of the Class I-USD (Accumulating), Class I-EUR (Accumulating), Class I-GBP(Accumulating), Class I-CHF, Class I-SEK; Class I-JPY, Class I-USD (Distributing) and Class I-EUR (Distributing) and Class I-GBP (Distributing);
- 1.75% of the average Net Asset Value of the Class R-USD, Class R-EUR, Class R-GBP, Class R-CHF, Class R-SEK and Class R-JPY; and
- 1.05% of the average Net Asset Value of the Class SI-USD, Class SI-EUR, Class SI-GBP, Class SI-CHF, SI-SEK, Class SI-JPY and Class SJ-USD.

**KEPLER LIQUID STRATEGIES ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**9. Fees (continued)**

**(a) Investment management and performance fees (continued)**

For KLS Ionic Relative Value Arbitrage Fund, the investment management fee is calculated at each valuation point and payable monthly in arrears at an annual rate of:

- (a) 0.50% of the average Net Asset Value of the Class F-USD, Class F-EUR, Class FGBP and Class F-CHF;
- (b) 0.75% of the average Net Asset Value of the Class SI-USD, Class SI-EUR, Class SI-GBP and Class SI-CHF;
- (c) 0.95% of the average Net Asset Value of the Class I-USD, Class I-EUR, Class I-GBP and Class I-CHF;
- (d) 1.5% of the average Net Asset Value of the Class R-USD, Class R-EUR, Class RGBP and Class R-CHF; and
- (e) 1.5% of the average Net Asset Value of the Class SIF-USD.

The Investment Management Fee shall be shared between the Investment Manager and the Sub- Investment Manager in such manner as they may agree and notify to the ICAV from time to time.

The fees earned by the IM during the year are disclosed in the Statement of Comprehensive Income, and the fees outstanding at the end of the financial year are disclosed in Note 5.

In relation to KLS Arete Macro Fund, the performance fee in respect of each Share Class (the "Performance Fee") is calculated annually in respect of each calendar year (a "Calculation Period") by the Administrator and verified by the Depositary. The end of each Calculation Period is the last business day of December, as applicable, in each calendar year.

The Performance Fee with respect to Shares will be equal to 20% for KLS Arete Macro Fund, of the appreciation (realised and unrealised) of the Net Asset Value per Share of the relevant Class of Shares during each calendar year in excess of a high water mark of the greater of (i) the Initial Offer Price and (ii) the highest Net Asset Value per Share of the relevant Class in effect immediately after the end of the previous Calculation Period in respect of which a Performance Fee (other than a Performance Fee on a redemption of Shares) was charged.

The Performance Fee with respect to a Class of Shares will be deemed to accrue on a daily basis as at each Valuation Point.

If a Share is redeemed during the Calculation Period, a separate Performance Fee for that Share will be calculated and become immediately payable as if the Dealing Day on which that Share is redeemed were the end of the Calculation Period.

The first Calculation Period is the period commencing on the business day immediately following the end of the Initial Offer Period for a Class of Shares and ending on the last business day of that Calculation Period. The Initial Offer Price will be taken as the starting price for the first Calculation Period.

The Performance Fee is normally payable to the Investment Manager in arrears within 14 calendar days of the end of each Calculation Period. However, in the case of Shares redeemed during a Calculation Period, the accrued Performance Fee in respect of those Shares will be payable within 14 calendar days after the date of redemption.

All fees and expenses (except the Performance Fee for the relevant Calculation Period) are deducted prior to calculating the Performance Fee. The accrued Performance Fee will be calculated at each valuation day and deducted in arriving at the Net Asset Value of the relevant Class of Shares.

The Performance Fee payable with respect to a Class of Shares is calculated on a cumulative basis and is not payable until all prior net losses (i.e. underperformance versus the previous highest NAV on which a Performance Fee was paid) with respect to such Class are recouped. The Performance Fee is based on net realised and unrealised gain and losses as at the end of each Calculation Period and as a result Performance Fees may be paid on unrealised gain which may subsequently never be realised.

## KEPLER LIQUID STRATEGIES ICAV

### ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

#### 9. Fees (continued)

##### (b) Management Company fees

KBA Consulting Management Limited was appointed as the Management Company on 13 July 2022. They are entitled to a fee as a percentage of the Net Asset Value:

EUR 0 - 500million: 0.02%;

EUR 500million – 1billion: 0.015%; and

EUR 1billion and greater : 0.01%;

The maximum annual fee payable to the Manager shall not exceed 0.02% of the net assets of any Fund, the Management Fee will be subject to a minimum fee of EUR 50,000 per annum for the initial Fund and EUR 15,000 for each incremental Fund. The minimum fees are not applicable once the AUM at the umbrella level results in the ad valorem fees being applicable.

##### (c) Depositary fees and Trustee fees

Société Générale S.A (Dublin Branch), Depositary to the ICAV, is entitled to receive Custody fees up to 0.03% per annum of the gross value of the assets held in Custody.

The Depositary is also entitled to receive Depositary fees of up to 0.02% per annum of the Net Asset Value of the Sub-Fund, subject to a minimum fee of EUR 24,000. The depositary fees are paid monthly in arrears and accrue daily.

##### (d) Administration and transfer agency fees

The Administrator is entitled to receive up to 0.045% per annum of the Net Asset Value of the Sub-Funds, subject to an annual minimum fee of EUR 33,000. A fee of up to €4,000 per annum will apply for the preparation of the Sub-Fund' financial statements. Registrar and transfer agency fees shall also be payable to the Administrator from the assets of the Sub-Fund at normal commercial rates (rates are available from the ICAV on request). An annual fee for FATCA account review and reporting of EUR 1,600 will apply per Sub-Fund and EUR 40 per investor also applies to the FATCA filing. An annual fee for CRS accounts review and reporting of EUR 1,600 will apply per Sub-Fund, with an additional fee of EUR 40 per investor to be applied where the Sub-Fund has 100 or more Shareholders.

The Administrator will also be reimbursed out of the assets of the Sub-Fund for reasonable out-of-pocket expenses incurred by the Administrator.

Any additional fees of the Administrator for additional ancillary services shall be pre-agreed with the ICAV and shall be at normal commercial rates, payable from the assets of the Sub-Fund. These rates are available from the ICAV upon request.

The fees and expenses of the Administrator will accrue daily and be payable monthly in arrears and all details of all fees charged during the financial year are disclosed on the face of Statement of Comprehensive Income and all fees payable at 31 December 2022 are disclosed in note 5.

##### (e) Auditors' fees

The tables below breakdown the audit fee excluding VAT for the financial year.

KLS Arete Macro Fund	Year ended	Year ended
	31-Dec-2022	31-Dec-2021
	USD	USD
Audit of individual company accounts	26,000	17,741
Tax advisory services	21,969	6,095
	<u>47,969</u>	<u>23,836</u>

# KEPLER LIQUID STRATEGIES ICAV

## ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### Notes to the Financial Statements (continued)

#### 9. Fees (continued)

##### (e) Auditors' fees

KLS Ionic Relative Value Arbitrage Fund	Year ended 31-Dec-2022	Year ended 31-Dec-2021
	USD	USD
Audit of individual company accounts	20,000	15,798
Tax advisory services	6,886	6,586
	<u>26,886</u>	<u>22,384</u>

##### (f) Director fees

The Directors will charge a fee for their services, and may be entitled to special remuneration if called upon to perform any special or extra services to the ICAV.

Jim Cleary is entitled to EUR 15,000 per annum for the fund company including the first & second sub-fund and EUR 7,500 for each of the third and subsequent sub-fund; Andrea Oman was entitled to EUR 7,500 per annum; Una Bannon is entitled to Jim Cleary is entitled to EUR 15,000 per annum for the fund company including the first & second sub-fund and EUR 7,500 for each of the third and subsequent sub-fund; Andrea Oman was entitled to EUR 7,500 per annum; Una Bannon is entitled to receive EUR 7,500 per annum and Georg Reutter has waived his fees until further notice. The Directors fees accrue daily and are paid quarterly in arrears..

#### 10. Financial instruments and associated risks

The main risks arising from the Sub-Fund's financial instruments are defined in IFRS 7 as market risk (including market price risk, interest rate risk and foreign currency risk), liquidity risk and credit risk. The Sub-Investment Managers and Investment Manager review and agree policies for managing each of these risks and they are summarised below. These policies have remained substantially unchanged since the beginning of the financial year to which these financial statements relate.

##### Efficient portfolio management techniques

The Sub-Fund may employ investment techniques and derivative instruments for Efficient Portfolio Management ("EPM") purposes, subject to the conditions and within the limits of the Central Bank UCITS Regulations.

Currency forwards manage all Sub-Fund's exposure to currency fluctuations or hedge currency risk which helps the Sub-Fund achieve its objective to achieve capital appreciation over the medium to long term and to help generate positive returns in all market phases. In particular, currency forwards may be used to protect the base currency returns of the Fund as well as express a particular macro view in relation to the currency of a country (positive or negative).

Contract for difference ("CFDs") help achieve the KLS Arete Macro Fund investment objective by generating positive returns and hedging market risk or mitigating volatility. In particular, CFDs help achieve the objective by providing efficient market access.

Equity Options for KLS Arete Macro Fund can generate positive returns and hedge market risk or mitigate volatility. In particular, options may be used to provide exposure without a fully funded commitment being required and/or to create a structure which provides a potentially more cost effective or beneficial means to gain or reduce exposure.

Futures for KLS Arete Macro Fund enable the Sub-Fund take a view on issuers, markets (including market volatility), indices and/or currencies as an efficient alternative to non-derivative instruments, and assist the Sub-Fund in creating investment opportunities, which helps the Sub-Fund achieve its objective.

As at 31 December 2022, open foreign exchange forward contracts, CFDs, options and futures for the Sub-Fund are held with Morgan Stanley Capital Services LLC, Goldman Sachs and Merrill Lynch are identified in the Schedule of Investments.

## KEPLER LIQUID STRATEGIES ICAV

### ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

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

#### 10. Financial instruments and associated risks (continued)

For UCITS which have engaged in EPM techniques, disclosures are required under the Central Bank UCITS Regulations. A UCITS is required to disclose the revenues arising from EPM techniques for the entire reporting period together with the direct and indirect operational costs and fees incurred, unless the costs associated with EPM techniques are embedded and not separately identifiable.

Subject to the conditions and limits set out in the Central Bank UCITS regulations, a Fund may use repurchase agreements, reverse repurchase agreements and/or securities lending agreements for EPM. The Sub-Fund did not enter into securities lending or repurchase agreements during the financial year. The costs associated with EPM techniques are not separately identifiable. The amounts due from brokers and due to brokers for KLS Arete Macro Fund were USD 268,536,667 (2021: USD 161,594,430) and USD 44,886,661 (2021: USD 4,833,864) respectively. The amounts due from brokers and due to brokers for KLS Ionic Relative Value Arbitrage Fund were USD 5,156,420 (2021: USD 9,615,051) and USD 1,159,679 (2021: USD Nil) respectively.

##### (a) Market risk

Market risk is the risk of loss arising from movements in market variables including observable variables such as interest rates, exchange rates and others that may be indirectly observable such as volatilities and correlations. The risk of price movements on securities and other obligations in tradable form resulting from risk factors and events specific to individual issuers is also considered market risk.

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices and includes equity price risk, interest rate risk, derivative exposure risk and foreign currency risk.

##### Equity price risk

The portfolio is comprised mainly of equities that can fluctuate and thus affecting the value of equity securities held on the Sub-Fund level. The Investment Manager invests primarily in well-established American companies to manage this type of risk.

##### Derivatives exposure

Under the Central Bank UCITS Regulations, the ICAV is required to employ a risk management process in connection with any use of derivatives by the Sub-Fund. The Sub-Fund's use of financial derivative instruments such as Total Return Swaps, CFDs, options and currency forward contracts is provided for in the Sub-Fund's Risk Management Process which has been cleared by the Central Bank of Ireland.

##### VaR

The Sub-Fund KLS Arete Macro Fund employs the Value at Risk ("VaR") approach to market risk. The Sub-Fund use an absolute VaR approach which calculates the Fund's VaR as a percentage of the Net Asset Value of the Fund, which must not exceed an absolute limit of 20% as defined by the Central Bank of Ireland. The calculation of VaR shall be carried out in accordance with the following parameters:

1. one-tailed confidence interval of 99%;
2. holding period equivalent to 1 month, calculated by taking the 1 day VaR and converting to a 20 business day VaR;
3. effective observation period;
4. quarterly data set updates or more frequent when market prices are subject to material changes; and
5. at least daily calculation.

This means one would only expect losses to exceed 20% of the Net Asset Value of the Fund 1% of the time assuming that positions were held for 20 days.

For KLS Arete Macro Fund, the VaR at the year end is 7.2% (31 December 2021: 9.91%) (99%, 20 days). The gross leverage at the year end is 1094% (31 December 2021: 180%).

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**10. Financial instruments and associated risks (continued)**

**(a) Market risk (continued)**

**KLS Arete Macro Fund**

<b>31 December 2022</b>	<b>Highest</b>	<b>Lowest</b>	<b>Average</b>
Portfolio VaR (%)	20.95	2.01	8.67
Gross Leverage (%)	1451	177	642
<b>31 December 2021</b>	<b>Highest</b>	<b>Lowest</b>	<b>Average</b>
Portfolio VaR (%)	17.40	3.63	8.69
Gross Leverage (%)	427	149	262

For KLS Ionic Relative Value Arbitrage Fund, the VaR at the year end is 1.14% (31 December 2021: 1.43%) (99%, 20 days). The gross leverage at the year end is 79% (31 December 2021: 71%).

**KLS Ionic Relative Value Arbitrage Fund**

<b>31 December 2022</b>	<b>Highest</b>	<b>Lowest</b>	<b>Average</b>
Portfolio VaR (%)	2.56	0.90	1.62
Gross Leverage (%)	105	68	80
<b>31 December 2021</b>	<b>Highest</b>	<b>Lowest</b>	<b>Average</b>
Portfolio VaR (%)	8.60	1.34	3.50
Gross Leverage (%)	105	68	80

**Interest rate risk**

Interest rate risk refers to fluctuations in the value of a fixed-income security (including convertible bonds) resulting from changes in the general level of interest rates. When the general level of interest rates goes up, the prices of most fixed-income securities go down. When the general level of interest rates goes down, the prices of most fixed-income securities go up. Investments with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than investments with shorter durations. The Sub-Fund invest in equities and/or investment funds and therefore do not have significant exposure to interest rate risk, there is a limited amount of interest rate risk in relation to the money market instrument on KLS Arete Macro Fund.

The table on the below summarises KLS Arete Macro Fund exposure to interest rate risks as at 31 December 2022 and 31 December 2021.

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**10. Financial instruments and associated risks (continued)**

**(a) Market risk (continued)**

**KLS Arete Macro Fund**

<b>31 December 2022</b>	<b>Maturity Date less than 1 Year USD</b>	<b>Maturity Date 1-5 Years USD</b>	<b>Maturity Date More than 5 Years USD</b>	<b>Non-interest Bearing USD</b>	<b>Total Fair Value USD</b>
<b>Assets</b>					
Investments at fair value, excluding financial derivative instruments	-	-	-	180,923,439	180,923,439
Unrealised gain on forward currency contracts	-	-	-	79,911,881	79,911,881
Options	-	-	-	14,243,690	14,243,690
Futures	-	-	-	8,749,403	8,749,403
CFDs	-	-	-	422,265	422,265
Interest Rate Swaps	251,973	-	-	-	251,973
Warrants	-	-	-	685,616	685,616
Money market	336,165,241	-	-	-	336,165,241
Cash and cash equivalents	664,689,009	-	-	-	664,689,009
Balances due from broker	-	-	-	268,536,667	268,536,667
Coupon receivable	-	-	-	1,207,946	1,207,946
Subscriptions receivable	-	-	-	472,945	472,945
Dividends receivable	-	-	-	114,291	114,291
<b>Total Assets</b>	<b>1,001,106,223</b>	<b>-</b>	<b>-</b>	<b>555,268,143</b>	<b>1,556,374,366</b>
<b>Liabilities</b>					
Creditors - amounts falling due within one year	-	-	-	(8,307,898)	(8,307,898)
Options	-	-	-	(8,843,326)	(8,843,326)
Futures	-	-	-	(10,288,001)	(10,288,001)
Unrealised loss on forward currency contracts	-	-	-	(121,219,804)	(121,219,804)
CFDs	-	-	-	(6,231,775)	(6,231,775)
Interest Rate Swaps	(5,157)	-	-	-	(5,157)
Bank overdraft	(10,706,396)	-	-	-	(10,706,396)
Balances due to broker	-	-	-	(44,886,661)	(44,886,661)
<b>Total Liabilities</b>	<b>(10,711,553)</b>	<b>-</b>	<b>-</b>	<b>(199,777,465)</b>	<b>(210,489,018)</b>
<b>Total Net Assets</b>	<b>990,394,670</b>	<b>-</b>	<b>-</b>	<b>355,490,678</b>	<b>1,345,885,348</b>

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**11. Financial instruments and associated risks (continued)**

**(a) Market risk (continued)**

**KLS Arete Macro Fund**

<b>31 December 2021</b>	<b>Maturity Date less than 1 Year USD</b>	<b>Maturity Date 1-5 Years USD</b>	<b>Maturity Date More than 5 Years USD</b>	<b>Non-interest Bearing USD</b>	<b>Total Fair Value USD</b>
<b>Assets</b>					
Investments at fair value, excluding financial derivative instruments	-	-	-	50,899,077	50,899,077
Unrealised gain on forward currency contracts	-	-	-	20,881,078	20,881,078
Options	-	-	-	3,711,190	3,711,190
Futures	-	-	-	6,418,748	6,418,748
CFDs	-	-	-	10,213	10,213
Warrants	-	-	-	147,503	147,503
Money market	938,474,187	-	-	-	938,474,187
Cash and cash equivalents	327,226,665	-	-	-	327,226,665
Balances due from broker	-	-	-	161,594,430	161,594,430
Receivable for investments sold	-	-	-	342,144	342,144
Coupon receivable	-	-	-	858,571	858,571
Subscriptions receivable	-	-	-	3,976,614	3,976,614
<b>Total Assets</b>	<b>1,265,700,852</b>	<b>-</b>	<b>-</b>	<b>248,839,568</b>	<b>1,514,540,420</b>
<b>Liabilities</b>					
Creditors - amounts falling due within one year	-	-	-	(21,481,115)	(21,481,115)
Options	-	-	-	(1,857,728)	(1,857,728)
Futures	-	-	-	(2,433,422)	(2,433,422)
Unrealised loss on forward currency contracts	-	-	-	(17,749,645)	(17,749,645)
CFDs	-	-	-	(1,658)	(1,658)
Bank overdraft	(2,590,180)	-	-	-	(2,590,180)
Balances due to broker	-	-	-	(4,833,864)	(4,833,864)
<b>Total Liabilities</b>	<b>(2,590,180)</b>	<b>-</b>	<b>-</b>	<b>(48,357,432)</b>	<b>(50,947,612)</b>
<b>Total Net Assets</b>	<b>1,263,110,672</b>	<b>-</b>	<b>-</b>	<b>200,482,136</b>	<b>1,463,592,808</b>



