

RIVER AND MERCANTILE INVESTMENTS ICAV

(An umbrella fund with segregated liability between funds)

An open-ended Irish collective asset management vehicle which is constituted as an umbrella fund with segregated liability between funds and with variable capital

UNAUDITED CONDENSED SEMI-ANNUAL REPORT

FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2020

Registration No. C167422

RIVER AND MERCANTILE INVESTMENTS ICAV

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RIVER AND MERCANTILE INVESTMENTS ICAV

GENERAL INFORMATION

Directors

Ronnie Culliton (Irish)*
Kevin Hayes (British) (resigned 27 May 2020)
Peter O'Dwyer (Irish)*
Tamsin Evans (British) (appointed 27 April 2020)

* Independent non-executive Directors.

Investment Manager for River and Mercantile Investments Global Macro Fund and Inflation Plus Fund

River and Mercantile Investments Limited
30 Coleman Street
London
EC2R 5AL
United Kingdom

Investment Manager for River and Mercantile Emerging Markets Equity Absolute Return Fund

River and Mercantile LLC
130 Turner Street, Building 3, Suite 51
Waltham, Massachusetts 02453
U.S.A.

Depository**

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

Legal Advisers

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

Secretary

Goodbody Secretarial Limited
25/28 North Wall Quay
Dublin 1
Ireland

Registered Office

25/28 North Wall Quay
Dublin 1
Ireland

Manager

Carne Global Fund Managers (Ireland) Limited
2nd Floor, Block E
Iveagh Court
Harcourt Road
Dublin 2
Ireland

Administrator

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

Auditors

KPMG
Chartered Accountants
1 Harbourmaster Place
IFSC
Dublin 1
Ireland

**Effective 1 December 2019, BNY Mellon Trust Company (Ireland) Limited, One Dockland Central, Guild Street, IFSC, Dublin 1, merged into The Bank of New York Mellon SA/NV (the "BNY Mellon European Bank") and as of that date, depository services were provided by the Dublin branch of the BNY Mellon European Bank.

RIVER AND MERCANTILE INVESTMENTS ICAV

INVESTMENT MANAGER'S REPORT

River and Mercantile Investments Global Macro Fund (the "Fund")

Market Background

At the beginning of 2020, an upswing in economic expectations was unfolding with the major easing cycle seen in 2019 providing meaningful support and financial conditions continuing to improve. This was before COVID-19 took hold globally.

Risk markets, along with consensus growth and earnings expectations, largely held up until mid-February. Volatility remained depressed, equities were flat for the year, and spreads were well below long-term averages. Consensus forecasts indicated no impact to Q2 GDP, despite the increased likelihood of shutdowns. Earnings forecasts were similarly optimistic.

This optimism gave way to significant falls in risk assets in late February and continued in March, with equities down 35% in little over a month and US high yield spreads topping 1000bps. Energy companies suffered in excess of the wider market with oil prices in freefall, adding to the momentum of the sell-off. Late in the first quarter, unprecedented amounts of fiscal and monetary stimulus supported markets, leading them higher in the final week of March.

In the second quarter, stimulus and easing of COVID-19 lockdowns in some regions led to a hope of a V-shaped recovery fuelling a rally in risk assets in May and June. US equities outperformed other major equity markets helped by better than expected jobs and retail sales data. June was more volatile with risk assets being pulled down by the uncertainty of further lockdowns and back up with the continued reassurance of ultra-easy fiscal or monetary policy.

Even with the support from central banks and governments, credit conditions remained poor over the quarter with spreads as high as 900bps in April. Meanwhile, and despite equity prices rising, the outlook for sales and earnings remained subdued given the economic activity destroyed by the COVID-19 Crisis.

Fund Activity

We began the year overweight in risk assets relative to rates, with moderate overall gross exposure. As the economic backdrop deteriorated, we changed the portfolio accordingly.

With a major increase in economic uncertainty, we cut portfolio risk quickly and meaningfully in late February. We firstly cut directional risk exposure to close to 0%, then added diversifying positions in rates and relative value through March.

Our models captured the change in sentiment via both a change in macro and motion factors, albeit after the first few days of the market falls. Therefore, the Fund suffered from the initial drop in risk markets in late February but was protected against the further significant falls seen in March.

The equity rally in the second quarter of 2020 was strong. This is despite economic signals for a sustained recovery remaining limited. In line with strategy, we would not expect to be fully invested in risk assets where this support is absent. As such exposure remained modest over the second quarter of 2020 (c.170% net on average) with a bias towards defensives (<10% in equity and credit on average). Quality equity relative value was generally preferred to rates markets.

We will continue to invest by varying the size of positions in proportion to confidence - greatest when macro drivers are consistent with market behaviour.

River and Mercantile Investments Limited
August 2020

RIVER AND MERCANTILE INVESTMENTS ICAV
INVESTMENT MANAGER'S REPORT (CONTINUED)

River and Mercantile Emerging Markets Equity Absolute Return Fund

Fund Activity

The Fund was launched on 31 December 2019, with seed capital of USD 1.9 million plus GBP 70K from River and Mercantile Holdings Limited. Trades were laddered in alignment with various settlement schedules between 2 January 2020 and 6 January 2020, with all trades having settled by 7 January 2020. The Fund was subsequently redeemed in whole by the seed investor on March 19th, 2020.

Fund Outlook

The shape of the global recovery is likely to be a bit bumpier than the hoped for 'V'. Demand appears on the rise in East Asia, and much of China's production capacity is now aimed at its own consumption, but this is not enough insulation from the lagging recoveries in the rest of the world. There will be an eventual resumption of global demand that will trigger a restocking of materials at Asian factories, stoking orders for upstream commodities, and providing knock-on momentum in Brazil, Russia, Indonesia and South Africa.

River and Mercantile LLC
August 2020

RIVER AND MERCANTILE INVESTMENTS ICAV
STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

		River and Mercantile Investments Global Macro Fund US\$	River and Mercantile Inflation Plus Fund* £	River and Mercantile Emerging Markets Equity Absolute Return Fund* US\$	Total US\$
Assets	Note				
Cash and cash equivalents	4	25,551,244	-	55,885	25,607,129
Cash collateral	4	13,449,138	-	-	13,449,138
Financial assets at fair value through profit or loss	3	166,454,641	-	-	166,454,641
Interest receivable		464,763	-	-	464,763
Dividends receivable		-	-	29	29
Prepayment and other receivables		66,632	-	-	66,632
Receivable from the Investment Manager	9	-	17,000	-	21,066
Total assets		205,986,418	17,000	55,914	206,063,398
Liabilities					
Financial liabilities at fair value through profit or loss	3	(2,827,836)	-	-	(2,827,836)
Management fees payable	7	(4,073)	-	-	(4,073)
Investment manager fees payable	7	(290)	-	-	(290)
Administration fees payable	7	(48,965)	(6,250)	(31,585)	(88,295)
Audit fee payable	7	(10,331)	(2,600)	-	(13,553)
Directors' fees payable	9	(13,860)	-	-	(13,860)
Depository fee payable	7	(21,445)	-	(8,634)	(30,079)
Legal fee payable		(26,794)	(6,150)	-	(34,415)
Accrued expenses		(34,555)	(2,000)	-	(37,033)
Total liabilities (excluding net assets attributable to holders of redeemable shares)		(2,988,149)	(17,000)	(40,219)	(3,049,434)
Net assets attributable to holders of redeemable shares		202,998,269	-	15,695	203,013,964

*At a Board meeting on 27 April 2020, the Directors resolved to close River and Mercantile Inflation Plus Fund and River and Mercantile Emerging Markets Equity Absolute Return Fund.

The accompanying notes are an integral part of the financial statements and should be read in conjunction therewith.

RIVER AND MERCANTILE INVESTMENTS ICAV
STATEMENT OF FINANCIAL POSITION (CONTINUED)

As at 31 December 2019

		River and Mercantile Investments Global Macro Fund	River and Mercantile Inflation Plus Fund*	River and Mercantile Emerging Markets Equity Absolute Return Fund**	Total
		US\$	£	US\$	US\$
Assets					
	Note				
Cash and cash equivalents	4	14,504,728	-	-	14,504,728
Cash collateral	4	5,765,063	-	-	5,765,063
Financial assets at fair value through profit or loss	3	105,801,117	-	-	105,801,117
Subscription receivable		-	-	1,992,722	1,992,722
Interest receivable		4,881	-	-	4,881
Prepayment and other receivables		67,913	-	-	67,913
Receivable from the Investment Manager	9	-	15,050	-	19,939
Total assets		126,143,702	15,050	1,992,722	128,156,363
Liabilities					
Financial liabilities at fair value through profit or loss	3	(327,966)	-	-	(327,966)
Incentive fee payable	7	(27,665)	-	-	(27,665)
Management fees payable	7	(6,476)	-	-	(6,476)
Investment manager fees payable	7	(11,017)	-	-	(11,017)
Administration fees payable	7	(38,914)	(5,000)	-	(45,538)
Audit fee payable	7	(18,715)	(5,200)	-	(25,604)
Directors' fees payable	9	(14,193)	(750)	-	(15,187)
Depository fee payable	7	(14,403)	(2,000)	-	(17,053)
Legal fee payable		(33,964)	(2,100)	-	(36,746)
Accrued expenses		(26,650)	-	-	(26,650)
Total liabilities (excluding net assets attributable to holders of redeemable shares)		(519,963)	(15,050)	-	(539,902)
Net assets attributable to holders of redeemable shares		125,623,739	-	1,992,722	127,616,461

*River and Mercantile Inflation Plus Fund had not commenced trading as at 31 December 2019.

**River and Mercantile Emerging Markets Equity Absolute Return Fund commenced operations on 31 December 2019.

The accompanying notes are an integral part of the financial statements and should be read in conjunction therewith.

RIVER AND MERCANTILE INVESTMENTS ICAV
STATEMENT OF COMPREHENSIVE INCOME

For the six month financial period ended 30 June 2020

		River and Mercantile Investments Global Macro Fund US\$	River and Mercantile Inflation Plus Fund* £	River and Mercantile Emerging Markets Equity Absolute Return Fund* US\$	Total US\$
Income	Note				
Interest income	2	4,089,869	-	125	4,089,994
Net loss on financial assets and liabilities at fair value through profit or loss	5	(33,934,288)	-	(472,442)	(34,406,730)
Dividend income	2	-	-	4,984	4,984
Other income		111,659	-	80	111,739
Total loss/Income		(29,732,760)	-	(467,253)	(30,200,013)
Operating Expenses					
Management fees	7	(26,255)	-	(118)	(26,373)
Investment manager fees	7	(1,716)	-	-	(1,716)
Administration fees	7	(75,149)	(2,083)	(31,585)	(109,393)
Audit fee	7	(9,774)	(2,600)	(3,502)	(16,595)
Legal fee		(16,851)	(4,821)	(2,556)	(25,562)
Directors' fees	9	(19,825)	(2,000)	(1,382)	(23,760)
Depositary fee	7	(31,959)	-	(16,383)	(48,342)
Other expenses		(1,128,509)	(1,000)	(2,402)	(1,132,188)
Total operating expenses		(1,310,038)	(12,504)	(57,928)	(1,383,929)
Fee reimbursement					
Fee reimbursement from the Investment Manager	9	-	-	74,258	74,258
Total fee reimbursement		-	-	74,258	74,258
Net loss		(31,042,798)	(12,504)	(450,923)	(31,509,684)
Finance Costs					
Interest expense	2	(3,113,038)	-	(58)	(3,113,038)
Total finance costs		(3,113,038)	-	(58)	(3,113,038)
Less: Withholding tax expense		-	-	(817)	(817)
Decrease in net assets attributable to holders of redeemable shares		(34,155,836)	(12,504)	(451,798)	(34,623,539)

*At a Board meeting on 27 April 2020, the Directors resolved to close River and Mercantile Inflation Plus Fund and River and Mercantile Emerging Markets Equity Absolute Return Fund. The Investment Manager is responsible for all costs up to and including 30 June 2020.

The accompanying notes are an integral part of the financial statements and should be read in conjunction therewith.

RIVER AND MERCANTILE INVESTMENTS ICAV
STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

For the six month financial period ended 30 June 2019

		River and Mercantile Investments Global Macro Fund US\$	River and Mercantile Inflation Plus Fund* £	Total US\$
Income	Note			
Interest income	2	41,693	-	41,693
Net gain on financial assets at fair value through profit or loss	5	557,375	-	557,375
Other income		412	-	412
Total income		599,480	-	599,480
Operating Expenses				
Incentive fee	7	(79,605)	-	(79,605)
Management fees	7	(16,624)	-	(16,624)
Investment manager fees	7	(34,083)	-	(34,083)
Administration fees	7	(41,685)	(1,116)	(43,129)
Audit fee	7	(8,861)	(1,357)	(10,617)
Legal fee		(17,040)	(4,018)	(22,239)
Directors' fees	9	(18,826)	(2,455)	(22,002)
Depositary fee	7	(22,068)	(893)	(23,223)
Other expenses		(19,425)	(670)	(20,292)
Total operating expenses		(258,217)	(10,509)	(271,814)
Fee reimbursement				
Fee reimbursement from the Investment Manager	9	127,333	10,509	140,930
Total fee reimbursement		127,333	10,509	140,930
Net income		468,596	-	468,596
Finance Costs				
Interest expense	2	(23,356)	-	(23,356)
Total finance costs		(23,356)	-	(23,356)
Increase in net assets attributable to holders of redeemable shares		445,240	-	445,240

*River and Mercantile Inflation Plus Fund had not commenced trading as at 30 June 2019.

River and Mercantile Emerging Markets Equity Absolute Return Fund commenced operations on 31 December 2019. Consequently, no Statement of Comprehensive Income is presented for this Fund.

The accompanying notes are an integral part of the financial statements and should be read in conjunction therewith.

RIVER AND MERCANTILE INVESTMENTS ICAV
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

For the six month financial period ended 30 June 2020

	River and Mercantile Investments Global Macro Fund US\$	River and Mercantile Inflation Plus Fund* £	River and Mercantile Emerging Markets Equity Absolute Return Fund* US\$	Total US\$
Net assets at beginning of the financial period	125,623,739	-	1,992,722	127,616,461
Decrease in net assets attributable to holders of redeemable shares	(34,155,836)	-	(451,798)	(34,607,634)
Subscriptions during the financial period				
Class Z (Accumulation) GBP	111,591,229	-	-	111,591,229
Total subscriptions during the financial period	111,591,229	-	-	111,591,229
Redemptions during the financial period				
Class A1 (Accumulation) USD	-	-	(1,454,260)	(1,454,260)
Class B1 (Accumulation) GBP	-	-	(70,969)	(70,969)
Class Z (Accumulation) GBP	(60,863)	-	-	(60,863)
Total redemptions during the financial period	(60,863)	-	(1,525,229)	(1,586,092)
Net assets at end of the financial period	202,998,269	-	15,695	203,013,964

*At a Board meeting on 27 April 2020, the Directors resolved to close River and Mercantile Inflation Plus Fund and River and Mercantile Emerging Markets Equity Absolute Return Fund.

The accompanying notes are an integral part of the financial statements and should be read in conjunction therewith.

RIVER AND MERCANTILE INVESTMENTS ICAV
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

For the six month financial period ended 30 June 2019

	River and Mercantile Investments Global Macro Fund US\$	River and Mercantile Inflation Plus Fund* £	Total US\$
Net assets at beginning of the financial period	6,876,596	-	6,876,596
Increase in net assets attributable to holders of redeemable shares	445,240	-	445,240
Redemptions during the financial period			
Class A (Accumulation) USD	(508,768)	-	(508,768)
Total redemptions during the financial period	(508,768)	-	(508,768)
Net assets at end of the financial period	6,813,068	-	6,813,068

*River and Mercantile Inflation Plus Fund had not commenced trading as at 30 June 2019.

River and Mercantile Emerging Markets Equity Absolute Return Fund commenced operations on 31 December 2019. Consequently, no Statement of Changes in Net Assets Attributable to Holders of Redeemable Shares is presented for this Fund.

The accompanying notes are an integral part of the financial statements and should be read in conjunction therewith.

RIVER AND MERCANTILE INVESTMENTS ICAV
STATEMENT OF CASH FLOWS

For the six month financial period ended 30 June 2020

	River and Mercantile Investments Global Macro Fund US\$	River and Mercantile Inflation Plus Fund* £	River and Mercantile Emerging Markets Equity Absolute Return Fund* US\$	Total US\$
Cash flows from operating activities				
Decrease in net assets attributable to holders of redeemable shares	(34,155,836)	(12,504)	(451,798)	(34,607,634)
<i>Adjustments to reconcile net decrease in net assets attributable to holders of redeemable shares to net cash provided by operating activities:</i>				
<i>Net change in operating assets and liabilities:</i>				
Financial assets at fair value through profit or loss	(60,653,524)	-	-	(60,653,524)
Receivable from the Investment Manager	-	(1,950)	-	(2,489)
Interest receivable	(459,882)	-	-	(459,882)
Dividends receivable	-	-	(29)	(29)
Other receivables	1,281	-	-	1,281
Financial liabilities at fair value through profit or loss	2,499,870	-	-	2,499,870
Investment manager fees payable	(10,727)	-	-	(10,727)
Incentive fee payable	(27,665)	-	-	(27,665)
Cash collateral	(7,684,075)	-	-	(7,684,075)
Management fees payable	(2,403)	-	-	(2,403)
Administration fees payable	10,051	1,250	31,585	43,232
Audit fee payable	(8,384)	(2,600)	-	(11,703)
Directors' fees payable	(333)	(750)	-	(1,290)
Depositary fee payable	7,042	(2,000)	8,634	13,123
Legal fee payable	(7,170)	4,050	-	(2,000)
Accrued expenses	7,905	2,000	-	10,458
Net cash used in operating activities	(100,483,850)	-	(411,608)	(100,895,457)
Cash flows from financing activities				
Proceeds from issuance of shares	111,591,229	-	1,992,722	113,583,951
Payments for redemption of shares	(60,863)	-	(1,525,229)	(1,586,092)
Net cash provided by financing activities	111,530,366	-	467,493	111,997,859
Net increase in cash and cash equivalents	11,046,516	-	55,885	11,102,402
Cash and cash equivalents at beginning of the financial period	14,504,728	-	-	14,504,728
Cash and cash equivalents at end of the financial period	25,551,244	-	55,885	25,607,130
Supplemental disclosure of cash flow information				
Interest received	3,629,987	-	125	3,630,112
Interest paid	(3,107,163)	-	(58)	(3,107,221)
Dividend received	-	-	4,940	4,940

*At a Board meeting on 27 April 2020, the Directors resolved to close River and Mercantile Inflation Plus Fund and River and Mercantile Emerging Markets Equity Absolute Return Fund.

The accompanying notes are an integral part of the financial statements and should be read in conjunction therewith.

RIVER AND MERCANTILE INVESTMENTS ICAV
STATEMENT OF CASH FLOWS (CONTINUED)

For the six month financial period ended 30 June 2019

	River and Mercantile Investments Global Macro Fund US\$	River and Mercantile Inflation Plus Fund* £	Total US\$
Cash flows from operating activities			
Increase in net assets attributable to holders of redeemable shares	445,240	-	445,240
<i>Adjustments to reconcile net increase in net assets attributable to holders of redeemable shares to net cash used in operating</i>			
<i>Net change in operating assets and liabilities:</i>			
Financial assets at fair value through profit or loss	446,365	-	446,365
Receivable from the Investment Manager	237,661	(4,786)	231,469
Interest receivable	5,308	-	5,308
Financial liabilities at fair value through profit or loss	13,747	-	13,747
Investment manager fees payable	(52,610)	-	(52,610)
Incentive fee payable	(12,466)	-	(12,466)
Cash collateral	(474,402)	-	(474,402)
Management fees payable	(396)	-	(396)
Administration fees payable	(9,781)	1,116	(8,337)
Audit fee payable	(9,598)	5,902	(1,962)
Directors' fees payable	8,657	-	8,657
Depositary fee payable	(6,995)	-	(6,995)
Organisation prepayment	(65,387)	-	(65,387)
Legal fee payable	(13,771)	(2,232)	(16,659)
Accrued expenses	(23,833)	-	(23,833)
Net cash provided by operating activities	487,739	-	487,739
Cash flows from financing activities			
Proceeds from issuance of shares			
Payments for redemption of shares	(508,768)	-	(508,768)
Net cash used in financing activities	(508,768)	-	(508,768)
Net decrease in cash and cash equivalents	(21,029)	-	(21,029)
Cash and cash equivalents at beginning of the financial period	810,753	-	810,753
Cash and cash equivalents at end of the financial period	789,724	-	789,724
Supplemental disclosure of cash flow information			
Interest received	40,840	-	40,840
Interest paid	(23,237)	-	(23,237)

*River and Mercantile Inflation Plus Fund has not commenced trading as at 30 June 2019.

River and Mercantile Emerging Markets Equity Absolute Return Fund commenced operations on 31 December 2019. Consequently, no Statement of Cash Flows is presented for this Fund.

The accompanying notes are an integral part of the financial statements and should be read in conjunction therewith.

RIVER AND MERCANTILE INVESTMENTS ICAV

NOTES TO FINANCIAL STATEMENTS

1. General information

River and Mercantile Investments ICAV (the “ICAV”) was registered in Ireland on 27 March 2017 as an umbrella Irish collective asset-management vehicle with segregated liability between funds pursuant to Part 2, Chapter 1 of the ICAV Act.