**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**10. Financial instruments and associated risks (continued)**

**(a) Market risk (continued)**

<b>31 December 2022</b>	<b>Maturity Date less than 1 Year USD</b>	<b>Maturity Date 1-5 Years USD</b>	<b>Maturity Date More than 5 Years USD</b>	<b>Non-interest Bearing USD</b>	<b>Total Fair Value USD</b>
<b>Assets</b>					
Investments at fair value, excluding financial derivative instruments	2,370,108	42,263,098	-	11,949,146	56,582,352
Warrants	-	-	-	612,865	612,865
Money market CFDs	92,501,126	-	-	-	92,501,126
Interest Return Swap	-	-	-	70,165	70,165
Unrealised gain on forward currency contracts	944,806	-	-	-	944,806
Balances due from broker	-	-	-	294,470	294,470
Cash and cash equivalents	-	-	-	5,156,420	5,156,420
Receivable for investments sold	10,066,735	-	-	-	10,066,735
Coupon receivable	-	-	-	989,505	989,505
Subscriptions receivable	-	-	-	2,167	2,167
<b>Total Assets</b>	<b>105,882,775</b>	<b>42,263,098</b>	<b>-</b>	<b>19,091,742</b>	<b>167,237,615</b>
<b>Liabilities</b>					
Creditors - amounts falling due within one year	-	-	-	(5,865,012)	(5,865,012)
CFDs	-	-	-	(23,137)	(23,137)
Unrealised gain on forward currency contracts	-	-	-	(518,738)	(518,738)
Bank overdraft	(545,922)	-	-	-	(545,922)
Balances due to broker	-	-	-	(1,159,679)	(1,159,679)
<b>Total Liabilities</b>	<b>(545,922)</b>	<b>-</b>	<b>-</b>	<b>(7,566,566)</b>	<b>(8,112,488)</b>
<b>Total Net Assets</b>	<b>105,336,853</b>	<b>42,263,098</b>	<b>-</b>	<b>11,525,176</b>	<b>159,125,127</b>

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**10. Financial instruments and associated risks (continued)**

**(a) Market risk (continued)**

<b>31 December 2021</b>	<b>Maturity Date less than 1 Year USD</b>	<b>Maturity Date 1-5 Years USD</b>	<b>Maturity Date More than 5 Years USD</b>	<b>Non-interest Bearing USD</b>	<b>Total Fair Value USD</b>
<b>Assets</b>					
Investments at fair value, excluding financial derivative instruments	-	3,720,073	-	10,723,128	14,443,201
Warrants	-	-	-	3,164,472	3,164,472
Money market	227,990,927	-	-	-	227,990,927
CFDs	-	-	-	183,222	183,222
Total Return Swap	-	-	-	23,567	23,567
Unrealised gain on forward currency contracts	-	-	-	2,252,637	2,252,637
Balances due from broker	-	-	-	9,615,051	9,615,051
Cash and cash equivalents	21,698,866	-	-	-	21,698,866
Receivable for investments sold	-	-	-	568,600	568,600
Coupon receivable	-	-	-	217	217
Subscriptions receivable	-	-	-	7,551,384	7,551,384
<b>Total Assets</b>	<b>249,689,793</b>	<b>3,720,073</b>	<b>-</b>	<b>34,082,278</b>	<b>287,492,144</b>
<b>Liabilities</b>					
Creditors - amounts falling due within one year	-	-	-	(1,406,072)	(1,406,072)
Warrants	-	-	-	(7,952)	(7,952)
CFDs	-	(63,040)	-	(292,854)	(355,894)
Total Return Swap	-	-	-	(7,480,831)	(7,480,831)
Futures	-	-	-	(2,324)	(2,324)
Unrealised gain on forward currency contracts	-	-	-	(26,609)	(26,609)
Bank overdraft	(2,308,228)	-	-	-	(2,308,228)
<b>Total Liabilities</b>	<b>(2,308,228)</b>	<b>(63,040)</b>	<b>-</b>	<b>(9,216,642)</b>	<b>(11,587,910)</b>
<b>Total Net Assets</b>	<b>247,381,565</b>	<b>3,657,033</b>	<b>-</b>	<b>24,865,636</b>	<b>275,904,234</b>

**Foreign currency risk**

Foreign exchange risk is the risk that the value of a financial instrument fluctuates as a result of changes in foreign exchange rates. The ICAV is exposed to foreign exchange risk primarily from its assets and liabilities that derive their revenues and/or incur expenses in currencies other than the functional currency. The Sub-Fund will seek to hedge against currency fluctuations the Classes of Shares not denominated in USD, the Sub-Fund will also seek to hedge against currency risk arising from those Shares being designated in a currency other than the functional currency.

The following sets out the total exposure of the Sub-Fund to foreign currency risk as at 31 December 2022 and 31 December 2021.

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**10. Financial instruments and associated risks (continued)**

**(a) Market risk (continued)**

**Foreign currency risk**

**KLS Arete Macro Fund**

<u>As at 31 December 2022</u>	<b>Monetary assets and non-monetary assets USD</b>	<b>Monetary liabilities and non-monetary liabilities USD</b>	<b>Net exposure USD</b>
AUD	8,587,637	(5,694,920)	2,892,717
CHF	12,174,640	(9,552,731)	2,621,909
CNH	3,108,633,666	(4,973,153,975)	(1,864,520,309)
CNY	764,390,302	-	764,390,302
EUR	275,685,695	(209,385,406)	66,300,289
GBP	591,637,124	(570,348,535)	21,288,589
HKD	882,620,975	(552,415,273)	330,205,702
JPY	71,851,705	(63,166,043)	8,685,662
KRW	-	(1)	(1)
SEK	108,420,536	(107,149,465)	1,271,071
	<b>5,824,002,280</b>	<b>(6,490,866,349)</b>	<b>(666,864,069)</b>

  

<u>As at 31 December 2021</u>	<b>Monetary assets and non-monetary assets USD</b>	<b>Monetary liabilities and non-monetary liabilities USD</b>	<b>Net exposure USD</b>
AUD	5,790,139	(3,997,915)	1,792,224
CHF	9,060,968	(9,103,124)	(42,156)
CNY	367,718,002	(485,430,913)	(117,712,911)
EUR	284,734,157	(279,578,670)	5,155,487
GBP	537,524,968	(543,187,050)	(5,662,082)
HKD	112,317,375	(100,593,370)	11,724,005
JPY	148,748,119	(144,993,804)	3,754,315
KRW	75,458	-	75,458
SEK	115,683,606	(115,424,961)	258,645
SGD	68	-	68
	<b>1,581,652,860</b>	<b>(1,682,309,807)</b>	<b>(100,656,947)</b>

At 31 December 2022, had the exchange rate between the USD and the above currencies increased or decreased by 5% with all other variables held constant, the Net Assets attributable to holders of redeemable participating shares would have increased or decreased by approximately USD 33,343,203 (2021: USD 5,032,847).

**KEPLER LIQUID STRATEGIES ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**10. Financial instruments and associated risks (continued)**

**(a) Market risk (continued)**

**Foreign currency risk**

**KLS Ionic Relative Value Arbitrage Fund**

<u>As at 31 December 2022</u>	<b>Monetary assets and non-monetary assets</b>	<b>Monetary liabilities and non-monetary liabilities</b>	<b>Net exposure</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
CAD	281,338	-	281,338
CHF	2,614,015	(2,555,644)	58,371
EUR	92,568,207	(90,536,526)	2,031,681
GBP	35,150,054	(34,527,825)	622,229
HKD	526,818	-	526,818
JPY	112,498	(94,469)	18,029
MXN	-	(155,400)	(155,400)
	<b>131,252,930</b>	<b>(127,869,864)</b>	<b>3,383,066</b>

<u>As at 31 December 2021</u>	<b>Monetary assets and non-monetary assets</b>	<b>Monetary liabilities and non-monetary liabilities</b>	<b>Net exposure</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
CAD	-	(94,428)	(94,428)
CHF	2,668,784	(2,616,182)	52,602
EUR	124,864,043	(118,976,616)	5,887,427
GBP	71,560,861	(70,740,735)	820,126
HKD	1,029,541	(788,540)	241,001
JPY	128,935	(108,242)	20,693
MXN	-	(100,976)	(100,976)
	<b>200,252,164</b>	<b>(193,425,719)</b>	<b>6,826,445</b>

At 31 December 2022, had the exchange rate between the USD and the above currencies increased or decreased by 5% with all other variables held constant, the Net Assets attributable to holders of redeemable participating shares would have increased or decreased by approximately USD 169,153 (2021: USD 341,322).

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**10. Financial instruments and associated risks (continued)**

**(b) Liquidity risk**

Liquidity risk is the risk that the Sub-Fund will encounter difficulty in meeting obligations associated with financial liabilities. The main liability of the Sub-Fund is the redemption of any shares that investors wish to sell. Large redemptions of Shares in the Sub-Fund might result in the Sub-Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets, which could adversely affect the value of the Shares.

The Sub-Fund's financial instruments comprise mainly of investments in securities which are highly liquid and are readily realisable securities which can be readily sold, please see schedule of investments. The Investment Manager monitors the Sub-Fund' liquidity risk on a recurring basis and has the ability to borrow in the short term to meet these obligations.

The following liquidity table is an analysis of the financial liabilities at the financial year end:

**KLS Arete Macro Fund**

**As at 31 December 2022**

	<b>&lt; one month</b>	<b>&lt; three months</b>	<b>&gt;Three Months</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
Balances due to broker	44,886,661	-	-
Bank overdraft	10,706,396	-	-
Option	5,445,673	3,397,653	-
Future	516,900	8,614,255	1,156,846
CFDs	6,231,775	-	-
Forward currency contracts	-	15,659,650	105,560,154
Interest rate swap	5,157	-	-
Coupon payable	318	-	-
Dividend Payable	315,205	-	-
Redemptions payable	5,025,665	-	-
Accrued expenses	2,966,710	-	-
Net assets attributable to holders of redeemable participating shares	1,345,885,348	-	-
	<b>1,421,985,808</b>	<b>27,671,558</b>	<b>106,717,000</b>

**As at 31 December 2021**

	<b>&lt; one month</b>	<b>&lt; three months</b>	<b>&gt;Three Months</b>
	<b>USD</b>	<b>USD</b>	<b>USD</b>
Balances due to broker	4,833,864	-	-
Bank overdraft	2,590,180	-	-
Option	712,723	190,101	954,904
Future	226,075	2,207,347	-
CFDs	1,658	-	-
Forward currency contracts	11,811	5,798,481	11,939,353
Payable for investments purchased	135,305	-	-
Coupon payable	27,228	-	-
Dividend Payable	19,609	-	-
Redemptions payable	1,751,165	-	-
Accrued expenses	19,547,808	-	-
participating shares	1,463,592,808	-	-
	<b>1,493,450,234</b>	<b>8,195,929</b>	<b>12,894,257</b>

The inflows and outflows of forwards are included in the schedule of investments.

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**10. Financial instruments and associated risks (continued)**

**(b) Liquidity risk (continued)**

**KLS Ionic Relative Value Arbitrage Fund**

**As at 31 December 2022**

	<b>&lt; one month USD</b>	<b>&lt; three months USD</b>	<b>&gt;Three Months USD</b>
Bank overdraft	545,922	-	-
Balances due to broker	1,159,679	-	-
CFDs	23,137	-	-
Forward currency contracts	318	518,420	-
Payable for investments purchased	5,029,962	-	-
Coupon payable	7,853	-	-
Dividend Payable	1,344	-	-
Redemptions payable	396,123	-	-
Accrued expenses	429,730	-	-
Net assets attributable to holders of redeemable participating shares	159,125,127	-	-
	<b>166,719,195</b>	<b>518,420</b>	<b>-</b>

**As at 31 December 2021**

	<b>&lt; one month USD</b>	<b>&lt; three months USD</b>	<b>&gt;Three Months USD</b>
Bank overdraft	2,308,228	-	-
Warrants	-	-	7,952
CFDs	292,854	-	63,040
Total Return Swap	-	-	7,480,831
Futures	-	2,324	-
Forward currency contracts	26,609	-	-
Payable for investments purchased	569,300	-	-
Coupon payable	4,750	-	-
Dividend Payable	5,459	-	-
Accrued expenses	826,563	-	-
Net assets attributable to holders of redeemable participating shares	275,904,234	-	-
	<b>279,937,997</b>	<b>2,324</b>	<b>7,551,823</b>

**(c) Credit risk**

The Fund are exposed to credit risk, which is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The main concentration to which the Funds are exposed arises from investments in debt securities and counterparty credit risk on trading derivative products, cash and cash equivalents, amounts due from brokers and other receivable balances, as set out in the Statement of Financial Position. It is possible that the ability of an issuer to meet its obligations will decline substantially during the year when a Fund owns securities of that issuer or that the issuer will default on its obligations. An actual or perceived deterioration of the ability of an issuer to meet its obligations will likely have an adverse effect on the value of the issuer's securities. The maximum credit loss of the Fund is the carrying value of the assets.

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**10. Financial instruments and associated risks (continued)**

**(c) Credit risk (continued)**

***Depository Risk***

The Fund's Depository is Société Générale S.A. (Dublin Branch) (the "Depository"). Substantially all of the assets and cash of the Fund are held within the custodial network. Bankruptcy or insolvency of the Depository or of its parent company Société Générale may cause the Funds' rights with respect to its investments and cash held by the Depository to be delayed or limited. The maximum exposure to this risk at 31 December 2022 and 31 December 2021 is the total value of investments disclosed in the Portfolio of Investments and cash as disclosed on the Statement of Financial Position. In accordance with the requirements of the ICAV Act 2015 and the UCITS Regulations, the Fund's securities are maintained within the custodial network in segregated accounts. The Depository will ensure that any agents it appoints to assist in safekeeping the assets of the Fund will segregate the securities of the Fund. Thus in the event of insolvency or bankruptcy of the Depository, the Funds' securities are segregated and protected and this further reduces counterparty risk. The Funds will, however, be exposed to the risk of the Depository or certain depositories used by the Depository, in relation to the Fund's cash held by the Depository.

In the event of the insolvency or bankruptcy of the Depository, the Fund will be treated as a general creditor of the Depository in relation to cash holdings of the Fund. Credit rating for Société Générale S.A. (Dublin Branch) at 31 December 2022 is A1 (31 December 2021: A1).

***Counterparty Risk***

The Fund is subject to credit risk with respect to the counterparties with whom the ICAV, on behalf of the Fund, enters into derivative contracts. The exposure to each of the counterparties is the unrealised value of the derivative contracts as disclosed in the Fund's Portfolio of Investments, plus the value of the margin cash held by the counterparty, if any. If a counterparty becomes insolvent or otherwise fails to perform its obligations, the Fund may experience significant delays in obtaining any recovery in an insolvency, bankruptcy, or other reorganisation proceeding and may obtain only a limited recovery or may obtain no recovery. The credit ratings as listed by Moody's at 31 December 2022 are as follows: Morgan Stanley Capital Services LLC is A1 (31 December 2021: A1), JP Morgan is A1 (31 December 2021: A1), Goldman Sachs is A2 (31 December 2021: Aa3), Merrill Lynch is A1 (31 December 2021: A2), Deutsche Bank is A1 (31 December 2021: A3), Bank of New York Mellon is Aa2 (31 December 2021: Aa1), Credit Suisse is A3 (31 December 2021: A1), BNP Paribas is Aa3 (31 December 2021: Aa3), UBS is Aa3 (31 December 2021: Aa2), Northern Trust is A2 (31 December 2021: A1), Macquarie Bank is A2 (31 December 2021: Aa2).

As at 31 December 2022, KLS Arete Macro Fund, held investment in a money market bond with the following credit rating:

<b>KLS Arete Macro Fund</b>	<b>31 December 2022</b>		
<b>Quality Diversification ( % of fund)</b>	<b>Rating</b>	<b>Market Value of Bonds</b>	<b>% of Investment held</b>
		<b>USD</b>	
* USA Government Bill 0% 30/03/2023	P1	39,591,976	11.78%
* USA Government Bill 0% 13/07/2023	P1	29,297,079	8.72%
* USA Government Bill 0% 15/06/2023	P1	39,203,564	11.66%
* USA Government Bill 0% 18/05/2023	P1	39,328,936	11.70%
* USA Government Bill 0% 19/01/2023	P1	39,935,688	11.88%
* USA Government Bill 0% 20/04/2023	P1	39,488,184	11.75%
* USA Government Bill 0% 23/02/2023	P1	39,760,584	11.83%
* USA Government Bill 0% 23/03/2023	P1	39,631,224	11.79%
* USA Government Bill 0% 26/01/2023	P1	29,928,006	8.90%
<b>Total*</b>		<b>336,165,241</b>	<b>100.00%</b>

\* Total Money Market assets market value of USD 336,165,241 pledged as collateral with Morgan Stanley.

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**10. Financial instruments and associated risks (continued)**

**(c) Credit risk (continued)**

<b>KLS Arete Macro Fund</b>		<b>31 December 2021</b>		
<b>Quality Diversification ( % of fund)</b>	<b>Rating</b>	<b>Market Value of Bonds</b>	<b>% of Investment held</b>	
		<b>USD</b>		
USA Government Bill 0% 03/02/2022	P1	19,999,742	2.13%	
USA Government Bill 0% 01/12/2022	P1	29,926,683	3.19%	
USA Government Bill 0% 02/06/2022	P1	29,987,187	3.20%	
USA Government Bill 0% 03/03/2022	P1	29,998,155	3.20%	
USA Government Bill 0% 03/11/2022	P1	39,917,244	4.25%	
USA Government Bill 0% 05/05/2022	P1	29,992,122	3.20%	
USA Government Bill 0% 06/01/2022	P1	19,999,962	2.13%	
USA Government Bill 0% 06/10/2022	P1	29,942,787	3.19%	
USA Government Bill 0% 07/04/2022	P1	29,995,497	3.20%	
USA Government Bill 0% 08/09/2022	P1	39,942,476	4.26%	
USA Government Bill 0% 09/06/2022	P1	29,985,444	3.20%	
USA Government Bill 0% 10/02/2022	P1	19,999,630	2.13%	
USA Government Bill 0% 10/03/2022	P1	19,998,626	2.13%	
USA Government Bill 0% 11/08/2022	P1	29,966,313	3.19%	
USA Government Bill 0% 12/05/2022	P1	29,990,862	3.20%	
USA Government Bill 0% 13/01/2022	P1	19,999,868	2.13%	
USA Government Bill 0% 14/04/2022	P1	29,995,161	3.20%	
USA Government Bill 0% 14/07/2022	P1	29,973,000	3.19%	
USA Government Bill 0% 16/06/2022	P1	39,978,132	4.26%	
USA Government Bill 0% 17/03/2022	P1	29,997,642	3.20%	
USA Government Bill 0% 19/05/2022	P1	39,986,024	4.26%	
USA Government Bill 0% 20/01/2022	P1	29,999,736	3.20%	
USA Government Bill 0% 21/04/2022	P1	39,992,200	4.26%	
USA Government Bill 0% 23/06/2022	P1	39,969,124	4.26%	
USA Government Bill 0% 24/02/2022	P1	19,999,494	2.13%	
USA Government Bill 0% 24/03/2022	P1	39,996,000	4.26%	
USA Government Bill 0% 26/05/2021	P1	29,990,019	3.20%	
USA Government Bill 0% 27/01/2022	P1	29,999,751	3.20%	
USA Government Bill 0% 28/04/2022	P1	28,993,516	3.09%	
USA Government Bill 0% 30/06/2022	P1	39,963,904	4.26%	
USA Government Bill 0% 31/03/2022	P1	19,997,886	2.13%	
<b>Total*</b>		<b>938,474,187</b>	<b>100.00%</b>	

\* Total Money Market assets market value of USD 938,474,187 pledged as collateral with Morgan Stanley.

P1 (Prime 1) is equivalent to A1+/A1 by Standard & Poor's.