The ICAV was authorised by the Central Bank of Ireland on 13 October 2017 in accordance with the European Communities (Undertakings for Collective Investments in Transferable Securities) Regulations 2011 (as amended) (“UCITS Regulations”) and is regulated by the Central Bank of Ireland in accordance with the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, (as amended) (the “Central Bank UCITS Regulations”).

The financial statements are prepared in accordance with the ICAV Act, UCITS Regulations, Central Bank UCITS Regulations and in accordance with International Financial Reporting Standards (“IFRS”) as adopted by the European Union.

The ICAV is structured as an umbrella fund with segregated liability between funds. Shares representing interests in different funds may be issued from time to time by the ICAV. Shares of more than one class may be issued in relation to a fund. All Shares of each class will rank ratably amongst themselves and *pari passu* save as provided for in the relevant Supplement. On the introduction of any new fund (for which prior Central Bank of Ireland approval is required) or any new class of shares (which must be issued in accordance with the requirements of the Central Bank of Ireland), the ICAV will prepare and issue a new or updated Supplement setting out the relevant details of each such fund or new class of shares as the case may be. A separate portfolio of assets will be maintained for each fund (and accordingly not for each class of shares) and will be invested in accordance with the investment objective and policies applicable to such fund. Particulars relating to individual funds and the classes of shares available therein are set out in the relevant Supplement. Any amendments to the Prospectus and any Supplements must be notified to and cleared in advance by the Central Bank of Ireland.

The ICAV has segregated liability between its funds and accordingly any liability incurred on behalf of or attributable to any fund shall be discharged solely out of the assets of that fund. As at 30 June 2020, the ICAV has established three funds: River and Mercantile Investments Global Macro Fund, River and Mercantile Inflation Plus Fund and River and Mercantile Emerging Markets Equity Absolute Return Fund (each the “Fund” or collectively the “Funds”). Additional funds may be established by the Directors from time to time with the prior approval of the Central Bank of Ireland.

At a Board meeting on 27 April 2020, the Directors resolved to close River and Mercantile Inflation Plus Fund and River and Mercantile Emerging Markets Equity Absolute Return Fund.

The ICAV has appointed River and Mercantile Investments Limited and River and Mercantile LLC as the Investment Managers (each the “Investment Manager” and together, the “Investment Managers”) and Carne Global Fund Managers (Ireland) Limited as the Manager (the “Manager”) to the ICAV. The ICAV has appointed BNY Mellon Fund Services (Ireland) Designated Activity Company as administrator of the ICAV pursuant to the Administration Agreement with responsibility for the day to day administration of the ICAV’s affairs. The ICAV has appointed BNY Mellon Trust Company (Ireland) Limited as Depositary of the ICAV pursuant to the Depositary Agreement with responsibility for acting as depositary of the assets of each Fund.

Effective 1 December 2019, BNY Mellon Trust Company (Ireland) Limited, One Dockland Central, Guild Street, IFSC, Dublin 1, merged into The Bank of New York Mellon SA/NV (the “BNY Mellon European Bank”) and as of that date, depositary services were provided by the Dublin branch of the BNY Mellon European Bank (the “Depositary”).

The investment objectives and policies of the Funds are summarised below. A full description of the investment objectives and policies of the Funds are contained in their respective Supplements.

River and Mercantile Investments Global Macro Fund

The investment objective of the Fund is to achieve long-term capital appreciation through the annual growth rate of an investment applied year on year for a specified period of time.

The investment strategy of the Fund is to invest globally long and short, using leverage (where appropriate) in a diversified range of liquid instruments, by following a systematic investment process that is based on statistical research. The Fund may either invest directly in instruments, or indirectly by investing through financial derivative instruments.

The Fund may invest in equity securities (including common stocks of companies of any market capitalisation, depositary receipts and exchange traded funds), exchange traded futures, equity options and forwards, currency forwards traded over-the-counter, U.S. Treasury obligations, debt instruments of any government, corporation or other entity, including instruments that are rated below investment grade, and financial derivative instruments linked to all such instruments (including swaps and equity index futures). The Fund may invest in futures which are listed on global indices. The types of such indices will be consistent with the investment objective and policy of the Fund and are likely to have a global macro focus.

The Fund may also invest a portion of its assets in other instruments for cash management purposes. These other instruments are expected to be predominantly comprised U.S. Treasury obligations but may include debt instruments of any government, corporation or other entity and may include other instruments such as money market funds.

The Fund is not focused on any one geographical region or industry sector.

River and Mercantile Inflation Plus Fund

The investment objective of the Fund is to grow capital by delivering a return in excess of UK inflation as measured by the Retail Price Index. This is achieved by diversifying investments across various asset classes and providing the opportunity for real capital growth. The Fund may offer downside capital preservation during adverse market conditions however this is not guaranteed. The Fund may invest up to 100% of its net assets in collective investment schemes (“CISs”). The CISs may be located in the following jurisdictions the United States, Ireland, UK, Luxembourg, Germany, France, Sweden, Norway, Guernsey and Jersey and may be diversified across investment managers.

At a Board meeting on 27 April 2020, the Directors resolved to close River and Mercantile Inflation Plus Fund.

RIVER AND MERCANTILE INVESTMENTS ICAV

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

1. General information (continued)

River and Mercantile Emerging Markets Equity Absolute Return Fund

The investment objective of the Fund is to achieve long-term capital appreciation, through investments in equities and similar instruments denominated in any freely convertible currency and issued by (or the value of which is linked directly to equity securities issued by) emerging market companies. The Fund may from time to time use financial derivative instruments for investment purposes to reduce the Fund's exposure to movements in emerging market equity prices generally, in line with the objective to achieve long-term capital appreciation.

At a Board meeting on 27 April 2020, the Directors resolved to close River and Mercantile Emerging Markets Equity Absolute Return Fund.

2. Significant accounting policies

(a) Statement of compliance

The condensed unaudited interim financial statements have been prepared in accordance with IFRS as adopted by the European Union.

(b) Basis of preparation

The condensed unaudited interim financial statements have been prepared on the historical cost basis, except for financial instruments at fair value through profit or loss, which are measured at fair value. The condensed unaudited interim financial statements are prepared on a going concern basis except for River and Mercantile Inflation Plus Fund and River and Mercantile Emerging Markets Equity Absolute Return Fund which are prepared on a non-going concern basis.

The condensed unaudited interim financial statements of River and Mercantile Investments Global Macro Fund are presented in United States Dollars ("US\$"), the Fund's functional currency. The condensed unaudited interim financial statements of River and Mercantile Inflation Plus Fund are presented in Sterling ("£"), the Fund's functional currency. The condensed unaudited interim financial statements of River and Mercantile Emerging Markets Equity Absolute Return Fund are presented in United States Dollars ("US\$"), the Fund's functional currency. The presentation currency of the ICAV is the United States Dollars (US\$). All amounts have been rounded to the nearest currency unit unless otherwise stated.

(c) Significant accounting estimates and judgements

The preparation of condensed unaudited interim financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates. The key judgement relates to the selection of the classification of investments and the associated valuation policies.

(d) Standards, interpretations and amendments adopted during the financial year ended 30 June 2020

There are no new significant standards and amendments to standards effective at 30 June 2020 that are relevant for the ICAV's operations.

(e) Standards, interpretations and amendments not yet effective at 30 June 2020

There are no new significant standards and amendments to standards not yet effective at 30 June 2020 that are relevant for the ICAV's operations.

(f) Financial assets and financial liabilities

The ICAV classifies and measures financial instruments in line with IFRS 9 "Financial Instruments" ("IFRS 9").

Recognition and initial measurement

The ICAV initially recognises financial assets and financial liabilities at fair value through profit or loss ("FVTPL") 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 on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

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 SPPI.

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

RIVER AND MERCANTILE INVESTMENTS ICAV

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Significant accounting policies (continued)

(f) Financial assets and financial liabilities (continued)

Classification and subsequent measurement (continued)

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 and other receivables. These financial assets are held to collect contractual cash flow.
- Other business model: this includes debt instruments and derivatives. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

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.

Fair value measurement

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 ICAV has access at that date. The fair value of a liability reflects its non-performance risk.

When available, the ICAV measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The ICAV measures instruments quoted in an active market at a mid price, because this price provides a reasonable approximation of the exit price.

If there is no quoted price in an active market, then the ICAV uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Derecognition

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

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

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

The ICAV derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(g) Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the assets and settle the liabilities simultaneously. As at 30 June 2020 and 31 December 2019, no financial assets and liabilities are offset in the Statement of Financial Position.

RIVER AND MERCANTILE INVESTMENTS ICAV

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Significant accounting policies (continued)

(h) Derivatives

The ICAV, in its normal course of investing and trading activities, may enter into transactions in derivative financial instruments based on expectations of future market movements and conditions. The fair value of derivative financial instruments at the reporting date generally reflects the amount that the ICAV would receive or pay to terminate the contract at the reporting date. Many derivative financial instruments are exchange traded or traded in the over-the-counter (“OTC”) market where market values are readily obtainable. These transactions have off-balance sheet risk, credit and/or liquidity risk.

Derivative financial instruments are recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at their fair value. Fair values are obtained from quoted market prices in active markets, including recent market transactions, and valuation techniques, including discounted cash flow models and options pricing models, as appropriate. Models are calibrated by back testing to actual transactions to ensure outputs are reliable. Models use observable data to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Board of Directors to make estimates. Changes in assumptions about these factors could affect the reported fair value of derivative financial instruments at the valuation date.

All derivative financial instruments are carried in assets when amounts are receivable by the ICAV and in liabilities when amounts are payable by the ICAV. Changes in the fair values of derivatives are included in the Statement of Comprehensive Income. During the financial period, when the contract is open, changes in the value of the contracts are recognised as unrealised appreciation or depreciation to reflect the fair value of the contract at the last day of the valuation financial period. When the contract is closed, the ICAV records a realised gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the ICAV’s basis in the contract.

The ICAV may engage in forward currency contracts, futures contracts and swap contracts.

- Forward currency contracts

Forward currency contracts are recorded on the trade date and are valued at the applicable foreign exchange rates on the last business day of the financial year. The difference between the fair value of the original contract amount and the fair value of the open forward currency contract position is reflected as unrealised appreciation or depreciation on open forward currency contracts which is included in financial assets or liabilities at fair value through profit or loss in the Statement of Financial Position and as a net change in unrealised appreciation or depreciation on open forward currency contracts which is included in net gain (loss) on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income. Realised gains or losses are recognised on the maturity or trade date of the contract and are included in net gain (loss) on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income.

- Futures contracts

A futures contract represents a commitment for the future purchase or sale of an asset at a specified price on a specified date.

The purchase and sale of futures contracts requires margin deposits with a Future Commission Merchant (“FCM”). Subsequent payments (variation margin) are made or received by the ICAV each day, depending on the daily fluctuations in the value of the contract, and are recorded as unrealised gains or losses by the ICAV. Futures contracts may reduce the ICAV’s exposure to counterparty risk since futures contracts are exchange-traded; and the exchange’s clearinghouse, as the counterparty to all exchange-traded futures, guarantees the futures against default.

- Swap contracts

Swaps are contractual agreements between two parties to exchange streams of payments over time based on specified notional amounts. The swaps are valued at an amount equal to the gain or loss that would be realised if the position was closed out on the valuation date.

Total return swaps

The ICAV may also hold investment positions through total return swaps. Total return swaps are contracts in which the ICAV pays or receives a series of cash flows based upon the total return of a specified asset in return for paying or receiving, respectively, a fixed or floating rate of interest based upon that same specified asset.

(i) Realised and unrealised gains and losses

All realised and unrealised gains and losses on securities and derivatives are recognised as net gain (loss) on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income. The cost of securities sold is accounted for on a First In – First Out (“FIFO”) basis. Unrealised gains and losses consist of movement in the fair value of financial instruments between the opening and closing financial period end, adjusted for a reversal of the prior financial period’s unrealised gains and losses for financial instruments which were realised in this reporting financial period.

Realised gains and losses represent the difference between an instrument’s initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

(j) Interest income and expense

Interest income and expense on cash and cash equivalents is recognised on an accruals basis in the Statement of Comprehensive Income using the effective interest rate method.

(k) Dividend income and expense

Dividend income is recognised when the ICAV’s right to receive the payment is established. Dividend income is presented gross of any non-recoverable withholding taxes. Dividend expense is recorded on an accruals basis. Dividend income and expense are recorded on the ex-dividend date.

RIVER AND MERCANTILE INVESTMENTS ICAV

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Significant accounting policies (continued)

(l) Transaction fees

Transaction costs are incremental costs, which are separately identifiable and directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. Transaction costs incurred by the ICAV during the financial period are recognised in the Statement of Comprehensive Income and are included in Other expenses.

(m) Currency transaction

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").

Transactions during the financial year denominated in foreign currencies have been translated at the rates of exchange ruling at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the Statement of Financial Position date. For foreign currency investment transactions and for foreign currency investments held at the financial year end the resulting profits or losses are recognised as net gain (loss) on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income.

Gains and losses on forward currency contracts are included in the net gain (loss) on financial assets and liabilities at fair value through profit or loss in the Statement of Comprehensive Income and allocated to the relevant share class.

(n) Cash and cash equivalents

Cash and cash equivalents include cash in hand and demand deposits and other short-term highly liquid investments with original maturities of three months or less, net of outstanding bank overdraft.

(o) Cash collateral

The cash collateral and cash collateral payable amounts consist of funds held at or received from counterparties as disclosed in Note 4 and arising from such activities as collateral for derivative contracts and other cash transactions.

(p) Taxation

The ICAV will only be subject to tax on chargeable events in respect of shareholders who are Taxable Irish Persons (generally persons who are resident or ordinarily resident in Ireland for tax purposes).

A chargeable event occurs for example on:

- (i) a payment of any kind to a shareholder by the ICAV;
- (ii) a transfer of shares; and
- (iii) on the eighth anniversary of a shareholder acquiring shares and every subsequent eighth anniversary

but does not include any transaction in relation to shares held in a clearing system recognised by the Irish Revenue Commissioners, certain transfers arising as a result of an amalgamation or reconstruction of fund vehicles and certain transfers between spouses or former spouses.

If a shareholder is not a Taxable Irish Person at the time a chargeable event arises no Irish tax will be payable on that chargeable event in respect of that shareholder.

Where tax is payable on a chargeable event, subject to the comments below, it is a liability of the ICAV which is recoverable by deduction or, in the case of a transfer and on the eight year rolling chargeable event by cancellation or appropriation of Shares from the relevant shareholders. In certain circumstances, and only after notification by the ICAV to a shareholder, the tax payable on the eight year rolling chargeable event can at the election of the ICAV become a liability of the shareholder rather than the ICAV. In such circumstances the shareholder must file an Irish tax return and pay the appropriate tax to the Irish Revenue Commissioners.

In the absence of the appropriate declaration being received by the ICAV that a shareholder is not a Taxable Irish Person or if the ICAV has information that would reasonably suggest that a declaration is incorrect, and in the absence of written notice of approval from the Irish Revenue Commissioners to the effect that the requirement to have been provided with such declaration is deemed to have been complied with (or following the withdrawal of, or failure to meet any conditions attaching to such approval), the ICAV will be obliged to pay tax on the occasion of a chargeable event (even if, in fact, the shareholder is neither resident nor ordinarily resident in Ireland).

IFRIC Interpretation 23, Uncertainty over Income Tax Treatment clarifies the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 in the ICAV financial statements.

The Investment Manager evaluates such tax positions to determine whether, for all tax years still subject to assessment or challenge by the relevant taxation authorities, the tax positions are probable to be accepted on examination by the relevant tax authorities. If it is probable that the ICAV tax positions are accepted the taxable profit (tax loss) should be consistent with the ICAV tax filings. If not probable the ICAV must reflect the effect of the uncertainty in determining its taxable profit (tax loss). The effect of the uncertain tax treatment is determined by applying the expected value method or by applying the most likely method.

The Investment Manager has analysed the ICAV tax positions, and has concluded that no liability for unrecognised tax benefits should be recorded related to uncertain tax positions as at 30 June 2020 and 31 December 2019. The ICAV recognises interest and penalties, if any, related to unrecognised tax benefits as income tax and expense in the Statement of Comprehensive Income. During the periods ended 30 June 2020 and 30 June 2019, the ICAV did not incur any interest or penalties.

RIVER AND MERCANTILE INVESTMENTS ICAV

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

2. Significant accounting policies (continued)

(q) Redeemable shares

Redeemable Shares are redeemable at the shareholders' option and are classified as financial liabilities. The Redeemable Shares can be put back to the ICAV under redemption terms set out in the ICAV's offering documents. A Redeemable Share is carried at the redemption amount that is payable at the Statement of Financial Position date if the shareholder exercised their right to put the Redeemable Share back to the ICAV in accordance with the redemption terms set out in the Prospectus.

(r) Expenses

All expenses are recognised in the Statement of Comprehensive Income on an accruals basis.

3. Financial assets and liabilities at fair value through profit or loss

The following table summarises the financial assets and liabilities at fair value through profit or loss as at 30 June 2020 and 31 December 2019:

	30 June 2020	31 December 2019
	River and Mercantile Investments Global Macro Fund	River and Mercantile Investments Global Macro Fund
	US\$	US\$
Financial assets at fair value through profit or loss		
Held for trading:		
Transferable securities		
Government bonds	164,016,748	104,054,663
Total transferable securities	164,016,748	104,054,663
Derivative contracts		
Total return swaps	1,195,247	103,785
Forward currency contracts	353,629	1,360,590
Futures contracts	889,017	282,079
Total derivative contracts	2,437,893	1,746,454
Total financial assets at fair value through profit or loss	166,454,641	105,801,117
Financial liabilities at fair value through profit or loss		
Held for trading:		
Derivative contracts		
Total return swaps	(167,901)	(70,699)
Forward currency contracts	(2,437,042)	(33,629)
Futures contracts	(222,893)	(223,638)
Total derivative contracts	(2,827,836)	(327,966)
Total financial liabilities at fair value through profit or loss	(2,827,836)	(327,966)

As at 31 December 2019, River and Mercantile Inflation Plus Fund had not commenced trading.

At a Board meeting on 27 April 2020, the Directors resolved to close River and Mercantile Inflation Plus Fund.

River and Mercantile Emerging Markets Equity Absolute Return Fund received subscriptions on 31 December 2019. However, the Fund did not hold any investments at 31 December 2019. At a Board meeting on 27 April 2020, the Directors resolved to close River and Mercantile Emerging Markets Equity Absolute Return Fund.

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

The ICAV discloses the values of its investments in accordance with IFRS 13 "Fair Value Measurement" ("IFRS 13"). This requires the ICAV to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety.

If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

RIVER AND MERCANTILE INVESTMENTS ICAV

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. Financial assets and liabilities at fair value through profit or loss (continued)

The following table analyses within the fair value hierarchy, the ICAV's financial assets and liabilities measured at fair value at 30 June 2020:

River and Mercantile Investments Global Macro Fund

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at fair value through profit or loss held for trading				
Interest bearing securities				
Government bonds	164,016,748	-	-	164,016,748
Total interest bearing securities	164,016,748	-	-	164,016,748
Derivative contracts				
Forward currency contracts	-	353,629	-	353,629
Futures contracts	889,017	-	-	889,017
Total return swaps	-	1,195,247	-	1,195,247
Total derivative contracts	889,017	1,548,876	-	2,437,893
Total assets	164,905,765	1,548,876	-	166,454,641

Financial liabilities at fair value through profit or loss held for trading

Derivative contracts				
Forward currency contracts	-	(2,437,042)	-	(2,437,042)
Futures contracts	(222,893)	-	-	(222,893)
Total return swaps	-	(167,901)	-	(167,901)
Total derivative contracts	(222,893)	(2,604,943)	-	(2,827,836)
Total liabilities	(222,893)	(2,604,943)	-	(2,827,836)

At a Board meeting on 27 April 2020, the Directors resolved to close River and Mercantile Inflation Plus Fund and River and Mercantile Emerging Markets Equity Absolute Return Fund.

The following table analyses within the fair value hierarchy, the ICAV's financial assets and liabilities measured at fair value at 31 December 2019:

River and Mercantile Investments Global Macro Fund

	Level 1 US\$	Level 2 US\$	Level 3 US\$	Total US\$
Financial assets at fair value through profit or loss held for trading				
Interest bearing securities				
Government bonds	100,761,397	3,293,266	-	104,054,663
Total interest bearing securities	100,761,397	3,293,266	-	104,054,663
Derivative contracts				
Forward currency contracts	-	1,360,590	-	1,360,590
Futures contracts	282,079	-	-	282,079
Total return swaps	-	103,785	-	103,785
Total derivative contracts	282,079	1,464,375	-	1,746,454
Total assets	101,043,476	4,757,641	-	105,801,117

Financial liabilities at fair value through profit or loss held for trading

Derivative contracts				
Forward currency contracts	-	(33,629)	-	(33,629)
Futures contracts	- 223,638	-	-	(223,638)
Total return swaps	-	(70,699)	-	(70,699)
Total derivative contracts	(223,638)	(104,328)	-	(327,966)
Total liabilities	(223,638)	(104,328)	-	(327,966)

As at 31 December 2019, River and Mercantile Inflation Plus Fund had not commenced trading.