**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**10. Financial instruments and associated risks (continued)**

**(c) Credit risk (continued)**

<b>KLS Ionic Relative Value Arbitrage Fund</b>	<b>31 December 2022</b>		
<b>Quality Diversification ( % of fund)</b>	<b>Rating</b>	<b>Market Value of Bonds USD</b>	<b>% of Investment held</b>
* USA Government Bill 0% 10/08/2023	P1	25,308,416	18.46%
USA Government Bill 0% 13/07/2023	P1	17,578,247	12.82%
* USA Government Bill 0% 15/06/2023	P1	3,038,276	2.22%
* USA Government Bill 0% 16/02/2023	P1	19,901,336	14.51%
* USA Government Bill 0% 18/05/2023	P1	26,674,851	19.45%
Abbvie Inc 3.8% 15/03/2025	Baa1	986,483	0.72%
Adm Ag Holding Ltd Cv 0% 26/08/2023	N.A.	2,370,108	1.73%
American Express Co 3.4% 22/02/2024	A2	941,985	0.69%
Anglo American Capital 4.875% 14/05/2025	Baa2	1,986,878	1.45%
Bayer Us Finance Llc 3.375% 08/10/2024	Baa2	975,538	0.71%
Block Inc 2.75%01/06/2026	Ba2	897,090	0.65%
Broadcam Inc 3.15% 15/11/2025	Baa3	952,183	0.69%
Chubb Ina Holdings Inc 3.15% 15/03/2025	A3	1,370,405	1.00%
Citigroup 5.5% 13/09/2025	Baa2	1,805,051	1.32%
General Motors Co 6.125% 01/10/2025	Baa3	1,035,477	0.76%
Hp Enterprise Co Var 15/10/2025	Baa2	916,037	0.67%
Iac Financeco 2 Inc Cv 0.875% 15/06/2026	N.A.	1,789,693	1.31%
Ibm Corp 3% 15/05/2024	A3	1,392,745	1.02%
Jm Smucker Co 3.5% 15/03/2025	Baa2	978,588	0.71%
Kraft Heinz Foods Co 3% 01/06/2026	Baa3	939,697	0.69%
Marriott International 5.75% 01/05/2025	Baa2	1,021,429	0.74%
On Semiconductor Crop Cv 0% 01/05/2027	N.A.	2,655,390	1.94%
Oracle Corp 2.95% 15/05/2025	Baa2	1,359,183	0.99%
Starbucks Corp 3.8% 15/08/2025	Baa1	992,995	0.72%
T Mobile Usa Inc 3.5% 15/04/2025	Baa3	970,257	0.71%
Tsy Infl Ix Nb 0.125% I 15/10/2024	Aaa	5,933,917	4.33%
Tyson Foods Inc 3.95% 15/08/2024	Baa2	1,000,033	0.73%
United States Of America I 0.5% 15/04/2024	Aaa	1,150,771	0.84%
United States Of America I 0.625% 15/01/2024	Aaa	1,254,268	0.91%
Usa 0.125% 15/07/2024	Aaa	6,445,944	4.70%
Zillow Group Inc Cv 0.75% 01/09/2024	N.A.	2,511,061	1.83%
<b>Total*</b>		<b>137,134,332</b>	<b>100.00%</b>

\* Total Money Market assets market value of USD 57,077,035 (31 December 2021: USD 64,696,381) pledged as collateral with Morgan Stanley. Total Money Market assets market value of USD 1,078,098 (31 December 2021: USD nil) pledged as collateral with JP Morgan.

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**10. Financial instruments and associated risks (continued)**

**(c) Credit risk (continued)**

<b>KLS Ionic Relative Value Arbitrage Fund</b>		<b>31 December 2021</b>		
<b>Quality Diversification ( % of fund)</b>	<b>Rating</b>	<b>Market Value of Bonds</b>	<b>% of Investment held</b>	
			<b>USD</b>	
USA Government Bill 0% 03/02/2022	P1	19,999,742	8.63%	
USA Government Bill 0% 03/03/2022	P1	29,998,155	12.95%	
USA Government Bill 0% 06/01/2022	P1	25,999,951	11.22%	
USA Government Bill 0% 10/02/2022	P1	31,999,408	13.81%	
USA Government Bill 0% 10/03/2022	P1	34,997,596	15.10%	
USA Government Bill 0% 13/01/2022	P1	24,999,835	10.79%	
USA Government Bill 0% 24/02/2022	P1	29,999,240	12.95%	
USA Government Bill 0% 24/03/2022	P1	29,997,000	12.95%	
Novocure Ltd Cv 0% 01/11/2025	N.A.	1,384,297	0.60%	
3D Systems Corp 0% Conv 15/11/2026	N.A.	1,192,738	0.51%	
<b>Total</b>		<b>231,711,000</b>	<b>100.00%</b>	

**(d) Offsetting**

IFRS requires additional disclosures surrounding offsetting assets and liabilities to enable users of financial statements to evaluate the effect or potential effects of netting arrangements, including rights of set-off associated with the entities recognised financial assets and financial liabilities on the entities financial position.

The following table presents the Sub-Fund's financial instruments by counterparty net of amounts available for offset under a Master Netting Agreement ("MNA") and net of related collateral received by the ICAV as of 31 December 2022 and 31 December 2021:

**KLS Arete Macro Fund**

<b>Financial Assets at 31 December 2022 Counterparty</b>	<b>Derivative assets subject to a MNA by counterparty USD</b>	<b>Derivative available for offset USD</b>	<b>Cash collateral received USD</b>	<b>Net Amount USD</b>
Morgan Stanley	53,642,751	(51,609,934)	-	2,032,817
Merrill Lynch	10,063,218	(10,063,218)	-	-
Goldman Sachs	31,730,535	(31,730,535)	-	-
Société Générale S.A.	76,176	-	-	76,176
BNP	8,752,148	(8,752,148)	-	-
	<b>104,264,828</b>	<b>(61,673,152)</b>	<b>-</b>	<b>2,032,817</b>

<b>Financial Liabilities at 31 December 2022 Counterparty</b>	<b>Derivative liabilities subject to a MNA by counterparty USD</b>	<b>Derivative available for offset USD</b>	<b>Cash collateral pledged USD</b>	<b>Net Amount USD</b>
Morgan Stanley	(51,609,934)	51,609,934	-	-
Merrill Lynch	(22,696,531)	10,063,218	12,633,313	-
Goldman Sachs	(48,871,306)	31,730,535	17,140,771	-
BNP	(23,410,292)	8,752,148	14,658,144	-
	<b>(146,588,063)</b>	<b>102,155,835</b>	<b>44,432,228</b>	<b>-</b>

KEPLER LIQUID STRATEGIES ICAV

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

Notes to the Financial Statements (continued)

10. Financial instruments and associated risks (continued)

(d) Offsetting (continued)

**KLS Arete Macro Fund**

<b>Financial Assets at 31 December 2021 Counterparty</b>	<b>Derivative assets subject to a MNA by counterparty USD</b>	<b>Derivative available for offset USD</b>	<b>Cash collateral received USD</b>	<b>Net Amount USD</b>
Morgan Stanley	14,237,596	(11,397,235)	-	2,840,361
Merill Lynch	651,312	(651,312)	-	-
Goldman Sachs	16,132,321	(4,580,172)	-	11,552,149
	<b>31,021,229</b>	<b>(12,048,547)</b>	<b>-</b>	<b>2,840,361</b>

<b>Financial Liabilities at 31 December 2021 Counterparty</b>	<b>Derivative liabilities subject to a MNA by counterparty USD</b>	<b>Derivative available for offset USD</b>	<b>Cash collateral pledged USD</b>	<b>Net Amount USD</b>
Morgan Stanley	(11,397,235)	11,397,235	-	-
Merill Lynch	(6,065,046)	651,312	3,616,010	(1,797,724)
Goldman Sachs	(4,580,172)	4,580,172	-	-
	<b>(22,042,453)</b>	<b>16,628,719</b>	<b>3,616,010</b>	<b>(1,797,724)</b>

**KLS Ionic Relative Value Arbitrage Fund**

<b>Financial Assets at 31 December 2022 Counterparty</b>	<b>Derivative assets subject to a MNA by counterparty USD</b>	<b>Derivative available for offset USD</b>	<b>Cash collateral received USD</b>	<b>Net Amount USD</b>
Morgan Stanley	945,624	(16,221)	-	929,403
JP Morgan	67,093	(6,916)	-	60,177
Goldman Sachs	294,470	(294,470)	-	-
Société Générale S.A.	612,865	-	-	612,865
BNP	2,254	(2,254)	-	-
	<b>1,922,306</b>	<b>(319,861)</b>	<b>-</b>	<b>1,602,445</b>

<b>Financial Liabilities at 31 December 2022 Counterparty</b>	<b>Derivative liabilities subject to a MNA by counterparty USD</b>	<b>Derivative available for offset USD</b>	<b>Cash collateral pledged USD</b>	<b>Financial asset pledged USD</b>	<b>Net Amount USD</b>
Morgan Stanley	(16,221)	16,221	-	-	-
JP Morgan	(6,916)	6,916	-	-	-
Goldman Sachs	(518,738)	294,470	224,268	-	-
	<b>(541,875)</b>	<b>317,607</b>	<b>224,268</b>	<b>-</b>	<b>-</b>

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**10. Financial instruments and associated risks (continued)**

**(d) Offsetting (continued)**

**KLS Ionic Relative Value Arbitrage Fund**

<b>Financial Assets at 31 December 2021 Counterparty</b>	<b>Derivative assets subject to a MNA by counterparty USD</b>	<b>Derivative available for offset USD</b>	<b>Cash collateral received USD</b>	<b>Net Amount USD</b>
Morgan Stanley	45,572	(45,572)	-	-
JP Morgan	2,300,504	(169,498)	-	2,131,006
Credit Suisse	-	-	-	-
BNP Paribas	89,748	(89,748)	-	-
	<b>2,435,824</b>	<b>(304,818)</b>	<b>-</b>	<b>2,131,006</b>

<b>Financial Liabilities at 31 December 2021 Counterparty</b>	<b>Derivative liabilities subject to a MNA by counterparty USD</b>	<b>Derivative available for offset USD</b>	<b>Cash collateral pledged USD</b>	<b>Financial asset pledged USD</b>	<b>Net Amount USD</b>
Morgan Stanley	(104,192)	45,572	58,620	-	-
JP Morgan	(169,498)	169,498	-	-	-
BNP Paribas	(111,136)	89,748	21,388	-	-
Credit Suisse	(7,480,832)	-	7,060,249	420,583	-
	<b>(7,865,658)</b>	<b>304,818</b>	<b>7,140,257</b>	<b>420,583</b>	<b>-</b>

**(e) Capital risk management**

The Sub-Investment Manager manages the capital of the Sub-Fund in accordance with the ICAV's investment objectives and policies. The ICAV has no restrictions on specific capital requirements on the subscriptions and redemptions of shares.

**11. Fair Value Hierarchy**

IFRS 13 – Fair Value Measurement, establishes a three-tier fair value hierarchy that prioritises the inputs to valuation techniques to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurement) and lowest priority to unobservable inputs (Level 3 measurement). Investments measured and reported at fair value are classified and disclosed in one of the following fair value hierarchy levels based on the significance of the inputs used in measuring its fair value:

Level 1-Unadjusted quoted prices in active markets that are accessible at the measurement date for identical, unrestricted assets or liabilities;

Level 2-Quoted prices in markets that are not active or financial instruments for which all significant inputs are observable, either directly or indirectly. Fair value is determined through the use of models or other valuation methodologies;

Level 3-Prices or valuations that require inputs that are both significant to the fair value measurement and are unobservable. Unobservable inputs are developed based on the best information available in the circumstances and reflect the Sub-Fund's own assumptions about how market participants would be expected to value the asset or liability.

**KEPLER LIQUID STRATEGIES ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**11. Fair Value Hierarchy (continued)**

An investment is always categorised as Level 1, 2 or 3 in its entirety. In certain cases, the fair value measurement for an investment may use a number of different inputs that fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The majority of the ICAV's financial instruments are measured at fair value and it is usually possible to determine their fair values within a reasonable range of estimates. Fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties that may require significant judgement (e.g., interest rates, volatility, estimated cash flows etc.) Actual results could differ from these estimates.

In relation to assets and liabilities not measured at fair value, cash and cash equivalents have been classified as level 1 and all other assets and liabilities have been classified as level 2.

As there were no Level 3 securities held in the Sub-Fund during the financial year end 31 December 2022 and 31 December 2021, a table of movements in Level 3 investments is not required to be presented.

There were no transfers between levels during the financial year ended 31 December 2022.

**KLS Arete Macro Fund**

<b>As at 31 December 2022</b>	<b>Total USD</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>
<b>Current assets</b>			
Financial assets at fair value through profit or loss:			
- Equities	180,923,439	180,923,439	-
- Warrants	685,616	-	685,616
- Money market	336,165,241	336,165,241	-
- CFDs	422,265	-	422,265
- Interest Rate Swaps	251,973	-	251,973
- Options	14,243,690	-	14,243,690
- Futures	8,749,403	8,749,403	-
- Forward currency contracts	79,911,881	-	79,911,881
	<b>621,353,508</b>	<b>525,838,083</b>	<b>95,515,425</b>
<b>Current liabilities</b>			
Financial liabilities at fair value through profit or loss:			
- Options	(8,843,326)	-	(8,843,326)
- Futures	(10,288,001)	(10,288,001)	-
- Forward currency contracts	(121,219,804)	-	(121,219,804)
- CFDs	(6,231,775)	-	(6,231,775)
- Interest Rate Swaps	(5,157)	-	(5,157)
	<b>(146,588,063)</b>	<b>(10,288,001)</b>	<b>(136,300,062)</b>

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**11. Fair Value Hierarchy (continued)**

**KLS Arete Macro Fund**

<b>As at 31 December 2021</b>	<b>Total USD</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>
<b>Current assets</b>			
Financial assets at fair value through profit or loss:			
- Equities	50,899,077	50,899,077	-
- Warrants	147,503	-	147,503
- Money market	938,474,187	938,474,187	-
- CFDs	10,213	-	10,213
- Options	3,711,190	-	3,711,190
- Futures	6,418,748	6,418,748	-
- Forward currency contracts	20,881,078	-	20,881,078
	<u>1,020,541,996</u>	<u>995,792,012</u>	<u>24,749,984</u>
<b>Current liabilities</b>			
Financial liabilities at fair value through profit or loss:			
- Options	(1,857,728)	-	(1,857,728)
- Futures	(2,433,422)	(2,433,422)	-
- Forward currency contracts	(17,749,645)	-	(17,749,645)
- CFDs	(1,658)	-	(1,658)
	<u>(22,042,453)</u>	<u>(2,433,422)</u>	<u>(19,609,031)</u>

**KLS Ionic Relative Value Arbitrage Fund**

<b>As at 31 December 2022</b>	<b>Total USD</b>	<b>Level 1 USD</b>	<b>Level 2 USD</b>
<b>Current assets</b>			
Financial assets at fair value through profit or loss:			
- Equities	6,530,426	6,530,426	-
- Bonds	44,633,206	19,098,251	25,534,955
- Investment funds	5,418,720	1,872,082	3,546,638
- Warrants	612,865	-	612,865
- Money market	92,501,126	92,501,126	-
- CFDs	70,165	-	70,165
- Total Return Swap	944,806	-	944,806
- Forward currency contracts	294,470	-	294,470
	<u>151,005,784</u>	<u>120,001,885</u>	<u>31,003,899</u>
<b>Current liabilities</b>			
Financial liabilities at fair value through profit or loss:			
- CFDs	(23,137)	-	(23,137)
- Forward currency contracts	(518,738)	-	(518,738)
	<u>(541,875)</u>	<u>-</u>	<u>(541,875)</u>

**KEPLER LIQUID STRATEGIES ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**12. Distributions**

It is not the present intention of the Directors to declare or pay dividends (31 December 2021: None).

**13. Related party and connected person transactions**

The Directors, the Manager and the Investment Manager are related parties to the ICAV. Investment Manager Fees, Manager fees, Performance Fees and Directors' Fees are disclosed in Note 9.

Georg Reutter is head of research at Kepler Partners LLP and is an employee of the Investment Manager. Fees payable to the Directors and Investment Manager at the period end are included in accrued expenses in the Condensed Statement of Financial Position. The fees earned by the Directors and Investment Manager are disclosed in the Condensed Statement of Comprehensive Income. The Directors will seek to ensure any conflict of interest of which they are aware is resolved fairly.

Andrea Oman was an employee and shareholder of KB Associates which is part of the same economic group as the Manager and provides a range of services to the ICAV. During the period ended 31 December 2022, Director's fees charged amounted to EUR 6,114 (31 December 2021 EUR 7,500).

Una Bannon is an employee of KB Associates which is part of the same economic group as the Manager and provides a range of services to the ICAV. During the period ended 31 December 2022, Director's fees charged amounted to EUR 1,418.

The total KB Associates fees for the financial year ended 31 December 2022 amounted to EUR 69,531, of which EUR 7,749 was outstanding at 31 December 2022.

The Central Bank UCITS Regulations require that any transaction carried out with the ICAV by a manager or depositary; and the delegates or sub-delegates of a manager or depositary; and/or associated or group companies of these ("connected persons") are carried out as if conducted at arm's length and are in the best interests of the shareholders.

The Directors are satisfied that there are arrangements, evidenced by written procedures, in place to ensure that this requirement is applied to transactions with connected persons, and that transactions with connected persons during the period complied with this requirement.

Kepler Partners LLP is entitled to 3bps of NAV share class hedging fees.

**13. Soft Commission Arrangements**

There were no soft commission arrangements affecting the Company during the financial year ended 31 December 2022, or the financial year ended 31 December 2021.

**14. Significant events during the financial year**

An updated prospectus and supplement were issued for KLS Arete Macro Fund and KLS Ionic Relative Value Arbitrage Fund on 1 January 2022.

An updated supplement was issued for KLS Arete Macro Fund on 11 January 2022.

KLS Arete Macro Fund launched Class SI EUR (Distributing), Class SI GBP (Distributing) and Class SI USD on 15 November 2022.

On 28 October 2022, the Manager and Secretary became members of the Waystone Group and, on 12 December 2022, changed their address to 35 Shelbourne Road, 4th Floor, Ballsbridge, Dublin, D04 A4E, Ireland. As part of the change, the registered office of the ICAV also changed to the same address.

**KEPLER LIQUID STRATEGIES ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

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

**14. Significant events during the financial year (continued)**

An updated prospectus and supplement were issued for KLS Arete Macro Fund and KLS Ionic Relative Value Arbitrage Fund on 13 July 2022.

The Board of Directors conducted a search for an appropriate service provider and, following extensive due diligence, decided to appoint KBA Consulting Management Limited as UCITS management company for the ICAV on 13 July 2022.

Andrea Oman resigned as Director on 24 October 2022 and Una Bannon was appointed as Director on the same date.

There are no other significant events during the financial year which require disclosure in these financial statements.

**15. Subsequent Events**

An updated supplement was issued for KLS Arete Macro Fund on 24 February 2023 to reflect the Funds change from Article 6 to Article 8 under SFDR.

There are no other events subsequent to the financial year end which require disclosure in these financial statements.

**16. Approval of financial statements**

The Board of Directors approved and authorised for issue the financial statements on 26 April 2023.