River and Mercantile Emerging Markets Equity Absolute Return Fund received subscriptions on 31 December 2019. However, the Fund did not hold any investments at 31 December 2019. At a Board meeting on 27 April 2020, the Directors resolved to close River and Mercantile Emerging Markets Equity Absolute Return Fund.

RIVER AND MERCANTILE INVESTMENTS ICAV
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. Cash and cash equivalents and cash collateral

As at 30 June 2020 and 31 December 2019, cash balances were held as disclosed below:

River and Mercantile Investments Global Macro Fund

	30 June 2020 US\$	31 December 2019 US\$
Cash and cash equivalents		
BNY Mellon	16,791,278	10,602,965
JPMorgan	3,749,126	1,562,460
Morgan Stanley	24,040,088	6,683,738
Barclays	1,436,914	-
	<u>46,017,406</u>	<u>18,849,163</u>
Bank overdraft		
Morgan Stanley	(20,466,162)	(4,344,435)
Net cash and cash equivalents	<u>25,551,244</u>	<u>14,504,728</u>
Cash collateral		
Morgan Stanley	13,449,138	5,765,063
Total cash collateral	<u>13,449,138</u>	<u>5,765,063</u>

River and Mercantile Emerging Markets Equity Absolute Return Fund

	30 June 2020 US\$	31 December 2019 US\$
Cash and cash equivalents	55,877	-
BNY Mellon	8	-
Morgan Stanley	55,885	-
Net cash and cash equivalents	<u>55,885</u>	<u>-</u>

As at 31 December 2019, River and Mercantile Inflation Plus Fund had not commenced trading.

River and Mercantile Emerging Markets Equity Absolute Return Fund received subscriptions on 31 December 2019 but did not trade any investments as of that date.

At a Board meeting on 27 April 2020, the Directors resolved to close River and Mercantile Inflation Plus Fund and River and Mercantile Emerging Markets Equity Absolute Return Fund.

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

For the financial periods ended 30 June 2020 and 30 June 2019

	30 June 2020 River and Mercantile Investments Global Macro Fund US\$	30 June 2019 River and Mercantile Investments Global Macro Fund US\$
Realised gain on investments	716,652	93,280
Realised (loss)/gain on derivative contracts	(32,812,052)	471,691
Realised gain on foreign currency	689,616	193
	<u>(31,405,784)</u>	<u>565,164</u>
Change in unrealised (depreciation)/appreciation on investments	(509,578)	45,078
Change in unrealised depreciation on derivative contracts	(1,808,429)	(32,307)
Change in unrealised (depreciation)/appreciation on foreign currency	(210,497)	2,109
	<u>(2,528,504)</u>	<u>14,880</u>
Total	<u>(33,934,288)</u>	<u>580,044</u>

RIVER AND MERCANTILE INVESTMENTS ICAV
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. Net gain (loss) on financial assets and financial liabilities at fair value through profit or loss (continued)

For the financial period ended 30 June 2020 and 30 June 2019

	30 June 2020 River and Mercantile Emerging Markets Equity Absolute Return Fund US\$	30 June 2019 River and Mercantile Emerging Markets Equity Absolute Return Fund US\$
Realised loss on investments	(521,415)	-
Realised gain on derivative contracts	51,330	-
Realised loss on foreign currency	(2,355)	-
	<u>(472,440)</u>	<u>-</u>
Change in unrealised depreciation on foreign currency	(2)	-
	<u>(2)</u>	<u>-</u>
Total	<u>(472,442)</u>	<u>-</u>

As at 31 December 2019, River and Mercantile Inflation Plus Fund had not commenced trading.

River and Mercantile Emerging Markets Equity Absolute Return Fund received subscriptions on 31 December 2019 but did not trade any investments as of that date.

At a Board meeting on 27 April 2020, the Directors resolved to close River and Mercantile Inflation Plus Fund and River and Mercantile Emerging Markets Equity Absolute Return Fund.

6. Offsetting of financial assets and liabilities

River and Mercantile Investments Global Macro Fund
30 June 2020

Counterparty	Gross amounts of assets presented in the Statement of Financial Position US\$	Gross amounts not offset in the Statement of Financial Position		Net amount US\$
		Financial instruments US\$	Cash collateral received US\$	
BNY Mellon	353,629	(353,629)	-	-
JPMorgan	545	(545)	-	-
Morgan Stanley	889,642	(222,893)	-	666,749
Total	<u>1,243,816</u>	<u>(577,067)</u>	<u>-</u>	<u>666,749</u>

Counterparty	Gross amounts of liabilities presented in the Statement of Financial Position US\$	Gross amounts not offset in the Statement of Financial Position		Net amount US\$
		Financial instruments US\$	Cash collateral pledged US\$	
BNY Mellon	(2,437,042)	353,629	-	(2,083,413)
JP Morgan	(167,901)	545	-	(167,356)
Morgan Stanley	(222,893)	222,893	-	-
Total	<u>(2,827,836)</u>	<u>577,067</u>	<u>-</u>	<u>(2,250,769)</u>

RIVER AND MERCANTILE INVESTMENTS ICAV

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

6. Offsetting of financial assets and liabilities (continued)

At a Board meeting on 27 April 2020, the Directors resolved to close River and Mercantile Inflation Plus Fund and River and Mercantile Emerging Markets Equity Absolute Return Fund.

River and Mercantile Investments Global Macro Fund 31 December 2019

Counterparty	Gross amounts of assets presented in the Statement of Financial Position US\$	Gross amounts not offset in the Statement of Financial Position		
		Financial instruments US\$	Cash collateral received US\$	Net amount US\$
		BNY Mellon	1,360,590	(33,629)
JPMorgan	74,487	(70,699)	-	3,788
Morgan Stanley	311,377	(223,638)	-	87,739
Total	1,746,454	(327,966)	-	1,418,488

Counterparty	Gross amounts of liabilities presented in the Statement of Financial Position US\$	Gross amounts not offset in the Statement of Financial Position		
		Financial instruments US\$	Cash collateral pledged US\$	Net amount US\$
		BNY Mellon	(33,629)	33,629
JP Morgan	(70,699)	70,699	-	-
Morgan Stanley	(223,638)	223,638	-	-
Total	(327,966)	327,966	-	-

As at 31 December 2019, River and Mercantile Inflation Plus Fund had not commenced trading.

River and Mercantile Emerging Markets Equity Absolute Return Fund held no financial assets and liabilities subject to offsetting as at 31 December 2019.

RIVER AND MERCANTILE INVESTMENTS ICAV

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. Fee arrangements

River and Mercantile Investments Global Macro Fund

Manager

The Manager will be entitled to a management fee payable out of the assets of the Fund calculated and accruing at each valuation point and payable monthly in arrears at a maximum rate of up to 0.03% of the net asset value (“NAV”) of the Fund, subject to an annual minimum fee of €30,000. The Manager will also be reimbursed out of the assets of the Fund for reasonable out-of-pocket expenses incurred by the Manager including expenses relating to due diligence and monitoring of the Fund.

For the financial period ended 30 June 2020, the Fund incurred management fees of US\$26,255 (30 June 2019: US\$16,624) of which US\$4,073 (31 December 2019: US\$6,476) was payable at the financial period end.

Investment Manager

Pursuant to the Investment Management Agreement, the Fund pays to the Investment Manager a monthly fee at the annual rate of 100 basis points (1%) (the “Investment Manager Fee”) on Class A, B and C Shares. The Investment Manager is not entitled to any fee in respect of Class U, V, W, X, Y and Z Shares, but will agree a separate fee with each holder of such Class to be paid directly by the shareholders.

The Investment Manager Fee is applied to the Fund’s NAV, before the deduction of any incentive fee. The Investment Manager Fee is accrued daily and paid weekly.

For the financial period ended 30 June 2020, the Fund incurred Investment Manager Fees of US\$1,716 (30 June 2019: US\$34,083) of which US\$290 (31 December 2019: US\$11,017) was payable at the financial period end.

Depository and Administrator

The Fund shall pay from the assets of the Fund the following fees to the Depository and the Administrator together with value added tax thereon, if applicable.

The Fund shall pay the Depository a base fee up to a maximum 0.03% of the NAV of the Fund subject to a minimum of US\$40,000 per annum accrued on each dealing day and payable monthly in arrears. The Depository is also entitled to recover sub-custody fees at normal commercial rates.

For the financial period ended 30 June 2020, the Fund incurred depository fees of US\$31,959 (30 June 2019: US\$22,068) of which US\$21,445 (31 December 2019: US\$14,403) was payable at the financial period end.

The Fund shall pay the Administrator a fee which shall not exceed 0.0825% of the NAV of the Fund. The Administrator shall be entitled to a minimum fee per Fund of US\$80,000 per annum accrued on each dealing day and payable monthly in arrears.

The Administrator is also entitled to receive a fee for financial reporting services, the maintenance of the share register and investor accounts as well as processing investor transactions at normal commercial rates.

For the financial period ended 30 June 2020, the Fund incurred administration fees of US\$75,149 (30 June 2019: US\$41,685) of which US\$48,965 (31 December 2019: US\$38,914) was payable at the financial period end.

The Depository and Administrator will also be entitled to be reimbursed their reasonable out-of-pocket expenses from the assets of the Fund.

Incentive fee

The Fund will pay to the Investment Manager a performance-based fee (the “Incentive Fee”), which will be calculated for each Performance Period (as defined below) and accrued as of the end of each valuation point paid quarterly in arrears following the last day of each Performance Period, with respect to each share class of an amount equal to the product of: (i) 15.00% of the investment profits attributable to each class of shares for such Performance Period; and (ii) the amount by which the NAV per relevant share before the deduction of any accrued unpaid Incentive Fee exceeds the high water mark for such share as at the valuation point for the relevant Performance Period. The performance periods of the Fund comprise successive quarterly periods ending on the last business day in each calendar quarter (each a “Performance Period”).

For the financial period ended 30 June 2020, the Fund incurred incentive fee of US\$Nil (30 June 2019: US\$79,605) of which US\$Nil (31 December 2019: US\$27,665) was payable at the financial period end.

Audit fee

Fees and expenses paid to the auditor, KPMG, in respect of the financial period, entirely relate to the audit of the financial statements of the Fund. There were no fees and expenses paid in respect of other assurance, tax advisory or non-audit services provided by the auditors for the financial period ended 30 June 2020 (2019: US\$Nil).

Audit fees charged for the financial period ended 30 June 2020 were US\$9,774 (inclusive of VAT) (30 June 2019: US\$8,861 (inclusive of VAT)).

River and Mercantile Inflation Plus Fund

Manager

The Manager will be entitled to a management fee payable out of the assets of the Fund calculated and accruing at each valuation point and payable monthly in arrears at a maximum rate of up to 0.03% of the NAV of the Fund, subject to an annual minimum fee of €30,000. The Manager is also entitled to receive a once off, set-up cost which will not exceed €10,000. The Manager will also be reimbursed out of the assets of the Fund for reasonable out-of-pocket expenses incurred by the Manager including expenses relating to due diligence and monitoring of the Fund.

The Fund had not launched and therefore suspended management fees for 2019 and 2020.

Investment Manager

The Investment Manager will be entitled to receive from the Fund an annual fee of 1.25% of the net assets of the Class A Shares, 0.25% of the net assets of the Class B Shares and 0.25% of the net assets of the Class B (Accumulation) Shares. The Investment Manager is not entitled to any fee in respect of the Class C Shares, but will agree a separate fee with each holder of Class C Shares to be paid directly by such Shareholder. These fees will accrue and be calculated on each dealing day and be payable monthly in arrears. The Investment Manager will be responsible for all its own out of pocket costs and expenses.

The Fund had not launched and therefore incurred no Investment Manager Fee in 2019 and 2020.

RIVER AND MERCANTILE INVESTMENTS ICAV

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. Fee arrangements (continued)

River and Mercantile Inflation Plus Fund (continued)

Depository and Administrator

The Administrator will be entitled to receive out of the assets of the Fund an annual fee which will not exceed 0.025% of the net assets of the Fund plus US\$20,000 per annum and US\$20,000 for each additional Investment Manager (where there is more than one Investment Manager) (plus VAT, if any) in the performance of its duties as Administrator of the Fund. These fees shall accrue and be calculated on each dealing day and shall be payable monthly in arrears. The Administrator is also entitled to receive a fee for financial reporting services.

As at 30 June 2020 the Fund had not launched and therefore incurred no depository fees.

The Registrar and Transfer Agent will be entitled to receive from the ICAV out of the assets of the Fund an annual fee which will not exceed US\$2,500 plus US\$1,000 for each additional share class greater than four, together with reasonable costs and expenses incurred by the Registrar and Transfer Agent in the performance of its duties as Registrar and Transfer Agent of the Fund. These fees shall accrue and be calculated on each dealing day and shall be payable monthly in arrears. The Registrar and Transfer Agent shall also be entitled to be reimbursed out of the assets of the Fund all agreed transaction charges (which will be charged at normal commercial rates).

As at 30 June 2020 the Fund had not launched and therefore incurred no registrar and transfer agent fees.

For the financial period ended 30 June 2020, the Fund incurred administration fees of £2,083 (30 June 2019: £1,116) of which £6,250 (31 December 2019: £5,000) was payable at the financial period end.

The Depository will be entitled to receive from the ICAV out of the assets of the Fund an annual trustee fee which will not exceed 0.02% of the net assets of the Fund (plus VAT, if any) together with reasonable costs and expenses incurred by the Depository in the performance of its duties as Depository of the Fund. These fees shall accrue and be calculated on each dealing day and shall be payable monthly in arrears. The Depository shall also be entitled to be reimbursed out of the assets of the Fund all agreed safekeeping fees, expenses and all agreed transaction charges (which will be charged at normal commercial rates).

For the financial period ended 30 June 2020, the Fund accrued depository fees of £Nil (30 June 2019: £893) of which £Nil (31 December 2019: £2,000) was payable at the financial period end. The 2019 depository fees, which were accrued based on estimates, were written off against the receivable from the Investment Manager balance, as the Fund has not launched and was not charged with depository fees.

Audit fee

Fees and expenses paid to the auditor, KPMG, in respect of the financial year, entirely relate to the audit of the financial statements of the Fund. There were no fees and expenses paid in respect of other assurance, tax advisory or non-audit services provided by the auditors for the financial period ended 30 June 2020 US\$Nil (30 June 2019: US\$Nil).

Audit fees charged for the financial period ended 30 June 2020 were £2,600 (inclusive of VAT) (30 June 2019: £1,357 (inclusive of VAT)).

River and Mercantile Emerging Markets Equity Absolute Return Fund

Manager

The Manager will be entitled to a management fee payable out of the assets of the Fund calculated and accruing at each Valuation Point and payable monthly in arrears at a maximum rate of up to 0.03% of the Net Asset Value of the Fund, subject to an annual minimum fee of €30,000. The Manager will also be reimbursed out of the assets of the Fund for reasonable out-of-pocket expenses incurred by the Manager including expenses relating to due diligence and monitoring of the Fund.

As the Fund only launched on 31 December 2019 and was subsequently closed in April 2020, the Manager agreed to suspend management fees for 2019 and 2020.

Investment Manager

Pursuant to the Investment Management Agreement, the Fund pays to the Investment Manager a monthly fee at the annual rate of 0.45% (the "Investment Manager Fee") on Share Classes ending 2 or 4. The Investment Manager is not entitled to any fee in respect of Share Classes ending in 1 or 3, but will agree a separate fee with each holder of such Class to be paid directly by the shareholders.

The Investment Manager Fee is applied to the Fund's Net Asset Value, accrued daily and paid monthly. The Investment Manager may also appoint a Sub-Investment Advisor to assist with its investment process. The Investment Manager may pay the Sub-Investment Advisor a fee for its services. The payment or non-payment of any fee to the Sub-Investment Advisor is the responsibility of the Investment Manager and will not serve to increase or decrease the Investment Manager Fee. No fees will be paid directly to the Sub-Investment Advisor by the Fund.

The Fund did not incur any Investment Manager Fees in 2019 and 2020.

Depository and Administrator

The Fund shall pay the Depository a base fee up to a maximum 0.03% of the Net Asset Value of the Fund subject to a minimum of \$40,000 per annum accrued on each Dealing Day and payable monthly in arrears. The Depository is also entitled to recover sub-custody fees at normal commercial rates.

The Fund shall pay the Administrator a fee which shall not exceed 0.0825% of the Net Asset Value of the Fund. The Administrator shall be entitled to a minimum fee per Fund of \$100,000 per annum accrued on each Dealing Day and payable monthly in arrears.

The Administrator is also entitled to receive a fee for the maintenance of the share register and investor accounts as well as processing investor transactions at normal commercial rates.

The Depository and Administrator will also be entitled to be reimbursed their reasonable out-of-pocket expenses from the assets of the Fund.

For the financial period ended 30 June 2020, the Fund incurred Depository and Administrator fees of US\$16,383 and US\$31,585 (30 June 2019: n/a) of which US\$8,634 and US\$31,585 (31 December 2019: US\$Nil and US\$Nil) was payable at the financial period end, respectively.

RIVER AND MERCANTILE INVESTMENTS ICAV

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

7. Fee arrangements (continued)

River and Mercantile Emerging Markets Equity Absolute Return Fund (continued)

Audit fee

Fees and expenses paid to the auditor, KPMG, in respect of the financial year, entirely relate to the audit of the financial statements of the Fund. There were no fees and expenses paid in respect of other assurance, tax advisory or non-audit services provided by the auditors for the financial period ended 30 June 2020.

Audit fees charged for the financial period ended 30 June 2020 were US\$Nil (30 June 2019: n/a).

8. Share transactions

The authorised share capital of the ICAV is 2 subscriber shares of €1 each and 1,000,000,000,000,000 Shares of no par value initially designated as unclassified shares.

	30 June 2020	31 December 2019
Authorised		
1,000,000,000,000,000 shares of €1 each	<u>1,000,000,000,000,000</u>	<u>1,000,000,000,000,000</u>
Issued and fully paid		
2 subscriber shares of €1 each	<u>2</u>	<u>2</u>

The subscriber shares are held by River and Mercantile Group PLC (which wholly owns River and Mercantile Investments Limited) and River and Mercantile Holdings Limited.

The unclassified shares are available for issue as shares. There are no rights of pre-emption attaching to the shares in the ICAV.

As at 30 June 2020 and 31 December 2019, the following share classes are available for issue in River and Mercantile Investments Global Macro Fund:

30 June 2020

Class A (Accumulation) USD - active as at 30 June 2020
 Class B (Accumulation) GBP* - active as at 30 June 2020
 Class C (Accumulation) YEN*
 Class A (Distribution) USD - active as at 30 June 2020
 Class B (Distribution) GBP*
 Class C (Distribution) YEN*
 Class U (Accumulation) CHF*
 Class V (Distribution) AUD*
 Class W (Accumulation) YEN*
 Class X (Accumulation) EUR*
 Class Y (Accumulation) USD
 Class Z (Accumulation) GBP* - active as at 30 June 2020

* Indicates hedged share classes

31 December 2019

Class A (Accumulation) USD - active as at 31 December 2019
 Class B (Accumulation) GBP* - active as at 31 December 2019
 Class C (Accumulation) YEN*
 Class A (Distribution) USD - active as at 31 December 2019
 Class B (Distribution) GBP*
 Class C (Distribution) YEN*
 Class U (Accumulation) CHF*
 Class V (Distribution) AUD*
 Class W (Accumulation) YEN*
 Class X (Accumulation) EUR*
 Class Y (Accumulation) USD
 Class Z (Accumulation) GBP* - active as at 31 December 2019

* Indicates hedged share classes

All classes of Shares are for institutional investors. Share Classes U, V, W, X, Y and Z are limited to investors that already have an arrangement with the Investment Manager as regards to fees so as to avoid double charging of fees.

As at 31 December 2019, the following share classes were available for issue in River and Mercantile Inflation Plus Fund:

31 December 2019

Class A GBP
 Class B GBP
 Class C GBP
 Class B (Accumulation) Shares

RIVER AND MERCANTILE INVESTMENTS ICAV
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8. Share transactions (continued)

As at 31 December 2019, the following share classes were available for issue in River and Mercantile Emerging Markets Equity Absolute Return Fund:

31 December 2019

Class A1 (Accumulation) USD - active as at 31 December 2019	Class C2 (Accumulation) EUR
Class A2 (Accumulation) USD	Class C3 (Accumulation) EUR*
Class B1 (Accumulation) GBP - active as at 31 December 2019	Class C4 (Accumulation) EUR*
Class B2 (Accumulation) GBP	Class D1 (Accumulation) AUD
Class B3 (Accumulation) GBP*	Class D2 (Accumulation) AUD
Class B4 (Accumulation) GBP*	Class D3 (Accumulation) AUD*
Class C1 (Accumulation) EUR	Class D4 (Accumulation) AUD*

* Indicates hedged share classes

At a Board meeting on 27 April 2020, the Directors resolved to close River and Mercantile Inflation Plus Fund and River and Mercantile Emerging Markets Equity Absolute Return Fund.