**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Schedule of Investments of KLS Arete Macro Fund**

<u>Asset description</u>	<u>Strike</u>	<u>Counterparty</u>	<u>Maturity</u>	<u>Quantity</u>	<u>Ccy</u>	<u>Fair value USD</u>	<u>% TNA</u>
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>							
<i>CFD's</i>							
<i>Australia</i>							
Fortescue Metal		Merill Lynch		(4,556,081)	AUD	-	-
Rio Tinto Ltd		Merill Lynch		(124,667)	AUD	-	-
Rio Tinto Ltd		Morgan Stanley		(319,217)	AUD	-	-
Woodside Energy Group Ltd				20,388	AUD	-	-
						-	-
<i>Cayman Islands</i>							
Budweiser Brewing Company Apac Limited		Merill Lynch		(941,100)	HKD	-	-
Budweiser Brewing Company Apac Limited		Morgan Stanley		(133,000)	HKD	-	-
China Resources Land Ltd		Merill Lynch		(7,026,000)	HKD	-	-
AAC Technologies Holdings Inc.		Morgan Stanley		(150,000)	HKD	-	-
Jiumaojiu International Holdings Limited		Morgan Stanley		(162,000)	HKD	-	-
Li Ning Co Ltd		Merill Lynch		(16,000)	HKD	-	-
Li Ning Co Ltd		Société Générale S.A.		(818,500)	HKD	-	-
Meituan		Morgan Stanley		(29,000)	HKD	-	-
Sands China Ltd		Morgan Stanley		(126,000)	HKD	-	-
Shimao Group Holdings Ltd		Merill Lynch		(587,500)	HKD	-	-
JD Company Inc.		Morgan Stanley		(16,600)	HKD	-	-
Sunac China Holdings Ltd		Société Générale S.A.		(914,000)	HKD	-	-
Sunac China Holdings Ltd		Merill Lynch		183,000	HKD	-	-
Xtep International		Merill Lynch		(2,295,000)	HKD	-	-
China Resources Land Ltd		Goldman Sachs		(2,788,000)	HKD	89,251	0.01%
						89,251	0.01%
<i>China</i>							
China Merchants Bank-H		Morgan Stanley		(1,293,000)	HKD	-	-
Ping An Insurance Group Co-H		Merill Lynch		(10,447,000)	HKD	-	-
Tsingtao Brewery Co Ltd-H		Merill Lynch		(404,000)	HKD	-	-
Kweichow Moutai Usd		Morgan Stanley		(2,400)	USD	768	0.00%
China Internat-A Usd		Goldman Sachs		(94,300)	USD	3,777	0.00%
						4,545	0.00%
<i>France</i>							
Hermes International		Morgan Stanley		(16,461)	EUR	-	-
Hermes International		Merill Lynch		(4,780)	EUR	-	-
Lvmh Moet Hennessy Louis Vuitton Se		Morgan Stanley		(121,909)	EUR	-	-
Lvmh Moet Hennessy Louis Vuitton Se		Merill Lynch		(244)	EUR	-	-
Kering		Merill Lynch		(110,457)	EUR	-	-
Kering		Merill Lynch		(92)	EUR	-	-
						-	-

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Schedule of Investments of KLS Arete Macro Fund (continued)**

<u>Asset description</u>	<u>Strike</u>	<u>Counterparty</u>	<u>Maturity</u>	<u>Quantity</u>	<u>Ccy</u>	<u>Fair value USD</u>	<u>% TNA</u>
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>							
<i>CFD's (continued)</i>							
<i>Germany</i>							
Bayerische Motorenwerke		Morgan Stanley		(559,086)	EUR	-	-
Mercedes Benz Group Ag		Morgan Stanley		(736,785)	EUR	-	-
Volkswagen Ag		Morgan Stanley		(15,451)	EUR	-	-
						-	-
<i>Hong Kong</i>							
AIA Group Ltd -H-		Merill Lynch		(1,336,600)	HKD	-	-
Hang Seng Bank Ltd -H-		Merill Lynch		(159,300)	HKD	-	-
Techtronic Industries Co Ltd -H-		Morgan Stanley		(33,000)	HKD	-	-
China Overseas Land & Investment Ltd -H-		Merill Lynch		(10,972,000)	HKD	-	-
Boc Hong Kong Holdings Ltd -H-		Merill Lynch		(3,864,000)	HKD	-	-
GSXEINDU Index		Goldman Sachs		(8,000)	EUR	31,647	0.00%
China Overseas Land & Investment Ltd -H-		Goldman Sachs		(4,636,000)	HKD	296,822	0.02%
						328,469	0.02%
<i>Japan</i>							
Kawasaki Kisen Kaisha Ltd		Morgan Stanley		(36,600)	JPY	-	-
						-	-
<i>Switzerland</i>							
CIE Financiere Richemont Sa		Morgan Stanley		(474,617)	CHF	-	-
						-	-
<b>Total CFD's - 0.03% (2021: 0.00%)</b>						<b>422,265</b>	<b>0.03%</b>
<i>Money Market</i>							
USA Government Bill 0% 13/07/2023				30,000,000	USD	29,297,079	2.18%
USA Government Bill 0% 26/01/2023				30,000,000	USD	29,928,006	2.22%
USA Government Bill 0% 15/06/2023				40,000,000	USD	39,203,564	2.91%
USA Government Bill 0% 18/05/2023				40,000,000	USD	39,328,936	2.92%
USA Government Bill 0% 20/04/2023				40,000,000	USD	39,488,184	2.93%
USA Government Bill 0% 30/03/2023				40,000,000	USD	39,591,976	2.94%
USA Government Bill 0% 23/03/2023				40,000,000	USD	39,631,224	2.94%
USA Government Bill 0% 23/02/2023				40,000,000	USD	39,760,584	2.95%
USA Government Bill 0% 19/01/2023				40,000,000	USD	39,935,688	2.97%
<b>* Total Money Market - 24.96% (2021: 64.15%)</b>						<b>336,165,241</b>	<b>24.96%</b>

\*Includes assets pledged as collateral market value of USD 336,165,241 with Morgan Stanley.

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Schedule of Investments of KLS Arete Macro Fund (continued)**

<u>Asset description</u>	<u>Strike</u>	<u>Counterparty</u>	<u>Maturity</u>	<u>Quantity</u>	<u>Ccy</u>	<u>Fair value USD</u>	<u>% TNA</u>
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>							
<i>Exchange Traded Equities</i>							
<i>Australia</i>							
Beach Energy Ltd				535,988	AUD	582,874	0.04%
Santos				720,615	AUD	3,508,005	0.26%
Woodside Energy Group Ltd				173,548	AUD	4,193,455	0.31%
						8,284,334	0.61%
<i>Cayman Islands</i>							
Shimao Group Holdings Ltd				141,500	HKD	80,087	0.01%
RLX Technology Inc.				49,800	USD	114,540	0.01%
Pop Mart International Group Limited				58,600	HKD	148,725	0.01%
Li Auto Inc				16,600	HKD	163,249	0.01%
JD Company Inc.				7,300	HKD	205,837	0.02%
Hello Group Inc				29,000	USD	260,420	0.02%
Trip Com Group Ltd				10,000	HKD	350,347	0.03%
Weibo Corporation				20,750	USD	396,740	0.03%
Sunac China Holdings Ltd				732,000	HKD	429,298	0.03%
Sino Biopharmaceutical				784,000	HKD	458,791	0.03%
China Mengniu Dairy Co				122,000	HKD	553,026	0.04%
H World Group Limited				138,100	HKD	595,060	0.04%
Baidu Inc				62,300	HKD	891,094	0.07%
Li Ning Co Ltd				123,500	HKD	1,071,417	0.08%
Smooere International Holdings Limited				1,210,000	HKD	1,877,891	0.14%
ZTO Express Cayman Inc-Adr				205,200	USD	5,513,724	0.41%
New Oriental Education And Technology Group Inc				210,340	USD	7,324,039	0.54%
Tal Education Group				1,065,360	USD	7,510,788	0.56%
Alibaba Group Holding Ltd				826,520	HKD	9,128,403	0.68%
Trip.Com Group Limited				651,500	USD	22,411,600	1.67%
H World Group Limited				529,600	USD	22,465,632	1.67%
						81,950,708	6.10%
<i>China</i>							
BTG Hotels Group Co Ltd-A				25,882	CNY	93,045	0.01%
Pientzhuang A Share				3,700	CNY	154,715	0.01%
Sineng Elect Rg-A				21,600	CNY	184,235	0.01%
East Money Information Co Ltd A				100,000	CNY	281,221	0.02%
Zhejiang Dingli Machinery Co Ltd				51,044	CNY	354,056	0.03%
Jiugui Liquor Co Ltd -A-				18,800	CNY	375,918	0.03%
Zhuhai Gree Electric Appliances Inc				82,344	CNY	385,788	0.03%
Sichuan Swellfun A				41,950	CNY	513,361	0.04%

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Schedule of Investments of KLS Arete Macro Fund (continued)**

Asset description	Strike	Counterparty	Maturity	Quantity	Ccy	Fair value USD	% TNA
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>							
<i>Exchange Traded Equities (continued)</i>							
<i>China (continued)</i>							
Kweichow Moutai Co Ltd -A-				2,100	CNY	525,723	0.04%
EVE Enrgy Co Ltd				41,416	CNY	527,719	0.04%
Jonjee High-Tech Industria-A				111,690	CNY	596,943	0.04%
China Oilfield Services-H				510,000	HKD	619,753	0.05%
Contemporary Amperex Technology Co Ltd				12,500	CNY	712,872	0.05%
ZHJ Leapmotor Technology Co Ltd				203,900	HKD	788,509	0.06%
Wuhan Raycus Fiber Laser Technologies Co Ltd				242,947	CNY	832,891	0.06%
Weichai Power -A-				578,356	CNY	853,470	0.06%
Jiangsu Hengli Hydraulic Co Ltd				109,513	CNY	1,002,500	0.07%
Hefei Meiya Optoelectronic Technology Inc				332,861	CNY	1,153,204	0.09%
China Mercht Bk -A-				222,610	CNY	1,202,355	0.09%
Hongfa Technology Co Ltd -A-				302,649	CNY	1,465,754	0.11%
Wuhan Jingce Electronic Group Co Ltd				210,314	CNY	1,530,443	0.11%
Zhejiang Sanhua Intelligent Co Shs -A-				591,863	CNY	1,820,589	0.14%
Shenzhen Inovance Technology Co Ltd				191,599	CNY	1,930,294	0.14%
Sungrow Power Supply Co Ltd				120,070	CNY	1,945,905	0.14%
Petrochina Co Ltd-H				4,296,000	HKD	1,963,879	0.15%
Luzhou Lao Jiao A				61,100	CNY	1,986,447	0.15%
Imeik Technology Development Co Ltd				24,900	CNY	2,044,229	0.15%
Foshan Haitan Flavouring And Food Company Ltd				192,592	CNY	2,222,269	0.17%
Aier Eye Hospital Group Co Ltd				497,606	CNY	2,241,157	0.17%
Longi Green Energy Technology Co Ltd				553,094	CNY	3,388,237	0.25%
Shangai Jin Jang International Hotels Co Ltd				566,070	CNY	4,788,024	0.36%
BYD Co Ltd-H				252,300	HKD	6,222,370	0.46%
Inner Mongolia Yili Industrial Group Co Ltd				1,758,600	CNY	7,902,675	0.59%
Shanghai Fosun Pharmaceuti-H				3,287,000	HKD	10,522,575	0.78%
Ping An Insurance Group Co-A				1,634,379	CNY	11,135,147	0.83%
						74,268,272	5.50%
<i>Hong Kong</i>							
Galaxy Entertainment Group L -H-				337,000	HKD	2,226,701	0.17%
China Resources Beer Holding Company Ltd Shs -H-				388,000	HKD	2,710,247	0.20%
						4,936,948	0.37%
<i>Sweden</i>							
Oriental Land				5,800	JPY	847,626	0.06%
Inpex Corporation				589,800	JPY	6,280,163	0.47%
						7,127,789	0.53%

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Schedule of Investments of KLS Arete Macro Fund (continued)**

Asset description	Strike	Counterparty	Maturity	Quantity	Ccy	Fair value USD	% TNA
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>							
<i>Exchange Traded Equities (continued)</i>							
<i>United States</i>							
Yum China Holdng Hkd				33,050	HKD	1,857,883	0.14%
Yum China Holdings Inc				45,700	USD	2,497,505	0.19%
						4,355,388	0.32%
<b>Total Equities - 13.43% (2021: 3.39%)</b>						<b>180,923,439</b>	<b>13.43%</b>
<i>Futures</i>							
Euro Fx 0323		Merill Lynch	15/03/2023	94	USD	48,069	0.00%
3 Month Sofr Fu 0323		Morgan Stanley	15/03/2023	(714)	USD	148,188	0.01%
Euro Fx 0323		Merill Lynch	15/03/2023	240	USD	186,510	0.01%
Dollar Inde 0323		Morgan Stanley	15/03/2023	(3,676)	USD	271,715	0.02%
3 Month Sofr Fu 0623		Morgan Stanley	21/06/2023	(709)	USD	542,873	0.04%
3 Month Sofr Fu 0923		Morgan Stanley	20/09/2023	(714)	USD	658,627	0.05%
USD/CNH 0323		Morgan Stanley	13/03/2023	(3,669)	CNH	1,060,203	0.08%
Us Ultra Bo 0323		Morgan Stanley	31/03/2023	(919)	USD	2,529,634	0.19%
Us 10 Yr Note F 0323		Morgan Stanley	31/03/2023	(3,268)	USD	3,303,584	0.25%
<b>Total Futures - 0.65% (2021: 0.44%)</b>						<b>8,749,403</b>	<b>0.65%</b>
<i>Options</i>							
Xuci/202308/C/7.	7	Goldman Sachs	29/08/2023	1,500,000	USD	18,125	0.00%
Xucn/202309/C/7.2	7	Morgan Stanley	07/09/2023	5,800,000	USD	43,549	0.00%
Cnuy/202309/C/7.6	8	BNP	27/09/2023	890,000	USD	57,461	0.00%
Cnux/202311/C/7.5	8	Merill Lynch	01/11/2023	890,000	USD	64,181	0.00%
Xuci/202309/C/7.	7	Merill Lynch	05/09/2023	5,800,000	USD	71,034	0.01%
Cnuy/202310/C/7.4	7	Merill Lynch	19/10/2023	890,000	USD	78,245	0.01%
Cnux/202310/C/7.3	7	Morgan Stanley	19/10/2023	890,000	USD	101,061	0.01%
Xdcj/202309/C/7.2	7	Morgan Stanley	21/09/2023	17,500,000	USD	137,175	0.01%
Xucn/202308/C/7.	7	Goldman Sachs	29/08/2023	20,600,000	USD	248,919	0.02%
Xuci/202309/C/7.2	7	Merill Lynch	21/09/2023	40,700,000	USD	317,585	0.02%
Xdci/202309/C/7.2	7	Goldman Sachs	21/09/2023	40,700,000	USD	318,854	0.02%
Xucn/202309/C/7.2	7	Morgan Stanley	21/09/2023	40,700,000	USD	319,031	0.02%
Xdch/202309/C/7.2	7	BNP	07/09/2023	40,700,000	USD	355,076	0.03%
Xdch/202309/C/7.2	7	BNP	21/09/2023	40,700,000	USD	369,490	0.03%
Xucn/202309/C/7.	7	Morgan Stanley	05/09/2023	40,700,000	USD	500,468	0.04%

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Schedule of Investments of KLS Arete Macro Fund (continued)**

Asset description	Strike	Counterparty	Maturity	Quantity	Ccy	Fair value	% TNA
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>							
<i>Options (continued)</i>							
Cnhx/202309/C/7.6	8	BNP	29/09/2023	8,140,000	USD	525,542	0.04%
Chi1/202309/P/25.435	25	Morgan Stanley	28/09/2023	3,052,500	HKD	543,434	0.04%
Cnhh/202311/C/7.5	8	Morgan Stanley	01/11/2023	8,140,000	USD	609,157	0.05%
Cnua/202310/C/7.4	7	Merill Lynch	19/10/2023	8,140,000	USD	715,630	0.05%
Chi1/202311/P/30.68	31	Morgan Stanley	29/11/2023	1,913,401	HKD	807,316	0.06%
Xuc3/202309/C/7.2	7	Morgan Stanley	21/09/2023	5,900,000	USD	827,350	0.06%
Mses/202307/P/174.06	174	Morgan Stanley	21/07/2023	131,762	EUR	846,010	0.06%
68H1/202311/P/18.44	18	Morgan Stanley	29/11/2023	3,181,227	HKD	896,189	0.07%
Cnuy/202307/C/7.	7	Morgan Stanley	24/07/2023	3,800,000	USD	899,702	0.07%
Cnux/202307/C/7.	7	Goldman Sachs	26/07/2023	3,800,000	USD	902,336	0.07%
Cnua/202310/C/7.3	7	Morgan Stanley	19/10/2023	8,140,000	USD	924,309	0.07%
Cnua/202307/C/7.	7	Morgan Stanley	24/07/2023	4,600,000	USD	1,089,114	0.08%
Xucn/202307/C/7.	7	Morgan Stanley	24/07/2023	7,000,000	USD	1,657,347	0.12%
<b>Total Options - 1.06% (2021: 0.22%)</b>						<b>14,243,690</b>	<b>1.06%</b>
<i>Warrants</i>							
CSI 500 Net Total Retrutn			00/01/1900	24,011	USD	68,836	0.01%
Compagnie Financiere Richemont Sa			22/11/2023	91,476	CHF	76,176	0.01%
CSI 500 Net Total Retrutn			00/01/1900	(24,887)	USD	540,604	0.04%
<b>Total Warrants - 0.06% (2021: 0.00%)</b>						<b>685,616</b>	<b>0.06%</b>

Interest Rate Swaps	Ccy	Broker	Notional	Maturity date	Fixed interest rate	Floating interest	Fair value	% TNA
						3m ACT/365 FIXED ISDA vs 1w CNY-Repo Rate		
CNY NDIRS @ 2.3685%	CNY	Goldman Sachs	599,140,000	21/12/2023	2.3685%	ACT/365 FIXED ISDA 1w CNY-Repo Rate	93,065	0.01%
CNY NDIRS @ 2.3525%	CNY	Goldman Sachs	589,300,000	15/03/2024	2.3525%	ACT/365 FIXED ISDA 1w CNY-Repo Rate	78,231	0.01%
CNY NDIRS @ 2.3085%	CNY	Goldman Sachs	607,800,000	15/03/2024	2.3085%	ACT/365 FIXED ISDA	42,952	0.00%
CNY NDIRS @2.3125%	CNY	Morgan Stanley	602,360,000	15/03/2024	2.3125%	2.0875%	37,288	0.00%
						USD -12,000,000.00 USD- SOFR-OIS Compound		
CROSS CCY	CNH	BNP	83,280,000	20/09/2024	2.7950%	0.000000 BP 3M ACT/360	437	0.00%
							<b>251,973</b>	<b>0.02%</b>

KEPLER LIQUID STRATEGIES ICAV

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

Schedule of Investments of KLS Arete Macro Fund (continued)