Share movements during the financial year ended 30 June 2020 for each share class are as follows:

River and Mercantile Investments Global Macro Fund

Classes	Shares outstanding 1 January 2020	Shares Issued	Shares Redeemed	Shares outstanding 30 June 2020
Class A (Accumulation) USD	1,010	-	-	1,010
Class B (Accumulation) GBP	1,035	-	-	1,035
Class A (Distribution) USD	1,000	-	-	1,000
Class Z (Accumulation) GBP	947,797	866,947	(494)	1,814,250

River and Mercantile Emerging Markets Equity Absolute Return Fund

Classes	Shares outstanding 1 January 2020	Shares Issued	Shares Redeemed	Shares outstanding 30 June 2020
Class A1 (Accumulation) USD	19,000	-	(19,000)	-
Class B1 (Accumulation) GBP	700	-	(700)	-

No shares were issued or redeemed by River and Mercantile Inflation Plus Fund during the financial period ended 30 June 2020.

Share movements during the financial year ended 31 December 2019 for each share class are as follows:

River and Mercantile Investments Global Macro Fund

Classes	Shares outstanding 1 January 2019	Shares Issued	Shares Redeemed	Shares outstanding 31 December 2019
Class A (Accumulation) USD	1,010	-	-	1,010
Class B (Accumulation) GBP	1,035	-	-	1,035
Class A (Distribution) USD	63,475	-	(62,475)	1,000
Class Z (Accumulation) GBP	-	947,797	-	947,797

River and Mercantile Emerging Markets Equity Absolute Return Fund

Classes	Shares outstanding 1 January 2019	Shares Issued	Shares Redeemed	Shares outstanding 31 December 2019
Class A1 (Accumulation) USD	-	19,000	-	19,000
Class B1 (Accumulation) GBP	-	700	-	700

No shares were issued or redeemed by River and Mercantile Inflation Plus Fund during the financial year ended 31 December 2019.

RIVER AND MERCANTILE INVESTMENTS ICAV

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

8. Share transactions (continued)

The following tables summarise the Net Asset Value per Share and total net assets of each share class for River and Mercantile Investments Global Macro Fund for the financial period ended 30 June 2020.

River and Mercantile Investments Global Macro Fund

	Net Asset Value per share	Net Asset Value
Class A (Accumulation) USD	\$101.91	\$101,855
Class B (Accumulation) GBP	£98.75	£142,727
Class A (Distribution) USD	\$101.80	\$102,130
Class Z (Accumulation) GBP	£90.15	£150,405,255

At a Board meeting on 27 April 2020, the Directors resolved to close River and Mercantile Inflation Plus Fund and River and Mercantile Emerging Markets Equity Absolute Return Fund

The following table summarises the Net Asset Value per Share and total net assets of each share class for River and Mercantile Investments Global Macro Fund for the financial year ended 31 December 2019.

River and Mercantile Investments Global Macro Fund

	Net Asset Value per share	Net Asset Value
Class A (Accumulation) USD	\$112.62	\$113,781
Class B (Accumulation) GBP	£109.82	£113,579
Class A (Distribution) USD	\$112.50	\$112,561
Class Z (Accumulation) GBP	£99.76	£94,552,267

River and Mercantile Emerging Markets Equity Absolute Return Fund

	Net Asset Value per share	Net Asset Value
Class A1 (Accumulation) USD	\$100.00	\$1,900,000
Class B1 (Accumulation) GBP	£100.00	£70,000

As at 31 December 2019, River and Mercantile Inflation Plus Fund had not commenced trading.

9. Related party transactions and connected person disclosures

Related party transactions

Investment management transactions have been disclosed in Note 7. Except as disclosed below, the ICAV had no other related party transactions for the financial period ended 30 June 2020 or the financial year ended 31 December 2019.

River and Mercantile Holdings Limited own 0.16% (31 December 2019: 0.30%) of the Net Asset Value in the River and Mercantile Investments Global Macro Fund and 0% (31 December 2019: 100%) of the Net Asset Value in River and Mercantile Emerging Markets Equity Absolute Return Fund.

The Investment Manager has agreed to reduce fees and reimburse expenses to the extent necessary to keep total annual fund operating expenses after fee reductions and/or expense reimbursements from exceeding 0.45% of the Fund's average daily net assets, until five years from the date of authorisation of the Fund. As at 30 June 2020, River and Mercantile Investments Global Macro Fund has a receivable from the Investment Manager of US\$Nil (31 December 2019: US\$Nil) for fee reimbursements. As at 30 June 2020, River and Mercantile Inflation Plus Fund has a receivable from the Investment Manager of £17,000 (31 December 2019: £15,050) for fee reimbursements. As at 30 June 2020, River and Mercantile Emerging Markets Equity Absolute Return Fund has a receivable from the Investment Manager of \$Nil (31 December 2019: \$Nil) for fee reimbursements. The Investment Manager agreed to cover all costs incurred by the River and Mercantile Inflation Plus Fund for the financial period ended 30 June 2020 and financial year ended 31 December 2019.

During the financial period ended 30 June 2020, the Investment Manager paid certain expenses on behalf of River and Mercantile Investments Global Macro Fund amounting to US\$Nil (30 June 2019: US\$357,074). During the financial period ended 30 June 2020, the Investment Manager paid certain expenses on behalf of River and Mercantile Inflation Plus Fund amounting to £15,589 (30 June 2019: £10,902). During the financial period ended 30 June 2020, the Investment Manager paid certain expenses on behalf of River and Mercantile Emerging Markets Equity Absolute Return Fund amounting to US\$74,258 (30 June 2019: n/a). During the financial period ended 30 June 2020, River and Mercantile Investments Global Macro Fund paid US\$45,991 (30 June 2019: \$51,799) to the Investment Manager for certain expenses paid on behalf of the Fund.

Carne Global Fund Managers (Ireland) Limited, as Manager is a related party to the ICAV as it is considered to have significant influence over the ICAV in its role as Manager. Fees paid to the Manager are disclosed in Note 7. Carne Global Financial Services Limited, the parent company of the Manager, received fees from River and Mercantile Investments Global Macro Fund amounting to US\$16,390 (30 June 2019: US\$6,481) of which US\$5,536 (31 December 2019: \$Nil) was payable at the financial period end in respect of other fund governance services. No fees have been received for other fund governance services from River and Mercantile Inflation Plus Fund and River and Mercantile Emerging Markets Equity Absolute Return Fund.

The Directors who are not connected with the Investment Manager are entitled to remuneration for their services as directors provided however that the aggregate emoluments of each Director in respect of any twelve month accounting period shall not exceed €22,500 (2019: €22,500) (plus VAT if applicable) and the aggregate emoluments of all Directors in respect of any twelve month accounting period shall not exceed €50,000 (plus VAT if applicable). In addition, the Directors will also be entitled to be reimbursed for their reasonable out of pocket expenses incurred in discharging their duties as directors. Kevin Hayes was a director of River and Mercantile Group PLC and Tamsin Evans is a director of River and Mercantile Investments Limited. Neither are entitled to directors fees.

RIVER AND MERCANTILE INVESTMENTS ICAV

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

9. Related party transactions and connected person disclosures (continued)

Related party transactions (continued)

For the financial period ended 30 June 2020, River and Mercantile Investments Global Macro Fund incurred directors' fees of US\$19,825 (30 June 2019: US\$18,826) of which US\$13,860 (31 December 2019: US\$14,193) was payable at the financial period end. For the financial period ended 30 June 2020, River and Mercantile Inflation Plus Fund incurred directors' fees of £2,000 (30 June 2019: £2,455) of which £Nil (31 December 2019: £750) was payable at the financial period end. For the financial period ended 30 June 2020, River and Mercantile Emerging Markets Equity Absolute Return Fund incurred directors' fees of US\$1,382 (30 June 2019: n/a) of which US\$Nil (31 December 2019: n/a) was payable at the financial period end.

Connected person transactions

The Directors are satisfied that there are arrangements in place to ensure that transactions carried out with connected persons of the ICAV are carried out as if negotiated at arm's length and any such transactions are in the best interests of the shareholders of the ICAV. The Directors are satisfied that any transactions entered into with connected persons during the financial period complied with the aforementioned obligation.

10. Exchange rates

The following exchange rates have been used to translate assets and liabilities as at 30 June 2020:

River and Mercantile Investments Global Macro Fund		River and Mercantile Inflation Plus Fund	
	30 June 2020		30 June 2020
Australian dollar	0.6901	Euro	0.9067
Canadian dollar	0.7366	United States Dollar	0.8070
Euro	1.1235		
Japanese yen	0.0093		
U.K. pound	1.2391		

River and Mercantile Emerging Markets Equity Absolute Return Fund

	30 June 2020
U.K. pound	1.2391
Euro	1.1235

The following exchange rates have been used to translate assets and liabilities as at 31 December 2019:

River and Mercantile Investments Global Macro Fund		River and Mercantile Inflation Plus Fund	
	31 December 2019		31 December 2019
Australian dollar	0.7018	Euro	0.8473
Euro	1.1217	United States Dollar	0.7548
Japanese yen	0.0092		
U.K. pound	1.3246		

River and Mercantile Emerging Markets Equity Absolute Return Fund

	31 December 2019
U.K. pound	1.3246
Euro	1.1217

RIVER AND MERCANTILE INVESTMENTS ICAV

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

11. Transaction costs

In order to achieve its investment objective, the ICAV incurs transaction costs in relation to trading activity on its portfolio. These include certain broker and commission fees incurred on trades through the financial period. The commission fees borne by River and Mercantile Investments Global Macro Fund during the financial period were US\$1,105,859 (30 June 2019: US\$1,210). The commission fees borne by River and Mercantile Emerging Markets Equity Absolute Return Fund during the financial period were US\$155 (30 June 2019: n/a). As part of its trading activity conducted with counterparties for OTC derivatives, the ICAV does not incur other transactions costs which are not separately identifiable.

12. Dividends

There were no dividends declared and paid by the ICAV during the financial period ended 30 June 2020 and the financial year ended 31 December 2019.

13. Soft commissions and directed brokerage services

The Investment Manager did not engage in any soft commission or directed brokerage arrangements impacting the ICAV during the financial period ended 30 June 2020 and the financial year ended 31 December 2019.

14. Efficient Portfolio Management

A fund may employ investment techniques and instruments (including, but not limited to, the use of securities lending, repurchase agreements and reverse repurchase agreements) relating to transferable securities and/or other financial instruments in which it invests for efficient portfolio management purposes in accordance with the investment strategy of the relevant fund and subject to the conditions and limits set out in the UCITS Rulebook. The specific techniques and instruments to be utilised by each fund (if any) are set out in the Supplement for each fund. Any such technique or instrument should be reasonably believed by the Investment Manager to be economically appropriate to the efficient portfolio management of the relevant fund. During the financial period, futures, swaps, and forwards were entered into for the purpose of efficient portfolio management in order to hedge currency and market exposure and/or for investment purposes.