Asset description	Counterparty	Maturity	Fair value	% TNA
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
<i>Forward foreign currency contracts</i>				
Buy	Counterparty	Maturity	Fair value USD	% of TNA
Sell USD 371,742 Buy EUR 349,740	Goldman Sachs	03/01/2023	2,585	0.00%
Buy USD 836,400 Sell SEK 8,658,367	Goldman Sachs	15/03/2023	2,610	0.00%
Sell USD 3,480,356 Buy GBP 2,887,349	Goldman Sachs	03/01/2023	11,939	0.00%
Sell HKD 116,835,000 Buy USD 15,000,000	Goldman Sachs	15/03/2023	15,911	0.00%
Sell USD 5,000,000 Buy HKD 39,115,000	Goldman Sachs	15/03/2023	16,499	0.00%
Buy USD 5,727,359 Sell GBP 4,706,504	Goldman Sachs	15/03/2023	24,676	0.00%
Buy HKD 78,183,000 Sell USD 10,000,000	Goldman Sachs	15/03/2023	26,970	0.00%
Sell USD 8,000,000 Buy HKD 62,590,400	Morgan Stanley	18/05/2023	27,219	0.00%
Sell USD 9,860,677 Buy CHF 9,074,880	Goldman Sachs	15/03/2023	28,814	0.00%
Sell USD 75,000,000 Buy HKD 585,086,850	Goldman Sachs	15/03/2023	37,389	0.00%
Sell USD 37,000,000 Buy HKD 288,855,300	Goldman Sachs	15/03/2023	45,692	0.00%
Buy CNH 562,482,140 Sell USD 81,400,000	Goldman Sachs	06/02/2023	51,914	0.00%
Buy HKD 289,185,562 Sell USD 37,000,000	Morgan Stanley	15/02/2023	59,130	0.00%
Sell USD 38,000,000 Buy HKD 296,795,200	Goldman Sachs	15/03/2023	63,984	0.00%
Sell HKD 584,160,000 Buy USD 75,000,000	Goldman Sachs	15/03/2023	81,480	0.01%
Buy USD 14,000,000 Sell CNH 94,687,418	Merill Lynch	24/08/2023	87,578	0.01%
Sell CNH 143,634,080 Buy USD 21,160,000	Morgan Stanley	26/07/2023	95,488	0.01%
Buy HKD 351,517,500 Sell USD 45,000,000	Goldman Sachs	21/06/2023	117,271	0.01%
Buy HKD 331,271,200 Sell USD 42,400,000	Merill Lynch	21/06/2023	118,659	0.01%
Buy USD 19,500,000 Sell CNH 131,901,900	Goldman Sachs	24/08/2023	119,654	0.01%
Buy USD 37,500,000 Sell CNH 254,396,250	Goldman Sachs	24/08/2023	121,559	0.01%
Buy HKD 351,598,500 Sell USD 45,000,000	Goldman Sachs	21/06/2023	127,667	0.01%
Sell USD 45,000,000 Buy HKD 351,724,500	Goldman Sachs	21/06/2023	143,840	0.01%
Sell CNH 21,473,430 Buy USD 3,300,000	Morgan Stanley	01/03/2023	184,678	0.01%
Buy USD 3,000,000 Sell CNH 19,281,000	Morgan Stanley	01/03/2023	202,751	0.02%
Buy CNH 177,253,648 Sell USD 26,000,000	Morgan Stanley	13/12/2023	211,029	0.02%
Sell USD 14,400,000 Buy CNH 100,937,102	Morgan Stanley	06/02/2023	216,500	0.02%
Sell USD 26,000,000 Buy CNH 177,304,764	Morgan Stanley	13/12/2023	218,587	0.02%
Buy USD 3,400,000 Sell CNH 21,843,640	Morgan Stanley	01/03/2023	230,968	0.02%
Buy CNH 125,683,470 Sell USD 18,000,000	Merill Lynch	15/03/2023	253,764	0.02%
Buy USD 75,000,000 Sell HKD 582,798,750	Goldman Sachs	15/03/2023	256,060	0.02%
Sell USD 26,400,000 Buy CNH 181,351,236	Morgan Stanley	01/09/2023	259,720	0.02%
Buy CNH 139,090,340 Sell USD 20,000,000	Morgan Stanley	25/04/2023	263,307	0.02%
Sell USD 20,000,000 Buy CNH 139,537,800	Merill Lynch	15/03/2023	265,912	0.02%
Buy CNH 139,577,660 Sell USD 20,000,000	Merill Lynch	15/03/2023	271,701	0.02%
Buy CNH 142,609,685 Sell USD 20,500,000	Morgan Stanley	25/04/2023	276,021	0.02%
Sell USD 20,600,000 Buy CNH 143,822,835	Morgan Stanley	15/03/2023	288,253	0.02%
Sell USD 21,700,000 Buy CNH 151,985,281	Merill Lynch	30/01/2023	298,426	0.02%

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Schedule of Investments of KLS Arete Macro Fund (continued)**

Asset description	Counterparty	Maturity	Fair value	% TNA
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
<i>Forward foreign currency contracts</i>				
Sell USD 32,000,000 Buy CNH 218,496,000	Morgan Stanley	13/12/2023	309,659	0.02%
Buy USD 20,000,000 Sell CNH 134,884,000	Goldman Sachs	11/05/2023	326,224	0.02%
Sell CNH 373,102,380 Buy USD 55,400,000	Goldman Sachs	06/11/2023	335,126	0.02%
Sell USD 105,000,000 Buy HKD 822,097,500	Merill Lynch	15/02/2023	351,795	0.03%
Buy HKD 828,496,334 Sell USD 105,900,000	Morgan Stanley	18/05/2023	354,655	0.03%
Buy CNH 361,537,200 Sell USD 52,200,000	Merill Lynch	29/03/2023	364,255	0.03%
Buy USD 46,000,000 Sell CNH 312,846,000	Morgan Stanley	11/05/2023	369,221	0.03%
Sell CNH 248,314,400 Buy USD 37,000,000	Morgan Stanley	27/10/2023	371,267	0.03%
Sell USD 29,000,000 Buy CNH 203,427,315	Morgan Stanley	11/01/2023	403,282	0.03%
Sell USD 56,980,000 Buy CNH 395,184,790	Goldman Sachs	14/03/2023	410,711	0.03%
Sell USD 81,400,000 Buy CNH 563,410,100	Goldman Sachs	14/03/2023	421,232	0.03%
Buy USD 66,000,000 Sell CNH 446,325,000	Merill Lynch	24/08/2023	421,468	0.03%
Buy CNH 282,837,690 Sell USD 40,700,000	Goldman Sachs	29/03/2023	422,055	0.03%
Buy USD 73,600,000 Sell CNH 495,806,400	Morgan Stanley	06/11/2023	425,669	0.03%
Sell USD 48,000,000 Buy CNH 327,758,400	Goldman Sachs	13/12/2023	466,618	0.03%
Buy CNH 556,206,200 Sell USD 81,400,000	Goldman Sachs	21/09/2023	471,884	0.04%
Buy CNH 390,313,000 Sell USD 56,980,000	BNP	21/09/2023	472,903	0.04%
Sell CNH 285,012,000 Buy USD 42,000,000	Goldman Sachs	25/04/2023	478,169	0.04%
Sell USD 81,400,000 Buy CNH 563,817,100	Goldman Sachs	14/03/2023	480,338	0.04%
Buy USD 54,500,000 Sell CNH 366,065,600	Goldman Sachs	27/10/2023	501,846	0.04%
Buy USD 15,700,000 Sell CNH 104,302,950	Morgan Stanley	25/04/2023	504,677	0.04%
Sell USD 9,600,000 Buy JPY 1,321,371,840	Morgan Stanley	30/01/2023	511,851	0.04%
Sell USD 73,260,000 Buy CNH 508,050,774	BNP	14/03/2023	521,674	0.04%
Sell CNH 103,459,200 Buy USD 15,600,000	Goldman Sachs	25/04/2023	527,598	0.04%
Sell USD 89,000,000 Buy CNH 616,547,500	Goldman Sachs	14/03/2023	538,111	0.04%
Buy CNH 556,662,040 Sell USD 81,400,000	Goldman Sachs	21/09/2023	538,982	0.04%
Buy CNY 207,339,000 Sell USD 30,000,000	Goldman Sachs	02/11/2023	546,654	0.04%
Sell USD 81,400,000 Buy CNH 564,500,860	BNP	14/03/2023	579,637	0.04%
Buy CNH 501,831,000 Sell USD 73,260,000	BNP	21/09/2023	608,018	0.05%
Buy CNH 608,849,000 Sell USD 89,000,000	Goldman Sachs	21/09/2023	620,746	0.05%
Sell USD 89,000,000 Buy CNH 617,206,100	BNP	14/03/2023	633,756	0.05%
Buy USD 15,700,000 Sell CNH 103,196,100	Goldman Sachs	25/04/2023	665,928	0.05%
Buy CNH 557,590,000 Sell USD 81,400,000	BNP	21/09/2023	675,575	0.05%
Buy USD 15,700,000 Sell CNH 103,078,350	Morgan Stanley	25/04/2023	683,082	0.05%
Sell CNH 274,700,000 Buy USD 41,000,000	Merill Lynch	28/07/2023	709,064	0.05%
Buy CNH 609,650,000 Sell USD 89,000,000	BNP	21/09/2023	738,651	0.05%
Buy USD 15,700,000 Sell CNH 102,591,650	Morgan Stanley	25/04/2023	753,987	0.06%
Buy USD 15,700,000 Sell CNH 102,395,400	Morgan Stanley	25/04/2023	782,577	0.06%



**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Schedule of Investments of KLS Arete Macro Fund (continued)**

Asset description	Counterparty	Maturity	Fair value	% TNA
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>				
<i>Forward foreign currency contracts</i>				
Buy USD 15,700,000 Sell CNH 102,309,050	Goldman Sachs	25/04/2023	795,157	0.06%
Buy USD 15,700,000 Sell CNH 102,293,350	Morgan Stanley	25/04/2023	797,444	0.06%
Sell CNH 248,048,000 Buy USD 37,000,000	Morgan Stanley	27/04/2023	857,918	0.06%
Buy USD 27,000,000 Sell CNH 178,254,000	Morgan Stanley	21/07/2023	866,805	0.06%
Sell USD 218,505,800 Buy CNH 1,510,967,607	Merill Lynch	14/03/2023	924,471	0.07%
Buy USD 37,000,000 Sell CNH 248,325,500	Morgan Stanley	15/03/2023	934,198	0.07%
Sell CNH 373,307,360 Buy USD 55,400,000	Goldman Sachs	05/05/2023	974,587	0.07%
Sell USD 36,000,000 Buy CNY 251,856,000	Goldman Sachs	26/09/2023	1,029,065	0.08%
Buy CNY 251,730,000 Sell USD 36,000,000	Morgan Stanley	16/10/2023	1,051,648	0.08%
Buy USD 73,600,000 Sell CNH 497,256,320	Morgan Stanley	05/05/2023	1,103,758	0.08%
Buy CNH 619,217,500 Sell USD 89,000,000	Goldman Sachs	25/04/2023	1,210,392	0.09%
Buy CNH 1,634,651,510 Sell USD 239,323,530	Merill Lynch	21/09/2023	1,292,268	0.10%
Buy USD 37,000,000 Sell CNH 245,698,500	Merill Lynch	15/03/2023	1,315,733	0.10%
Buy USD 37,000,000 Sell CNH 245,513,611	Goldman Sachs	15/03/2023	1,342,585	0.10%
Sell CNH 364,817,550 Buy USD 54,500,000	Goldman Sachs	27/04/2023	1,343,894	0.10%
Sell USD 198,676,833 Buy EUR 186,117,965	Goldman Sachs	15/03/2023	1,514,442	0.11%
Buy USD 29,000,000 Sell CNH 189,051,000	Morgan Stanley	11/01/2023	1,674,663	0.12%
Buy CNH 294,668,000 Sell USD 40,700,000	Merill Lynch	30/01/2023	1,950,394	0.14%
Sell USD 81,400,000 Buy CNY 567,846,400	Morgan Stanley	26/09/2023	2,087,475	0.16%
Sell USD 51,111,261 Buy JPY 6,921,326,671	Goldman Sachs	15/03/2023	2,177,902	0.16%
Buy CNH 296,825,100 Sell USD 40,700,000	BNP	30/01/2023	2,262,613	0.17%
Sell USD 40,700,000 Buy CNH 296,869,870	Goldman Sachs	30/01/2023	2,269,093	0.17%
Buy CNH 585,876,360 Sell USD 82,400,000	Goldman Sachs	28/02/2023	2,590,740	0.19%
Sell USD 81,400,000 Buy CNY 570,939,600	Morgan Stanley	12/10/2023	2,616,788	0.19%
Sell USD 81,400,000 Buy CNY 572,421,080	Goldman Sachs	28/09/2023	2,769,397	0.21%
Sell USD 60,400,000 Buy CNY 430,029,880	Goldman Sachs	02/11/2023	2,955,055	0.22%
Buy CNY 573,800,810 Sell USD 81,400,000	Morgan Stanley	16/10/2023	3,056,622	0.23%
Buy CNY 578,794,700 Sell USD 81,400,000	Morgan Stanley	26/10/2023	3,839,009	0.29%
Buy CNH 705,242,640 Sell USD 98,400,000	Morgan Stanley	28/02/2023	3,906,729	0.29%
Buy CNY 580,626,200 Sell USD 81,400,000	Morgan Stanley	28/09/2023	3,975,887	0.30%
<i>Total Forward foreign currency contracts - 5.94% (2021: 1.43%)</i>			<b>79,911,881</b>	<b>5.94%</b>
<i>Total financial assets at fair value through profit and loss - (46.15%) (2021: (69.64%))</i>			<b>621,353,508</b>	<b>46.15%</b>

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Schedule of Investments of KLS Arete Macro Fund (continued)**

<u>Asset description</u>	<u>Counterparty</u>	<u>Maturity</u>	<u>Quantity</u>	<u>Ccy</u>	<u>Fair value</u>	<u>% TNA</u>
<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>						
<b>CFD's</b>						
<i>China</i>						
Dr Corporation Limited USD	Morgan Stanley		25,000	USD	(234)	(0.00%)
China Internat-A USD	Morgan Stanley		(65,100)	USD	(512)	(0.00%)
Contemporary Ampere Technology Co Ltd USD	Morgan Stanley		(49,200)	USD	(702)	(0.00%)
Kweichow Moutai USD	Morgan Stanley		(34,300)	USD	(2,147)	(0.00%)
Spring Airline-A	Morgan Stanley		267,625	USD	(2,557)	(0.00%)
China Internat-A USD	Goldman Sachs		(40,700)	USD	(140,670)	(0.01%)
					(146,822)	(0.01%)
<i>Hong Kong</i>						
GSXACLIG	Goldman Sachs		16,036	USD	(49,748)	(0.00%)
Hang Seng Bank Ltd -H-	Goldman Sachs		(655,800)	HKD	(806,167)	(0.06%)
Boc Hong Kong Holdings Ltd -H-	Goldman Sachs		(5,415,000)	HKD	(1,282,781)	(0.10%)
AIA Group Ltd -H-	Goldman Sachs		(3,713,000)	HKD	(3,946,257)	(0.29%)
					(6,084,953)	(0.45%)
<b>Total CFD's - (0.46%) (2021: 0.00%)</b>					<b>(6,231,775)</b>	<b>(0.46%)</b>

<u>Asset description</u>	<u>Strike</u>	<u>Counterparty</u>	<u>Maturity</u>	<u>Quantity</u>	<u>Ccy</u>	<u>Fair value</u>	<u>% TNA</u>
<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>							
<b>Futures</b>							
Ftse China 0123		Morgan Stanley	30/01/2023	3,444	USD	(247,444)	(0.02%)
Hang Seng I 0123		Morgan Stanley	30/01/2023	249	HKD	(312,294)	(0.02%)
Msci China 0123		Morgan Stanley	20/01/2023	774	USD	(516,900)	(0.04%)
S&P 500 Emini 0323		Morgan Stanley	17/03/2023	245	USD	(624,250)	(0.05%)
Hstech Futu 0123		Morgan Stanley	30/01/2023	1,785	HKD	(663,578)	(0.05%)
Dow Jones M 0323		Morgan Stanley	17/03/2023	828	USD	(755,929)	(0.06%)
Hscai Futures 0123		Morgan Stanley	30/01/2023	2,243	HKD	(814,989)	(0.06%)
Hang Seng I 0123		Morgan Stanley	30/01/2023	1,222	HKD	(830,455)	(0.06%)
Hscai Futures 0123		Morgan Stanley	30/01/2023	2,490	HKD	(868,485)	(0.06%)
USA 5 Yr Not 0323		Morgan Stanley	31/03/2023	3,027	USD	(1,156,846)	(0.09%)
Euro Stoxx 0323		Morgan Stanley	17/03/2023	10,055	EUR	(3,496,831)	(0.26%)
<b>Total Futures - (0.77%) (2021: (0.10%))</b>						<b>(10,288,001)</b>	<b>(0.77%)</b>

KEPLER LIQUID STRATEGIES ICAV

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

Schedule of Investments of KLS Arete Macro Fund as at 31 December 2022 (continued)

Asset description	Strike	Counterparty	Maturity	Quantity	Ccy	Fair value	% TNA
FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS							
<i>Options</i>							
Xucn/202302/C/7.2		7 Morgan Stanley	01/02/2023	(83,300,000)	USD	(69,368)	(0.01%)
Xucn/202302/C/7.2		7 Morgan Stanley	03/02/2023	(83,300,000)	USD	(80,473)	(0.01%)
Hc1/202301/P/5500.	5,500	Morgan Stanley	20/01/2023	89	HKD	(88,147)	(0.01%)
Xuc1/202302/C/7.2		7 Merrill Lynch	08/02/2023	(83,300,000)	USD	(90,456)	(0.01%)
Hc1/202301/P/5600.	5,600	Morgan Stanley	20/01/2023	90	HKD	(106,405)	(0.01%)
Xucn/202302/C/7.2		7 Morgan Stanley	15/02/2023	(83,300,000)	USD	(118,001)	(0.01%)
Hc1/202301/P/5700.	5,700	Morgan Stanley	20/01/2023	89	HKD	(124,893)	(0.01%)
Hc1/202301/P/5800.	5,800	Morgan Stanley	20/01/2023	91	HKD	(150,142)	(0.01%)
Hc1/202301/P/5900.	5,900	Morgan Stanley	20/01/2023	90	HKD	(174,234)	(0.01%)
Hi1/202301/P/17000.	17,000	Morgan Stanley	20/01/2023	85	HKD	(347,450)	(0.03%)
Hc1/202301/C/7100.	7,100	Morgan Stanley	20/01/2023	623	HKD	(401,774)	(0.03%)
Xucn/202302/P/6.98		7 Merrill Lynch	03/02/2023	(83,000,000)	USD	(402,998)	(0.03%)
Hi1/202301/P/17100.	17,100	Morgan Stanley	20/01/2023	92	HKD	(407,809)	(0.03%)
Hi1/202301/P/17200.	17,200	Morgan Stanley	20/01/2023	92	HKD	(433,261)	(0.03%)
Hc1/202301/C/7000.	7,000	Morgan Stanley	20/01/2023	623	HKD	(434,274)	(0.03%)
Hi1/202301/C/20200.	20,200	Morgan Stanley	20/01/2023	374	HKD	(456,539)	(0.03%)
Hi1/202301/C/20000.	20,000	Morgan Stanley	20/01/2023	374	HKD	(458,290)	(0.03%)
Hi1/202301/P/17300.	17,300	Morgan Stanley	20/01/2023	92	HKD	(460,105)	(0.03%)
Mses/202307/P/154.72	155	Morgan Stanley	21/07/2023	(131,762)	EUR	(460,525)	(0.03%)
Hi1/202301/C/19900.	19,900	Morgan Stanley	20/01/2023	374	HKD	(461,671)	(0.03%)
Hc1/202301/C/6900.	6,900	Morgan Stanley	20/01/2023	623	HKD	(463,764)	(0.03%)
Hi1/202301/P/17400.	17,400	Morgan Stanley	20/01/2023	90	HKD	(476,915)	(0.04%)
Xdch/202302/P/6.98		7 BNP	03/02/2023	(83,000,000)	USD	(644,343)	(0.05%)
Chi2/202309/C/38.153		38 Morgan Stanley	28/09/2023	(3,052,500)	HKD	(1,531,489)	(0.11%)
<b>Total Options - (0.67%) (2021: (0.11%))</b>						<b>(8,843,326)</b>	<b>(0.67%)</b>

Description	Ccy	Broker	Notional	Maturity date	Fixed interest rate	Floating interest	Fair value	% TNA
USD-SOFR-OIS 2.82%	CNH	Merrill Lynch	574,358,400	20/09/2024	2.8200%	USD-SOFR-OIS Compound, ACT/360, 3M	(5,157)	(0.00%)
<b>Total Interest rate swap - (0.00%) (2021: (0.00%))</b>							<b>(5,157)</b>	<b>(0.00%)</b>

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Schedule of Investments of KLS Arete Macro Fund as at 31 December 2022 (continued)**

**FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**

*Forward foreign currency contracts*

<b>Buy</b>	<b>Counterparty</b>	<b>Maturity</b>	<b>Fair value USD % of TNA</b>	
Sell CHF 76,274 Buy USD 82,804	Goldman Sachs	15/03/2023	(317)	(0.00%)
Sell EUR 1,193,599 Buy USD 1,273,458	Goldman Sachs	15/03/2023	(10,395)	(0.00%)
Buy USD 265,587 Sell JPY 35,981,087	Goldman Sachs	15/03/2023	(11,441)	(0.00%)
Buy USD 6,000,000 Sell CNH 41,262,000	Goldman Sachs	26/10/2023	(86,207)	(0.01%)
Sell CNH 17,200,284 Buy USD 2,400,000	Morgan Stanley	30/01/2023	(89,578)	(0.01%)
Sell CNH 17,238,156 Buy USD 2,400,000	Morgan Stanley	30/01/2023	(95,059)	(0.01%)
Sell CNH 41,591,706 Buy USD 6,000,000	Merill Lynch	28/07/2023	(100,360)	(0.01%)
Sell USD 21,160,000 Buy CNH 143,511,352	Morgan Stanley	26/07/2023	(113,486)	(0.01%)
Sell HKD 331,254,240 Buy USD 42,400,000	Merill Lynch	21/06/2023	(116,482)	(0.01%)
Sell USD 33,000,000 Buy HKD 256,515,402	Morgan Stanley	15/02/2023	(127,551)	(0.01%)
Buy USD 45,000,000 Sell HKD 351,634,500	Morgan Stanley	21/06/2023	(132,288)	(0.01%)
Sell USD 49,000,000 Buy HKD 381,171,000	Merill Lynch	15/02/2023	(152,936)	(0.01%)
Buy CNH 65,799,950 Sell USD 9,700,000	Morgan Stanley	01/03/2023	(153,875)	(0.01%)
Buy USD 1,600,000 Sell JPY 229,880,816	Morgan Stanley	30/01/2023	(159,172)	(0.01%)
Sell JPY 231,064,736 Buy USD 1,600,000	Morgan Stanley	30/01/2023	(168,232)	(0.01%)
Buy USD 11,300,000 Sell CNH 77,895,126	Merill Lynch	18/10/2023	(184,896)	(0.01%)
Sell CNH 29,655,866 Buy USD 4,100,000	Morgan Stanley	30/01/2023	(192,405)	(0.01%)
Buy USD 11,500,000 Sell CNH 79,399,772	Merill Lynch	28/09/2023	(192,768)	(0.01%)
Sell CNH 77,939,513 Buy USD 11,300,000	Morgan Stanley	24/10/2023	(195,026)	(0.01%)
Sell CNH 99,296,467 Buy USD 14,400,000	Morgan Stanley	06/11/2023	(254,818)	(0.02%)
Sell HKD 703,393,200 Buy USD 90,000,000	Goldman Sachs	21/06/2023	(280,517)	(0.02%)
Sell CNH 138,611,260 Buy USD 20,000,000	Merill Lynch	21/07/2023	(321,312)	(0.02%)
Sell HKD 548,800,000 Buy USD 70,000,000	Morgan Stanley	15/02/2023	(328,720)	(0.02%)
Sell CNH 132,522,891 Buy USD 19,000,000	Morgan Stanley	11/05/2023	(329,391)	(0.02%)
Sell CNH 149,429,759 Buy USD 21,700,000	Merill Lynch	26/10/2023	(341,114)	(0.03%)
Sell CNH 155,239,997 Buy USD 22,400,000	Merill Lynch	21/07/2023	(359,193)	(0.03%)
Buy USD 3,200,000 Sell JPY 465,140,000	Morgan Stanley	30/01/2023	(359,502)	(0.03%)
Sell JPY 465,402,464 Buy USD 3,200,000	Morgan Stanley	30/01/2023	(361,511)	(0.03%)
Buy USD 22,000,000 Sell CNH 152,621,282	Merill Lynch	21/07/2023	(375,272)	(0.03%)
Buy USD 23,260,000 Sell CNH 160,748,860	Merill Lynch	21/09/2023	(401,750)	(0.03%)
Sell USD 108,655,670 Buy SEK 1,124,063,006	Goldman Sachs	15/03/2023	(409,807)	(0.03%)
Sell CNH 159,733,873 Buy USD 23,000,000	Morgan Stanley	21/07/2023	(418,024)	(0.03%)
Buy USD 82,400,000 Sell CNH 563,451,200	Goldman Sachs	01/09/2023	(430,707)	(0.03%)
Sell CNH 341,225,000 Buy USD 50,000,000	Goldman Sachs	13/12/2023	(457,964)	(0.03%)
Buy USD 28,000,000 Sell CNH 193,804,548	Morgan Stanley	24/08/2023	(475,702)	(0.04%)
Buy USD 50,000,000 Sell CNH 341,345,000	Goldman Sachs	13/12/2023	(475,709)	(0.04%)
Buy USD 50,000,000 Sell CNH 341,425,000	Merill Lynch	13/12/2023	(487,539)	(0.04%)

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Schedule of Investments of KLS Arete Macro Fund as at 31 December 2022 (continued)**

**FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS**

*Forward foreign currency contracts*

<b>Buy</b>	<b>Counterparty</b>	<b>Maturity</b>	<b>Fair value USD</b>	<b>% of TNA</b>
Sell CNH 207,629,880 Buy USD 30,000,000	Morgan Stanley	24/08/2023	(507,058)	(0.04%)
Buy USD 56,980,000 Sell CNH 388,763,144	BNP	14/12/2023	(510,488)	(0.04%)
Buy USD 30,000,000 Sell CNH 207,295,260	Merill Lynch	21/09/2023	(513,240)	(0.04%)
Buy USD 20,600,000 Sell CNH 145,423,413	Morgan Stanley	15/03/2023	(520,715)	(0.04%)
Buy USD 81,400,000 Sell CNH 553,967,700	Goldman Sachs	14/12/2023	(521,020)	(0.04%)
Buy USD 81,400,000 Sell CNH 554,382,840	Goldman Sachs	14/12/2023	(582,412)	(0.04%)
Buy USD 30,000,000 Sell CNH 207,459,000	Goldman Sachs	02/11/2023	(611,820)	(0.05%)
Sell HKD 893,044,340 Buy USD 113,900,000	Morgan Stanley	18/05/2023	(632,937)	(0.05%)
Buy USD 73,260,000 Sell CNH 499,882,284	BNP	14/12/2023	(662,842)	(0.05%)
Buy USD 89,000,000 Sell CNH 606,446,000	Goldman Sachs	14/12/2023	(681,538)	(0.05%)
Sell CNH 204,647,316 Buy USD 29,000,000	Merill Lynch	15/03/2023	(722,158)	(0.05%)
Sell CNH 558,660,410 Buy USD 81,400,000	Morgan Stanley	01/09/2023	(726,432)	(0.05%)
Buy USD 29,000,000 Sell CNH 204,699,110	Merill Lynch	15/03/2023	(729,680)	(0.05%)
Buy USD 81,400,000 Sell CNH 555,424,760	BNP	14/12/2023	(736,491)	(0.05%)
Sell CNH 300,257,779 Buy USD 43,400,000	Morgan Stanley	01/09/2023	(739,695)	(0.05%)
Buy CNH 248,636,300 Sell USD 37,000,000	Morgan Stanley	27/04/2023	(772,199)	(0.06%)
Buy USD 89,000,000 Sell CNH 607,282,600	BNP	14/12/2023	(805,255)	(0.06%)
Buy USD 84,000,000 Sell CNH 573,627,600	Morgan Stanley	13/12/2023	(824,034)	(0.06%)
Buy USD 50,000,000 Sell CNH 345,476,850	Merill Lynch	21/09/2023	(853,156)	(0.06%)
Sell CNH 557,353,940 Buy USD 81,400,000	Goldman Sachs	06/11/2023	(857,917)	(0.06%)
Buy CNH 249,091,400 Sell USD 37,000,000	Morgan Stanley	30/01/2023	(946,386)	(0.07%)
Buy CNH 248,048,000 Sell USD 37,000,000	Merill Lynch	15/03/2023	(974,501)	(0.07%)
Buy CNH 248,011,000 Sell USD 37,000,000	Goldman Sachs	15/03/2023	(979,874)	(0.07%)
Buy USD 41,650,000 Sell CNH 288,676,150	Merill Lynch	20/11/2023	(986,024)	(0.07%)
Buy CNH 247,955,500 Sell USD 37,000,000	Morgan Stanley	15/03/2023	(987,935)	(0.07%)
Buy CNH 372,963,880 Sell USD 55,400,000	Goldman Sachs	05/05/2023	(1,024,664)	(0.08%)
Sell USD 38,000,000 Buy CNH 253,796,452	Morgan Stanley	25/04/2023	(1,025,791)	(0.08%)
Sell CNH 251,964,000 Buy USD 36,000,000	Goldman Sachs	26/09/2023	(1,100,439)	(0.08%)
Buy USD 36,000,000 Sell CNH 251,928,000	Morgan Stanley	16/10/2023	(1,140,611)	(0.08%)
Buy CNH 366,201,850 Sell USD 54,500,000	Goldman Sachs	27/04/2023	(1,142,193)	(0.08%)
Buy USD 48,000,000 Sell CNH 332,472,000	Goldman Sachs	13/12/2023	(1,163,632)	(0.09%)
Buy USD 48,000,000 Sell CNH 332,688,000	BNP	13/12/2023	(1,195,573)	(0.09%)
Buy USD 50,000,000 Sell CNH 346,600,000	Morgan Stanley	13/12/2023	(1,252,782)	(0.09%)
Sell USD 55,400,000 Buy CNH 373,900,140	Goldman Sachs	06/02/2023	(1,256,269)	(0.09%)
Sell USD 73,600,000 Buy CNH 495,835,840	Morgan Stanley	05/05/2023	(1,310,853)	(0.10%)

KEPLER LIQUID STRATEGIES ICAV

ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

Schedule of Investments of KLS Arete Macro Fund as at 31 December 2022 (continued)

FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

*Forward foreign currency contracts*

Buy	Counterparty	Maturity	Fair value USD	% of TNA
Buy USD 218,505,800 Sell CNH 1,486,494,957	Merill Lynch	14/12/2023	(1,317,818)	(0.10%)
Sell USD 54,500,000 Buy CNH 366,986,650	Goldman Sachs	30/01/2023	(1,382,169)	(0.10%)
Sell CNH 285,469,800 Buy USD 40,700,000	BNP	18/10/2023	(1,389,810)	(0.10%)
Sell USD 73,600,000 Buy CNH 496,616,000	Morgan Stanley	06/02/2023	(1,686,030)	(0.13%)
Buy USD 83,300,000 Sell CNH 575,478,050	Goldman Sachs	20/11/2023	(1,695,231)	(0.13%)
Sell CNH 287,484,450 Buy USD 40,700,000	Morgan Stanley	24/10/2023	(1,700,075)	(0.13%)
Sell CNH 287,728,650 Buy USD 40,700,000	Merill Lynch	18/10/2023	(1,722,856)	(0.13%)
Sell CNH 287,749,000 Buy USD 40,700,000	Goldman Sachs	24/10/2023	(1,739,093)	(0.13%)
Buy USD 40,700,000 Sell CNH 289,356,650	Goldman Sachs	26/10/2023	(1,980,540)	(0.15%)
Buy USD 40,700,000 Sell CNH 289,995,640	Goldman Sachs	28/09/2023	(2,006,063)	(0.15%)
Sell CNH 289,661,900 Buy USD 40,700,000	Merill Lynch	26/10/2023	(2,025,565)	(0.15%)
Buy USD 40,700,000 Sell CNH 291,005,000	Merill Lynch	28/09/2023	(2,154,706)	(0.16%)
Buy USD 100,000,000 Sell CNH 691,950,000	BNP	13/12/2023	(2,320,722)	(0.17%)
Sell CNH 568,741,800 Buy USD 81,400,000	Morgan Stanley	26/09/2023	(2,344,386)	(0.17%)
Buy USD 40,700,000 Sell CNH 291,900,400	BNP	30/10/2023	(2,364,942)	(0.18%)
Buy USD 40,700,000 Sell CNH 292,006,220	Goldman Sachs	30/10/2023	(2,380,554)	(0.18%)
Buy USD 73,260,000 Sell CNH 515,347,470	Merill Lynch	21/09/2023	(2,597,602)	(0.19%)
Buy USD 56,980,000 Sell CNH 405,746,603	BNP	21/09/2023	(2,744,683)	(0.20%)
Buy USD 56,980,000 Sell CNH 405,783,070	Merill Lynch	21/09/2023	(2,750,051)	(0.20%)
Buy USD 81,400,000 Sell CNH 571,102,400	Morgan Stanley	12/10/2023	(2,777,353)	(0.21%)
Buy USD 73,260,000 Sell CNH 516,577,505	BNP	21/09/2023	(2,778,659)	(0.21%)
Sell USD 590,345,027 Buy GBP 484,865,058	Goldman Sachs	15/03/2023	(2,853,431)	(0.21%)
Buy USD 81,400,000 Sell CNH 573,796,740	Goldman Sachs	21/09/2023	(3,061,159)	(0.23%)
Buy USD 60,400,000 Sell CNH 430,301,680	Goldman Sachs	02/11/2023	(3,093,595)	(0.23%)
Buy USD 81,400,000 Sell CNH 573,951,400	Goldman Sachs	28/09/2023	(3,122,666)	(0.23%)
Buy USD 81,400,000 Sell CNH 574,289,210	Morgan Stanley	16/10/2023	(3,264,874)	(0.24%)
Buy USD 81,400,000 Sell CNH 576,767,840	Goldman Sachs	21/09/2023	(3,498,496)	(0.26%)
Buy USD 81,400,000 Sell CNH 576,792,260	BNP	21/09/2023	(3,502,090)	(0.26%)
Buy USD 89,000,000 Sell CNH 630,093,300	Goldman Sachs	21/09/2023	(3,747,844)	(0.28%)
Buy USD 89,000,000 Sell CNH 630,137,800	BNP	21/09/2023	(3,754,394)	(0.28%)
Buy USD 81,400,000 Sell CNH 579,812,200	Morgan Stanley	26/10/2023	(4,123,170)	(0.30%)
Buy USD 81,400,000 Sell CNH 581,196,000	Morgan Stanley	28/09/2023	(4,189,539)	(0.30%)
<b>Total Forward foreign currency contracts - (8.99%) (2021: (1.21%))</b>			<b>(121,219,804)</b>	<b>(8.99%)</b>
<b>Total financial liabilities at fair value through profit and loss - (10.89%) (2021: (1.42%))</b>			<b>(146,588,063)</b>	<b>(10.89%)</b>
Financial assets and liabilities at fair value through profit or loss			474,765,445	35.26%
Cash and cash equivalents			653,982,613	48.60%
Other assets and liabilities			217,137,290	16.14%
<b>Net assets attributable to holders of redeemable participating shares</b>			<b>1,345,885,348</b>	<b>100.00%</b>

**KEPLER LIQUID STRATEGIES ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Schedule of Investments of KLS Arete Macro Fund as at 31 December 2022 (continued)**

<b>Analysis of Portfolio</b>	<b>% of Total Assets</b>
Transferable securities admitted to an official stock exchange	11.62%
Money market instruments	21.60%
FDI dealt in on a regulated market	0.56%
OTC derivatives	6.14%
	<u>39.92%</u>

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Schedule of Investments of KLS Ionic Relative Value Arbitrage Fund as at 31 December 2022**

<u>Asset description</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Quantity</u>	<u>Ccy</u>	<u>Fair value USD</u>	<u>% TNA</u>
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>						
<i>Exchange Traded Bonds</i>						
<u>United Kingdom</u>						
Anglo American Capital Plc	4.88%	14/05/2025	2,000,000	USD	1,986,878	1.25%
					1,986,878	1.25%
<u>United States</u>						
Block Inc	2.75%	01/06/2026	1,000,000	USD	897,090	0.56%
Hewlett Packard Enterprise Co	N/A	15/10/2025	915,000	USD	916,037	0.58%
American Express Co	3.40%	22/02/2024	947,000	USD	941,985	0.59%
Kraft Heinz Foods Company	3.00%	01/06/2026	1,000,000	USD	939,697	0.59%
Broadcom Inc	3.15%	15/11/2025	1,000,000	USD	952,183	0.60%
T Mobile Usa Inc	3.50%	15/04/2025	1,000,000	USD	970,257	0.61%
Bayer Us Finance Llc	3.38%	08/10/2024	1,000,000	USD	975,538	0.61%
JM Smucker Co	3.50%	15/03/2025	1,000,000	USD	978,588	0.61%
Abbvie Inc	3.80%	15/03/2025	1,000,000	USD	986,483	0.62%
Starbucks Corp	3.80%	15/08/2025	1,000,000	USD	992,995	0.62%
Tyson Foods Inc	3.95%	15/08/2024	1,000,000	USD	1,000,033	0.63%
Marriott International Inc	5.75%	01/05/2025	1,000,000	USD	1,021,429	0.64%
General Motors Co	6.13%	01/10/2025	1,000,000	USD	1,035,477	0.65%
United States of America	0.50%	15/04/2024	1,000,000	USD	1,150,771	0.72%
United States of America	0.63%	15/01/2024	1,000,000	USD	1,254,268	0.79%
Oracle Corp	2.95%	15/05/2025	1,425,000	USD	1,359,183	0.85%
Chubb Ina Holdings Inc	3.15%	15/03/2025	1,405,000	USD	1,370,405	0.86%
IBM Corp	3.00%	15/05/2024	1,425,000	USD	1,392,745	0.88%
Citigroup Inc Usa	5.50%	13/09/2025	1,763,000	USD	1,805,051	1.13%
Iac Financeco 2 Inc	0.88%	15/06/2026	2,010,000	USD	1,789,693	1.12%
Zillow Group Inc	0.75%	01/09/2024	2,410,000	USD	2,511,061	1.58%
On Semiconductor Corp	N/A	01/05/2027	2,000,000	USD	2,655,390	1.67%
United States of America	0.13%	15/10/2024	5,300,000	USD	5,933,917	3.73%
United States of America	0.13%	15/07/2024	5,300,000	USD	6,445,944	4.05%
					40,276,220	25.31%
<u>Virgin Islands, British</u>						
ADM AG Holding Ltd	N/A	26/08/2023	2,400,000	USD	2,370,108	1.49%
					2,370,108	1.49%
<b>Total Exchange Traded Bonds - 28.05% (2021: 1.35%)</b>					<b>44,633,206</b>	<b>28.05%</b>
<i>CFD's</i>						
<u>Bahamas</u>						
Onespa World Holdings Limited	JP Morgan		(43,948)	USD	2,254	0.00%
Onespa World Holdings Limited	BNP Paribas		(43,948)	USD	27,248	0.02%
					29,502	0.02%
<u>Canada</u>						
Restaurant Brands International Inc	JP Morgan		(2,488)	USD	7,041	0.00%
					7,041	0.00%



**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Schedule of Investments of KLS Ionic Relative Value Arbitrage Fund as at 31 December 2022 (continued)**

<u>Asset description</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Quantity</u>	<u>Ccy</u>	<u>Fair value USD</u>	<u>% TNA</u>
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>						
<i>CFD's (continued)</i>						
<i>United States</i>						
Howard Hughes Corp	JP Morgan		(1,104)	USD	1,027	0.00%
Hilton Worldwide Holdings Inc	JP Morgan		(1,374)	USD	9,467	0.01%
Lowe'S Companies Inc	JP Morgan		(1,242)	USD	10,905	0.01%
Chipotle Mexican Grill Cl A	JP Morgan		(114)	USD	11,405	0.01%
					32,804	0.05%
<i>Virgin Islands, British</i>						
Scienjoy Holding Corp USD	Morgan Stanley		81,800	USD	818	0.00%
					818	0.00%
<b>Total CFD's - 0.07% (2021: 0.06%)</b>					<b>70,165</b>	<b>0.07%</b>
<i>Money Market</i>						
USA Government Bill 0% 15/06/2023			3,100,000	USD	3,038,276	1.91%
USA Government Bill 0% 13/07/2023			18,000,000	USD	17,578,247	11.05%
USA Government Bill 0% 16/02/2023			20,000,000	USD	19,901,336	12.51%
USA Government Bill 0% 10/08/2023			26,000,000	USD	25,308,416	15.90%
USA Government Bill 0% 18/05/2023			27,130,000	USD	26,674,851	16.76%
<b>* Total Money Market - 58.12% (2021: 82.62%)</b>					<b>92,501,126</b>	<b>58.12%</b>
*Includes assets pledged as collateral market value of USD 57,077,035 with Morgan Stanley and USD 1,078,098 with JP Morgan.						
<i>Exchange Traded Equities</i>						
<i>Cayman Islands</i>						
Sohu Com Ltd Ltd Adr			51,135	USD	701,061	0.44%
Manchester United Plc-Cl A			46,701	USD	1,089,534	0.68%
					1,790,595	1.13%
<i>United States</i>						
Fannie Mae			73,652	USD	26,029	0.02%
Freddie Mac			75,161	USD	26,554	0.02%
Fredie Pref			78,883	USD	160,132	0.10%
Fannie Mae Pref			166,053	USD	388,564	0.24%
Fedex Corp			4,590	USD	794,988	0.50%
Amazon.Com Inc			9,560	USD	803,040	0.50%
Walt Disney Co/The			9,272	USD	805,551	0.51%
Alphabet Inc			9,272	USD	818,069	0.51%
Bank of America Corp			24,825	USD	822,204	0.52%
					4,645,131	2.92%
<i>Netherlands</i>						
Yandex Cl A			5,000	USD	94,700	0.06%
					94,700	0.06%
<b>Total Exchange Traded Equities - 4.10% (2021: 0.50%)</b>					<b>6,530,426</b>	<b>4.10%</b>

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Schedule of Investments of KLS Ionic Relative Value Arbitrage Fund as at 31 December 2022 (continued)**

<u>Asset description</u>	<u>Counterparty</u>	<u>Maturity</u>	<u>Quantity</u>	<u>Ccy</u>	<u>Fair value</u>	<u>% TNA</u>
<b>FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS</b>						
<i>Investment Funds</i>						
<i>Guernsey</i>						
Pershing Square Holdings Ltd			102,504	USD	3,546,638	2.23%
					3,546,638	2.23%
<i>United States</i>						
Gold Sachs Mlp And Energy Renaissance Fund			66,102	USD	844,784	0.53%
Neuberger Berman MLP and Energy Income Fund			154,249	USD	1,027,298	0.65%
					1,872,082	1.18%
<b>Total Investment Funds - 3.41% (2021: 3.49%)</b>					<b>5,418,720</b>	<b>3.41%</b>
<i>Warrants</i>						
Glory Star New Media Group Ltd			230,413	USD	553	0.00%
Coepis Therapeutics Holdings Inc			12,744	USD	1,274	0.00%
Uphealth Inc			125,361	USD	1,630	0.00%
Canoo Inc Warrant Canoo			9,233	USD	1,939	0.00%
Multiplan Corporation			67,731	USD	3,387	0.00%
180 Life Science Corporation			60,156	USD	3,802	0.00%
Nwtm Incorporation			15,613	USD	4,518	0.00%
Property Solution Acquisition Corp			71,511	USD	5,013	0.00%
Kaleyra Inc			116,664	USD	8,131	0.01%
Ouster Inc			104,499	USD	9,927	0.01%
Lion Group Holding Ltd			315,665	USD	12,627	0.01%
Gem Grosvenor Inc			28,854	USD	12,696	0.01%
Vicarious Surgical Inc			169,272	USD	25,391	0.02%
Global Blue Group Holding Ltd			102,453	USD	31,873	0.02%
Custom Truck One Source Inc			131,182	USD	51,161	0.03%
Sitio Royalties Corp			839,744	USD	96,571	0.06%
Freyr Battery			41,524	USD	117,513	0.07%
One Spaworld Holdings Limited			179,887	USD	224,859	0.14%
<b>Total Warrants - 0.39% (2021: 1.15%)</b>					<b>612,865</b>	<b>0.39%</b>
<i>Total Return Swap</i>						
		<b>MTM notional</b>				
		<b>Equity notional</b>				
Ms Rva Alphas Ionic - Monthly reset	Morgan Stanley	114,609,977	113,665,171	USD	944,806	0.59%
<b>Total Return Swap - 0.59% (2021: 0.01%)</b>					<b>944,806</b>	<b>0.59%</b>
<i>Forward foreign currency contracts</i>						
<b>Buy</b>	<b>Counterparty</b>		<b>Maturity</b>		<b>Fair value USD</b>	<b>% of TNA</b>
Buy USD 73,736 Sell GBP 60,408	Goldman Sachs		15 Mar 23		958	0.00%
Buy USD 767,329 Sell GBP 634,784	Goldman Sachs		15 Mar 23		2,570	0.00%
Buy CHF 2,370,681 Sell USD 2,576,309	Goldman Sachs		15 Mar 23		6,314	0.00%
Buy EUR 84,975,382 Sell USD 90,879,387	Goldman Sachs		15 Mar 23		284,628	0.18%
<b>Total Forward foreign currency contracts - 0.19% (2021: 0.82%)</b>					<b>294,470</b>	<b>0.19%</b>
<b>Total financial assets at fair value through profit and loss - 94.90% (2021: 90.00%)</b>					<b>151,005,784</b>	<b>94.90%</b>

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Schedule of Investments of KLS Ionic Relative Value Arbitrage Fund as at 31 December 2022 (continued)**

<u>Asset description</u>	<u>Counterparty</u>	<u>Quantity</u>	<u>Ccy</u>	<u>Fair value</u>	<u>% TNA</u>
<b>FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS</b>					
<i>CFD's</i>					
<i>Cayman Islands</i>					
Glory Star New Media Group Ltd	Morgan Stanley	220,970	USD	(287)	(0.00%)
Kaixin Auto Holdings	Morgan Stanley	210,000	USD	(1,701)	(0.00%)
				(1,988)	(0.00%)
<i>United States</i>					
Allied Esports	Morgan Stanley	300,084	USD	(1,500)	(0.00%)
Broadmark Realty Capital Inc	Morgan Stanley	110,471	USD	(2,077)	(0.00%)
Custom Truck One Source Inc	Morgan Stanley	(49,400)	USD	(6,916)	(0.00%)
Custom Truck One Source Inc	Morgan Stanley	66,600	USD	(10,656)	(0.01%)
				(21,149)	(0.01%)
<b>Total CFD's - (0.01%) (2021: (0.09%))</b>				<b>(23,137)</b>	<b>(0.01%)</b>

*Forward foreign currency contracts*

<u>Buy</u>	<u>Counterparty</u>	<u>Maturity</u>	<u>Fair value USD</u>	<u>% of TNA</u>
Buy USD 7,998 Sell CHF 7,366	Goldman Sachs	15/03/2023	(27)	(0.00%)
Buy USD 1,831,966 Sell GBP 1,520,796	Goldman Sachs	15/03/2023	(222)	(0.00%)
Buy GBP 132,582 Sell USD 159,812	Goldman Sachs	03/01/2023	(318)	(0.00%)
Sell EUR 498,737 Buy USD 533,137	Goldman Sachs	15/03/2023	(1,922)	(0.00%)
Buy USD 6,240,478 Sell EUR 5,853,333	Goldman Sachs	15/03/2023	(39,145)	(0.02%)
Buy GBP 28,706,421 Sell USD 35,061,334	Goldman Sachs	15/03/2023	(477,104)	(0.30%)
<b>Total Forward foreign currency contracts - (0.32%) (2021: (0.01%))</b>			<b>(518,738)</b>	<b>(0.32%)</b>

**Total financial liabilities at fair value through profit and loss - (0.33%) (2021: (2.93%))**

Financial assets and liabilities at fair value through profit or loss	150,463,909	94.57%
Cash and cash equivalents	9,520,813	5.97%
Other assets and liabilities	(859,595)	(0.55%)
<b>Net assets attributable to holders of redeemable participating shares</b>	<b>159,125,127</b>	<b>100.00%</b>

<u>Analysis of Portfolio</u>	<u>% of Total Assets</u>
Transferable securities admitted to an official stock exchange	33.83%
Money market instruments	55.31%
OTC derivatives	1.15%
	<b>90.29%</b>

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Schedule of Significant Portfolio Movements of KLS Arete Macro Fund  
for the year ended 31 December 2022**

In accordance with the Central Bank UCITS Regulations, this statement presents the aggregate purchases and sales of an investment exceeding 1% of total value of purchases and sales for the year or at a minimum the largest 20 purchases and sales.

<b>Top Purchases</b>	<b>Cost USD</b>	<b>% of total purchases</b>	<b>Top Sales</b>	<b>Procceds USD</b>	<b>% of total sales</b>
Ping An Insurance Group	74,654,100	6.91%	Ping An Insurance Group	53,304,962	3.48%
USA Treasury Bill 0% 29/12/2022	39,810,800	3.68%	USA Treasury Bill 0% 24/03/2022	40,000,000	2.61%
USA Treasury Bill 0% 20/10/2022	39,777,333	3.68%	USA Treasury Bill 0% 21/04/2022	40,000,000	2.61%
USA Treasury Bill 0% 27/10/2022	39,764,133	3.68%	USA Treasury Bill 0% 16/06/2022	40,000,000	2.61%
USA Treasury Bill 0% 22/12/2022	39,631,578	3.67%	USA Treasury Bill 0% 5/2022	40,000,000	2.61%
USA Treasury Bill 0% 19/01/2023	39,536,044	3.66%	USA Treasury Bill 0% 23/06/2022	40,000,000	2.61%
USA Treasury Bill 0% 23/02/2023	39,459,289	3.65%	USA Treasury Bill 0% 30/06/2022	40,000,000	2.61%
USA Treasury Bill 0% 23/03/2023	39,383,300	3.64%	USA Treasury Bill 0% 08/09/2022	40,000,000	2.61%
USA Treasury Bill 0% 03/2023	39,330,833	3.64%	USA Treasury Bill 0% 11/2022	40,000,000	2.61%
USA Treasury Bill 0% 20/04/2023	39,238,122	3.63%	USA Treasury Bill 0% 01/12/2022	40,000,000	2.61%
USA Treasury Bill 0% 18/05/2023	39,193,333	3.63%	USA Treasury Bill 0% 29/12/2022	40,000,000	2.61%
USA Treasury Bill 0% 15/06/2023	38,997,200	3.61%	USA Treasury Bill 0% 20/10/2022	40,000,000	2.61%
USA Treasury Bill 0% 18/08/2022	29,940,938	2.77%	USA Treasury Bill 0% 27/10/2022	40,000,000	2.61%
USA Treasury Bill 0% 07/07/2022	29,939,167	2.77%	USA Treasury Bill 0% 22/12/2022	40,000,000	2.61%
USA Treasury Bill 0% 28/07/2022	29,938,158	2.77%	USA Treasury Bill 0% 3/2022	30,000,000	1.96%
USA Treasury Bill 0% 08/2022	29,933,269	2.77%	USA Treasury Bill 0% 01/2022	30,000,000	1.96%
USA Treasury Bill 0% 09/2022	29,866,100	2.76%	USA Treasury Bill 0% 03/2022	29,997,625	1.96%
USA Treasury Bill 0% 17/11/2022	29,784,308	2.75%	USA Treasury Bill 0% 20/01/2022	30,000,000	1.96%
USA Treasury Bill 0% 26/01/2023	29,782,200	2.75%	USA Treasury Bill 0% 14/04/2022	30,000,000	1.96%
USA Treasury Bill 0% 08/12/2022	29,714,417	2.75%	USA Treasury Bill 0% 05/05/2022	30,000,000	1.96%
USA Treasury Bill 0% 13/07/2023	29,197,933	2.70%	USA Treasury Bill 0% 12/05/2022	30,000,000	1.96%
USA Treasury Bill 0% 21/07/2022	19,949,333	1.85%	USA Treasury Bill 0% 07/04/2022	30,000,000	1.96%
USA Treasury Bill 0% 25/11/2022	19,840,956	1.84%	USA Treasury Bill 0% 26/05/2021	30,000,000	1.96%
H World Group	19,729,936	1.82%	USA Treasury Bill 0% 06/2022	30,000,000	1.96%
Ctrip Com Internatioanl Ltd	17,782,300	1.64%	USA Treasury Bill 0% 14/07/2022	30,000,000	1.96%
Alibaba Group Rg	15,614,303	1.44%	USA Treasury Bill 0% 09/06/2022	30,000,000	1.96%
Cie Fin Richemont Sa	14,727,099	1.36%	USA Treasury Bill 0% 11/08/2022	30,000,000	1.96%
Shanghai Fosun Pha-H	14,650,401	1.36%	USA Treasury Bill 0% 06/10/2022	30,000,000	1.96%
			USA Treasury Bill 0% 18/08/2022	30,000,000	1.96%
			USA Treasury Bill 0% 07/07/2022	30,000,000	1.96%
			USA Treasury Bill 0% 28/07/2022	30,000,000	1.96%
			USA Treasury Bill 0% 08/2022	30,000,000	1.96%
			USA Treasury Bill 0% 09/2022	30,000,000	1.96%
			USA Treasury Bill 0% 17/11/2022	30,000,000	1.96%
			USA Treasury Bill 0% 08/12/2022	30,000,000	1.96%
			USA Treasury Bill 0% 28/04/2022	29,000,000	1.90%
			USA Treasury Bill 0% 10/02/2022	20,000,000	1.31%
			USA Treasury Bill 0% 10/03/2022	19,997,867	1.31%
			USA Treasury Bill 0% 01/2022	20,000,000	1.31%
			USA Treasury Bill 0% 06/01/2022	20,000,000	1.31%
			USA Treasury Bill 0% 24/02/2022	19,998,094	1.31%
			USA Treasury Bill 0% 02/2022	19,998,911	1.31%
			USA Treasury Bill 0% 03/2022	19,996,033	1.31%
			USA Treasury Bill 0% 21/07/2022	20,000,000	1.31%
			USA Treasury Bill 0% 25/11/2022	20,000,000	1.31%
			Cie Fin Richemont Sa	15,570,667	1.02%

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Schedule of Significant Portfolio Movements of KLS Ionic Relative Value Arbitrage Fund for the period 31 December 2022**

<b>Top Purchases</b>	<b>Cost USD</b>	<b>% of total purchases</b>	<b>Top Sales</b>	<b>Proceeds USD</b>	<b>% of total sales</b>
USA 0.125% 15/07/2024	7,412,421	7.72%	iShares Pu Lt Etf	6,600,160	12.35%
TSY Infl Ix Nb 0.125% I 15/10/2024	6,912,902	7.20%	Envista 2.375% Cv 25	5,236,699	9.80%
iShares Pu Lt Etf	6,779,839	7.06%	Marriott Cv 1.50% 22	2,906,464	5.44%
Envista 2.375% Cv 25	5,180,137	5.39%	iShares Physical Gold Etc	2,842,306	5.32%
Zillow Group Inc Cv 0.75% 01/09/2024	3,331,359	3.47%	Cytokinet 3.5% Cv 27	2,802,308	5.24%
Marriott Cv 1.50% 22	2,874,655	2.99%	Zendesk 0.25% Cv 23	2,401,240	4.49%
Cytokinet 3.5% Cv 27	2,751,767	2.87%	Insulet Cv 0.375% 26	2,158,949	4.04%
Adm Ag Holding Ltd Cv 0% 26/08/2023	2,412,000	2.51%	Posco 0% Cv 09/26	1,944,257	3.64%
Zendesk 0.25% Cv 23	2,381,525	2.48%	Dividend And Income	1,421,095	2.66%
On Semiconductor Crop Cv 0% 01/05/2027	2,357,372	2.45%	Neuberger Berman Mlp And Energy Income Fund Inc	1,384,252	2.59%
Iac Financeco 2 Inc Cv 0.875% 15/06/2026	2,311,500	2.41%	Novocur Cv 0% 2025	1,369,211	2.56%
iShares Physical Gold Etc	2,227,934	2.32%	Gold Sachs Mlp And Energy Renaissance Fund	1,123,947	2.10%
Posco 0% Cv 09/26	2,172,981	2.26%	Norther Cv 3.625% 29	1,122,547	2.10%
Insulet Cv 0.375% 26	2,053,129	2.14%	Wix Ltd Cv 0% 08/25	1,083,486	2.03%
Anglo American Capital 4.875% 14/05/2025	1,985,180	2.07%	Softbank Grp Corp	1,057,825	1.98%
Citigroup 5.5% 13/09/2025	1,783,768	1.86%	Amazon.Com Inc	977,850	1.83%
Amazon.Com Inc	1,777,941	1.85%	Bentl 0.375% Cv 27	926,123	1.73%
IBM Corp 3% 15/05/2024	1,392,724	1.45%	TSY Infl Ix Nb 0.125% I 15/10/2024	907,143	1.70%
Chubb Ina Holdings Inc 3.15% 15/03/2025	1,363,229	1.42%	3D Systems 0% Cv 26	876,386	1.64%
Oracle Corp 2.95% 15/05/2025	1,362,257	1.42%	USA 0.125% 15/07/2024	858,379	1.61%
USA 0.625% 15/01/2024	1,250,369	1.30%	Alnylam 1% Cv 27	837,643	1.57%
Pershing Square Holdings Ltd Class USD	1,159,996	1.21%	Semtech Cv 1.62% 27	798,121	1.49%
USA 0.5% 15/04/2024	1,151,086	1.20%	Liberty-C-Braves	745,954	1.40%
Norther Cv 3.625% 29	1,026,875	1.07%	Flex Ltd	719,078	1.35%
General Motors Co 6.125% 01/10/2025	1,013,640	1.06%	Adams Nat Resources	717,000	1.34%
Marriott International 5.75% 01/05/2025	1,013,230	1.05%	Sunnova 2.625% Cv 28	668,516	1.25%
Softbank Grp Corp	995,130	1.04%	Red 7.75% Cv 2027	650,000	1.22%
Manchester United Plc-C1 A	989,917	1.03%	Covetrus Registered	596,997	1.12%
Tyson Foods Inc 3.95% 15/08/2024	983,470	1.02%	Tufin Software T	595,470	1.11%
Starbucks Corp 3.8% 15/08/2025	970,230	1.01%	Pershing Square Holdings Ltd Class USD	575,654	1.08%
Abbvie Inc 3.8% 15/03/2025	968,040	1.01%	Zillow Group Inc Cv 0.75% 01/09/2024	550,692	1.03%
T Mobile Usa Inc 3.5% 15/04/2025	967,500	1.01%			
Bayer Us Finance Llc 3.375% 08/10/2024	964,360	1.00%			
JM Smucker Co 3.5% 15/03/2025	959,760	1.00%			

# KEPLER LIQUID STRATEGIES ICAV

## ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### Supplementary Information (unaudited)

#### Exchange rates used in this report

The financial statements are prepared in USD for KLS Arete Macro Fund. The following exchange rates at 31 December have been used to translate assets and liabilities denominated in other currencies:

Currency	As at 31-Dec-2022 USD	As at 31-Dec-2021 USD
AUD	0.68180	0.72685
BRL	0.18940	-
CAD	0.73805	0.79165
CHF	1.08081	1.09752
CNH	0.14453	0.15711
CNY	0.14385	0.15690
CZK	-	0.04576
EUR	1.06725	1.13720
GBP	1.20287	1.35445
HKD	0.12812	0.12827
HUF	-	0.00309
IDR	0.00006	0.00007
JPY	0.00763	0.00869
INR	0.01209	0.01345
KRW	0.00079	0.00084
MXN	0.05132	0.04886
NOK	0.10193	0.11346
NZD	0.63520	0.68432
PLN	0.22798	0.24812
RUB	-	0.01333
SEK	0.09590	0.11050
SGD	0.74577	0.74151
TWD	0.03254	0.03614
ZAR	0.05877	0.06266

#### Remuneration policies

The Manager has designed and implemented a remuneration policy (the “Policy”) in line with the provisions of S.I. 257 of 2013 European Union (Alternative Investment Fund Managers) Regulations 2013 (the “AIFM Regulations”), S.I. 352 of 2011 European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) (the “UCITS Regulations”) and of the ESMA Guidelines on sound remuneration policies under the UCITS Directive and AIFMD (the “ESMA Guidelines”). The Policy is designed to ensure that the remuneration of key decision makers is aligned with the management of short and long-term risks, including the oversight and where appropriate the management of sustainability risks in line with the Sustainable Finance Disclosure Regulations.

The Manager’s remuneration policy applies to its identified staff whose professional activities might have a material impact on the ICAV’s risk profile and so covers senior management, risk takers, control functions and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers and whose professional activities have a material impact on the risk profile of the ICAV.

**KEPLER LIQUID STRATEGIES ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Supplementary Information (unaudited)**

**Remuneration policies (continued)**

The Manager's policy is to pay identified staff a fixed component with the potential for identified staff to receive a variable component. It is intended that the fixed component will represent a sufficiently high proportion of the total remuneration of the individual to allow the Manager to operate a fully flexible policy, with the possibility of not paying any variable component.

When the Manager pays a variable component as performance related pay certain criteria, as set out in the Manager's remuneration policy, must be adhered to. The various remuneration components are combined to ensure an appropriate and balanced remuneration package that reflects the relevant staff rank and professional activity as well as best market practice. The Manager's remuneration policy is consistent with, and promotes, sound and effective risk management and does not encourage risk-taking which is inconsistent with the risk profile of the funds it manages.

These disclosures are made in respect of the remuneration policies of the Manager. The disclosures are made in accordance with the ESMA Guidelines.

Total remuneration (in EUR) paid to the identified staff of the Manager fully or partly involved in the activities of the ICAV that have a material impact on the ICAV's risk profile during the financial year to 31 December 2022:

<b>Fixed remuneration</b>	<b>EUR</b>
Senior Management	1,387,113
Other identified staff	-
<b>Variable remuneration</b>	
Senior Management	180,517
Other identified staff	-
<b>Total remuneration paid</b>	<b>1,567,630</b>

No of identified staff – 15

Neither the Manager nor the ICAV pays any fixed or variable remuneration to identified staff of the Investment Manager.

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Supplementary Information (unaudited)**

**Establishment expenses**

**KLS Arete Macro Fund**

	Expense - NAV	Expense - FS	Difference in NAV
Total set up costs	(22,304)		
Year 1 (2018)	2,303	(22,304)	20,001
Year 2 (2019)	9,105		10,896
Year 3 (2020)	4,771		6,125
Year 4 (2021)	5,575		550
Year 5 (2022)	550		-

**KLS Ionic Relative Value Arbitrage Fund**

	Expense - NAV	Expense - FS	Difference in NAV
Total set up costs	(33,000)		
Year 1 (2020)	7,827	(33,000)	25,173
Year 2 (2021)	7,808		17,365
Year 3 (2022)	6,932		10,433
Year 4 (2023)	5,217		5,217
Year 5 (2024)	5,217		-

**Securities Financial Transactions Regulations**

The following disclosure follows the requirements of EU Securities Financing Transactions Regulation (“SFTR”) which came into effect on 13 January 2017.

A Securities Financing Transaction (“SFT”) is defined as per Article 3(11) of the SFTR as:

- A repurchase transaction;
- Securities or commodities lending and securities or commodities borrowing;
- A buy-sell back transaction or sell-buy back transaction; or
- A margin lending transaction.

As at 31 December 2022 the Fund held the following types of STFs:

- Total Return Swap.

The amount of securities and commodities on loan as a proportion of total lendable assets (excluding cash and cash equivalents) was 0% as at 31 December 2022.

**GLOBAL DATA:**

Type of Asset	Market Value (\$)	Proportion of AUM (%)
Security lending		
Total Return Swap - MS	944,805.81	0.59%
Repo		



**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Supplementary Information (unaudited)**

**Securities Financial Transactions Regulations (continued)**

**CONCENTRATION DATA:**

Top 10 underlying equities in the Portfolio swap:

	<b>Description</b>	<b>Quantity</b>	<b>Book Market Value</b>
<b>1</b>	BL 0.125% 01 AUG 2024	3,180,000.00	3,525,691.44
<b>2</b>	IVN 2.5% 15 APR 2026	2,875,000.00	3,491,687.50
<b>3</b>	TARGET HOSPITALITY CORP-CW25	506,684.00	2,928,633.50
<b>4</b>	VRNS 1.25% 15 AUG 2025	2,300,000.00	2,412,700.00
<b>5</b>	SPOT 0% 15 MAR 2026	2,700,000.00	2,173,500.00
<b>6</b>	FOUR 0% 15 DEC 2025	2,000,000.00	1,981,250.00
<b>7</b>	SBIHLD 0% 25 JUL 2025	250,000,000.00	1,972,126.96
<b>8</b>	NET 0% 15 AUG 2026	2,350,000.00	1,915,250.00
<b>9</b>	UPWK 0.25% 15 AUG 2026	2,500,000.00	1,874,647.50
<b>10</b>	OKTA 0.125% 01 SEP 2025	2,100,000.00	1,844,850.00

The top ten counterparties across all STFs and total return swaps is as follows:

	<b>Counterparty</b>	<b>Equity Notional Amount (\$)</b>	<b>Market Value (\$)</b>	<b>MTM Notional Amount (\$)</b>
<b>Portfolio Total Return Swap</b>	Morgan Stanley	113,665,170.86	944,805.81	114,609,976.67

**AGGREGATE TRANSACTION DATA:**

<b>Total Return Swap</b>	<b>Type of collateral</b>	<b>Quality</b>	<b>Currency</b>	<b>Maturity tenor (collateral)</b>	<b>Maturity tenor (STFs/Total Return Swaps)</b>	<b>Country of counterparty establishment (not collateral)</b>	<b>Settlement and clearing</b>
Morgan Stanley	US Treasury and Cash	High	USD	N/A	Monthly reset	USA	Standard equity settlement

The share of collateral that is resued is: N/A

**SAFEKEEPING:**

<b>Custodian</b>	<b>Collateral assets (cash) safe-kept</b>
Société Générale S.A., Dublin Branch	Yes

The proportion of collateral held in segregated accounts, in pooled accounts or any other accounts is 100%.

	<b>Absolute Returns</b>	<b>% overall returns</b>
<b>Manager of the collective investment</b>	N/A	
<b>Third parties:</b>	None*	

\*Swap returns have an embedded spread

## KEPLER LIQUID STRATEGIES ICAV

### ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

#### Supplementary Information (unaudited)

##### **Disclosure under Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the SFDR) and Taxonomy Regulation**

Effective 13 December 2021, the ICAV's prospectus was updated to include disclosures required pursuant to the Article 6 of EU Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector. While the Investment Manager strives to embed socially responsible practices and policies into its operations and investment activities wherever possible, the Investment Manager does not regard sustainability factors to be material to the investment strategy of KLS Emerging Markets Fund, KLS Arete Macro Fund, KLS Ionic Relative Value Arbitrage Fund, KLS Niederhoffer Smart Alpha UCITS Fund and KLS Athos Event Driven Fund.

KLS Corinium Emerging Markets Equity Fund seeks to promote environmental and social characteristics within the meaning of Article 8 of Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector.

An explicit evaluation of environmental, social and governance (ESG) characteristics is embedded into the Investment Manager's investment process. Company research reports prepared by the Investment Manager will incorporate a formal, proprietary ESG review, in addition to assessing business prospects and share price valuation. The Investment Manager's decision on whether or not to invest is based on a review of all of these factors, and companies that score poorly on any of these factors are unlikely to be included in the portfolio. Thus an investment candidate with ostensibly attractively valued shares would not be deemed worthy of inclusion in the portfolio if a number of adverse ESG factors had been identified in the Investment Manager's research. The Investment Manager believes that investment candidates with stronger ESG characteristics will produce superior long-term returns, whereas poor governance, or adverse environmental and social externalities, such as pollution or addictive products, will ultimately compromise share price performance.

The Investment Manager considers an investment candidate's electricity consumption and greenhouse gas emissions (both in absolute terms and relative to sales and market cap), water usage, paper consumption, pollution risks, management of waste and impact on biodiversity. The Investment Manager encourages firms to measure their carbon footprint (both direct and indirect), to set targets for reducing their emissions and ultimately aim for carbon neutrality. Efforts to shift to renewable power sources, as well as utilise energy more efficiently, are assessed.

The Investment Manager seeks to determine an investment candidate's labour standards by considering the composition of its employee base (particularly its female employment percentages at various levels of seniority), gender pay differentials, labour turnover rates, training hours, union and collective bargaining rights, history of industrial relations, health and safety record and the commitment to equal opportunities.

The Investment Manager values fair treatment of consumers and considers issues of product safety, fairness in pricing, risks of addiction, and data privacy when evaluating investment candidates. Where available, customer satisfaction scores and complaints data are evaluated, and the Investment Manager considers potential adverse impacts on customer health or well-being.

The Investment Manager will assess how the investment candidate seeks to deal with the risks of corruption, money laundering and cyber-attacks, as well as any charitable contributions or voluntary work undertaken. The Investment Manager also compares effective tax rates to statutory norms, the treatment of and expectations for suppliers, potential monopoly abuses and other regulatory risks, relations with local communities and whether the investment candidate might in any way facilitate the impingement of human rights.

The Investment Manager seeks to understand how the ownership of the investment candidate, and the structure of voting rights, might influence its underlying goals and how it treats minority shareholders. The strength of board independence is evaluated, as well as the remuneration of senior management, the transparency of company disclosures and policies regarding shareholder returns.

KLS Corinium Emerging Markets Equity Fund invested 82% of the sub-fund's total assets in equity instruments exhibit positive ESG characteristics, 5% in cash and 13% in stocks (which fall short in respect of ESG screening but have scope for improvement).

**KEPLER LIQUID STRATEGIES ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Supplementary Information (unaudited)**

**Disclosure under Regulation (EU) 2019/2088 on sustainability-related disclosures in the financial services sector (the SFDR) and Taxonomy Regulation**

Effective 13 December 2021, the ICAV's prospectus was updated to include disclosures required pursuant to the Article 6 of EU Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability related disclosures in the financial services sector. While the Investment Manager strives to embed socially responsible practices and policies into its operations and investment activities wherever possible, the Investment Manager does not regard sustainability factors to be material to the investment strategy of KLS Emerging Markets Fund, KLS Arete Macro Fund, KLS Ionic Relative Value Arbitrage Fund, KLS Niederhoffer Smart Alpha UCITS Fund, KLS Athos Event Driven Fund and KLS SGA US Large CAP Growth Fund.

# KEPLER LIQUID STRATEGIES ICAV

## ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

For the financial year ended 31 December 2022

### Information for investors in Switzerland (unaudited)

#### 1. The Country of Domicile

The country of domicile of the fund is Ireland.

#### 2. Representative in Switzerland

FundRock Switzerland SA (formerly ARM Swiss Representatives S.A.), Route de Cité-Ouest 2, 1196 Gland, is the representative in Switzerland for the Shares offered in Switzerland.

#### 3. Paying Agent in Switzerland

Banque Cantonale de Genève, Quai de l'Île 17, 1204 Geneva, Switzerland is the paying agent in Switzerland for the Shares offered in Switzerland.

#### 4. Place where the relevant documents may be obtained

The Prospectus, the Key Investor Information Document (KIID), the constitutional documents as well as the annual, semi-annual reports and a full listing of purchases and sales may be obtained free of charge from the representative in Switzerland.

#### 5. Publications

Publications in respect of the Funds must be made in Switzerland and are available on the electronic platform "Fundinfo" ([www.fundinfo.com](http://www.fundinfo.com)).

#### 6. Performance Data

Details of the net asset value per share are reported in the Supplementary information (unaudited). The performance data shows the NAV per share performance, after performance fee, where applicable, for each share class. Unless indicated, the reference period is 31 December 2021 to 31 December 2022.

The Investment Manager's report also contains the cumulative returns for the year.

#### KLS Arete Macro Fund

	%
Class F USD	(8.52%)
Class F EUR	(10.36%)
Class F GBP	(8.84%)
Class I USD	(8.93%)
Class I EUR (ACC)	(10.76%)
Class I GBP (ACC)	(9.25%)
Class I CHF	(11.07%)
Class I EUR (DIS)	(10.76%)
Class I GBP(DIS)	(9.25%)
Class R USD	(9.39%)
Class R EUR	(11.21%)
Class SI JPY	(10.60%)
Class SI USD	(8.75%)
Class SI EUR	(10.58%)
Class SI GBP	(9.07%)
Class SI CHF	(10.89%)
Class SI SEK	(10.13%)
Class SI-EUR (DIS) <sup>(1)</sup>	(3.32%)
Class SI-GBP (DIS) <sup>(1)</sup>	(3.08%)
Class SI-USD (DIS) <sup>(1)</sup>	(2.95%)

<sup>(1)</sup>From 14/11/2022

**KEPLER LIQUID STRATEGIES ICAV**  
**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Information for investors in Switzerland (unaudited)**

**6. Performance Data**

**KLS Ionic Relative Value Arbitrage Fund**

	<b>%</b>
<b>Class F USD</b>	(7.61%)
<b>Class F EUR</b>	(9.52%)
<b>Class F GBP</b>	(8.15%)
<b>Class I USD</b>	(8.01%)
<b>Class I EUR</b>	(9.92%)
<b>Class I GBP</b>	(8.58%)
<b>Class I CHF</b>	(10.21%)
<b>Class SI USD</b>	(7.83%)
<b>Class SI EUR</b>	(9.74%)
<b>Class SI GBP</b>	(8.38%)
<b>Class SIF USD</b>	(8.52%)

**7. Total Expense Ratios**

The Total Expense Ratios (“TER”) are calculated according to the specifications of the "Guidelines on the calculation and disclosure of the TER of collective investment schemes" issued by the Asset Management Association Switzerland (“AMAS”). The TER for each share class are reported in the Supplementary information (unaudited).

The average Total Expense Ratio table shows the actual operational expenses incurred by the Funds during the year ended 31 December 2022 expressed as an annualised percentage of the average net asset value (NAV) of that Fund.

**Total Expense Ratio (TER):**

The total expense ratio (TER) was calculated based on the version currently applicable of the “Guidelines on the calculation and disclosure of the Total Expense Ratio (TER) of collective investment schemes” of the Asset Management Association Switzerland (AMAS).

The TER is calculated according to the following formula: (total expenses / Annualised Figures)\* 100 and has been calculated for the 12 months preceding the close of the annual reporting year, using annualised figures for the Sub-Fund and share classes launched during the year.

Outlined below are total expense ratios of the Sub-Fund for the year ended 31 December 2022:

**KEPLER LIQUID STRATEGIES ICAV**

**ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS**

**For the financial year ended 31 December 2022**

**Information for investors in Switzerland (unaudited)**

**7. Total Expense Ratios**

**KLS Arete Macro Fund**

	<b>TER % (Including performance fee)</b>	<b>Performance fee as a percentage of the average net assets</b>	<b>TER % (Excluding performance fee)</b>
Class F USD	0.93%	0.00%	0.93%
Class F EUR	0.96%	0.00%	0.96%
Class F GBP	0.96%	0.00%	0.96%
Class I USD	1.38%	0.00%	1.38%
Class I EUR (ACC)	1.41%	0.00%	1.41%
Class I GBP (ACC)	1.41%	0.00%	1.41%
Class I CHF	1.41%	0.00%	1.41%
Class I EUR (DIS)	1.41%	0.00%	1.41%
Class I GBP(DIS)	1.41%	0.00%	1.41%
Class R USD	1.88%	0.00%	1.88%
Class R EUR	1.91%	0.00%	1.91%
Class R SEK	1.90%	0.00%	1.90%
Class SI JPY	1.21%	0.00%	1.21%
Class SI USD	1.18%	0.00%	1.18%
Class SI EUR	1.21%	0.00%	1.21%
Class SI GBP	1.21%	0.00%	1.21%
Class SI CHF	1.21%	0.00%	1.21%
Class SI SEK	1.21%	0.00%	1.21%
Class SI-EUR (DIS) <sup>(1)</sup>	1.23%	0.00%	1.23%
Class SI-GBP (DIS) <sup>(1)</sup>	1.23%	0.00%	1.23%
Class SI-USD (DIS) <sup>(1)</sup>	1.20%	0.00%	1.20%

<sup>(1)</sup>From 14/11/2022

**KLS Ionic Relative Value Arbitrage Fund**

	<b>TER % (Including performance fee)</b>	<b>Performance fee as a percentage of the average net assets</b>	<b>TER % (Excluding performance fee)</b>
Class F USD	0.71%	0.00%	0.71%
Class F EUR	0.73%	0.00%	0.73%
Class F GBP	0.73%	0.00%	0.73%
Class I USD	1.17%	0.90%	0.27%
Class I EUR	1.19%	0.06%	1.13%
Class I GBP	1.24%	0.14%	1.10%
Class I CHF	1.20%	0.00%	1.20%
Class SI USD	0.95%	0.05%	0.90%
Class SI EUR	1.00%	0.00%	1.00%
Class SI GBP	0.99%	0.00%	0.99%
Class SIF EUR	1.70%	0.00%	1.70%
Class SIF USD	1.69%	0.00%	1.69%