15. Significant events during the financial period

River and Mercantile Inflation Plus Fund

At a Board meeting on 27 April 2020, the Directors resolved to close River and Mercantile Inflation Plus Fund.

River and Mercantile Emerging Markets Equity Absolute Return Fund

In March 2020, River and Mercantile Emerging Markets Equity Absolute Return Fund sold all of its assets and distributed the proceeds to River and Mercantile Holdings Limited, the sole shareholder. At a Board meeting on 27 April 2020, the Directors resolved to close River and Mercantile Emerging Markets Equity Absolute Return Fund.

COVID-19

On 11 March 2020, the World Health Organisation declared the COVID-19 outbreak a pandemic. The COVID-19 pandemic is an unprecedented event and the eventual impact on the global economy and markets will largely depend on the scale and duration of the outbreak.

The Board has noted that financial markets have incurred increased volatility and uncertainty since the onset of the pandemic. In addition, the movement restrictions that have been enacted by various governments increases the operational risks that are posed to the ICAV and its service providers. The Board continues to monitor this situation with the Manager and has evaluated the potential risks to the ICAV.

Directorship changes

Tamsin Evans has been appointed as director for the ICAV effective 27 April 2020.

Kevin Hayes has resigned as a director for the ICAV effective 27 May 2020.

There were no other significant events during the financial period.

16. Subsequent events

Since the financial period end the performance of the Fund to 12 August 2020 has been 8.08%.

Subscriptions to the Fund were €5,668,435 from period end to 12 August 2020 and redemptions were €Nil for the same period.

There are no other events that would have a material impact on the financial statements subsequent to 30 June 2020.

17. Directors approval

The Directors approved the financial statements on 27 August 2020.

RIVER AND MERCANTILE INVESTMENTS ICAV

STATEMENT OF SIGNIFICANT PURCHASES AND SALES

The Statement of Significant Purchases and Sales reflects the aggregate purchases of transferable securities exceeding one percent of the total value of purchases and aggregate disposals of transferable securities greater than one percent of the total value of the sales for the financial year. At minimum the largest 20 purchases and sales must be given or all purchases and sales if less than 20.

River and Mercantile Investments Global Macro Fund Statement of Significant Purchases for the financial period ended 30 June 2020

Description	Nominal	Cost US\$
United States Treasury Bill 0% 08/13/2020	40,482,500	40,475,244
United States Treasury Note/Bond 6.25% 15/05/2030	24,136,600	37,204,518
United States Treasury Bill 0% 04/02/2020	33,729,600	33,645,949
United States Treasury Bill 0% 05/21/2020	32,637,500	32,521,185
United States Treasury Bill 0% 05/07/2020	32,621,100	32,513,991
United States Treasury Bill 0% 05/14/2020	32,629,300	32,513,107
TSY I/L 4.125% 07/22/2030	6,284,631	30,592,149
United States Treasury Bill 0% 05/25/2020	28,532,700	28,425,241
United States Treasury Bill 0% 07/02/2020	23,534,000	23,531,772
United States Treasury Bill 0% 06/25/2020	23,533,000	23,531,619
United States Treasury Bill 0% 07/16/2020	23,535,000	23,531,138
United States Treasury Bill 0% 07/09/2020	23,534,000	23,531,094
United States Treasury Bill 0% 06/18/2020	23,532,000	23,529,991
United States Treasury Bill 0% 09/10/2020	20,247,000	20,241,629
United States Treasury Bill 0% 04/23/2020	17,544,500	17,502,795
United States Treasury Bill 0% 03/26/2020	10,839,600	10,825,603

River and Mercantile Investments Global Macro Fund Statement of Significant Sales for the financial period ended 30 June 2020

Description	Nominal	Proceeds US\$
United States Treasury Bill 0% 04/23/2020	34,358,400	34,336,017
United States Treasury Bill 0% 04/02/2020	33,729,600	33,716,142
United States Treasury Bill 0% 05/21/2020	32,637,500	32,612,036
United States Treasury Bill 0% 05/14/2020	32,629,300	32,606,017
United States Treasury Bill 0% 05/07/2020	32,621,100	32,599,926
United States Treasury Bill 0% 05/28/2020	28,532,700	28,521,732
United States Treasury Bill 0% 03/26/2020	27,633,300	27,595,625
United States Treasury Bill 0% 07/02/2020	23,534,000	23,533,676
United States Treasury Bill 0% 06/25/2020	23,533,000	23,532,770
United States Treasury Bill 0% 06/18/2020	23,532,000	23,531,835
United States Treasury Bill 0% 03/19/2020	17,140,700	17,120,696
United States Treasury Bill 0% 02/27/2020	16,774,300	16,762,315
United States Treasury Bill 0% 02/13/2020	16,764,100	16,762,059
United States Treasury Bill 0% 01/30/2020	16,754,800	16,738,882
TSY I/L 4.125% 07/22/2030	954,223	4,495,860
United Kingdom Gilt Inflation Linked 0.125% 03/22/29	1,977,284	3,313,288
United States Treasury Bill 0% 09/07/2020	3,292,000	3,291,625
United States Treasury Bill 0% 07/16/2020	3,292,000	3,291,511

RIVER AND MERCANTILE INVESTMENTS ICAV

STATEMENT OF SIGNIFICANT PURCHASES AND SALES (continued)

River and Mercantile Emerging Markets Equity Absolute Return Fund
Statement of Significant Purchases for the financial period ended 30 June 2020

Description	Nominal	Cost US\$
Samsung Electronics Co Ltd	100	119,716
ISHARES MSCI KOREA	2,400	103,775
Alibaba Group Holding Ltd	465	100,181
Taiwan Semiconductor Manufacturing Co Ltd	1,300	77,787
Ping An Insurance Group Co of China Ltd	5,000	59,234
Banco do Brasil SA	4,200	55,022
Wal-Mart de Mexico SAB de CV	15,800	45,452
CNOOC Ltd	32,000	42,979
Sberbank of Russia	2,500	41,127
Petroleo Brasileiro SA	2,500	40,149
Bank of China Ltd	90,000	38,234
Agricultural Bank of China Ltd	82,000	35,804
PICC Property & Casualty Co Ltd	28,000	34,182
Grupo Financiero Banorte SAB de CV	5,800	32,934
ENN Energy Holdings Ltd	3,000	31,943
Gazprom PAO	3,800	31,750
Detsky Mir PJSC	18,700	31,518
International Container Terminal Services Inc	12,000	30,353
Bank Negara Indonesia Persero Tbk PT	55,000	30,066
Lukoil PJSC	300	29,719

River and Mercantile Emerging Markets Equity Absolute Return Fund
Statement of Significant Purchases for the financial period ended 30 June 2020

Description	Nominal	US\$
United States Treasury Bill 0% 03/26/20	227,000	227,000
Samsung Electronics Co Ltd	100	91,734
Alibaba Group Holding Ltd	465	86,790
ISHARES MSCI KOREA	2,400	71,250
Taiwan Semiconductor Manufacturing Co Ltd	1,300	62,166
Ping An Insurance Group Co of China Ltd	5,000	46,431
Wal-Mart de Mexico SAB de CV	15,800	34,432
Bank of China Ltd	90,000	32,087
Agricultural Bank of China Ltd	82,000	29,446
Vipshop Holdings Ltd	1,900	28,292
CNOOC Ltd	32,000	27,842
PICC Property & Casualty Co Ltd	28,000	25,334
ENN Energy Holdings Ltd	3,000	25,040
Sberbank of Russia	2,500	24,272
Banco do Brasil SA	4,200	22,540
Detsky Mir PJSC	18,700	21,807
Lukoil PJSC	300	19,857
ZTO Express Cayman Inc	800	19,732
JD.com Inc	500	19,168
Lojas Renner SA	1,800	19,000

RIVER AND MERCANTILE INVESTMENTS ICAV
SCHEDULE OF INVESTMENTS

Description	Counterparty	Number of Units	Fair Value US\$	% of Net Assets
Financial assets at fair value through profit or loss				
United States of America				
United States Treasury Bill 0% 07/16/2020		20,243,000	20,242,009	9.97%
United States Treasury Bill 0% 08/13/2020		40,482,500	40,476,456	19.94%
United States Treasury Bill 0% 09/10/2020		20,247,000	20,242,009	9.97%
United States Treasury Bill 0% 07/09/2020		20,242,000	20,241,528	9.97%
United States Treasury Note/Bond 6.25% 15/05/2030		24,136,600	37,202,892	18.33%
TSY I/L 4.125% 22/07/2030		5,330,408	25,611,854	12.62%
			164,016,748	80.80%
Total Government bonds			164,016,748	80.80%
Total return swaps				
TRS-Q5A0520 TRS (18/06/2020)	JP Morgan		545	0.00%
TRS-GLAQ001 TRS (10/02/2020)	Barclays		1,194,077	0.59%
TRS-IIG0620 TRS (18/06/2020)	Morgan Stanley		625	0.00%
			1,195,247	0.59%
Number of Contracts				
Futures contracts				
AUST 10Y BOND FUT Sep20	Morgan Stanley	83	37,898	0.02%
CAN 10YR BOND FUT Sep20	Morgan Stanley	228	77,254	0.04%
Euro-OAT Future Sep20	Morgan Stanley	47	164,222	0.08%
EURO-BUND FUTURE Sep20	Morgan Stanley	122	345,409	0.17%
LONG GILT FUTURE Sep20	Morgan Stanley	152	118,656	0.06%
10YR MINI JGB FUT Sep20	Morgan Stanley	165	145,578	0.07%
			889,017	0.44%
Forward currency contracts				
Currency	Amount	Maturity		
Receivable	Payable	Date		
USD\$26,074,624	GBP20,795,000	10/07/2020	BNY Mellon	306,019
JPY719,081,190	AUD9,582,000	10/07/2020	BNY Mellon	47,610
				353,629
				0.17%
Total financial assets at fair value through profit or loss			166,454,641	82.00%

RIVER AND MERCANTILE INVESTMENTS ICAV
SCHEDULE OF INVESTMENTS (CONTINUED)

Description	Counterparty	Fair Value US\$	% of Net Assets
Financial liabilities at fair value through profit or loss			
Total return swaps			
TRS-IYD0720 TRS (18/06/2020)	JP Morgan	(58,796)	(0.03%)
TRS-IHY0620 TRS (18/06/2020)	JP Morgan	(109,105)	(0.05%)
		(167,901)	(0.08%)
Futures contracts			
		Number of Contracts	
10YR MINI JGB FUT Sep20	Morgan Stanley	53	(13,253) (0.01%)
S&P500 EMINI FUT SEP20	Morgan Stanley	149	(209,640) (0.10%)
			(222,893) (0.11%)
Forward currency contracts			
Currency	Amount	Maturity	
Receivable	Payable	Date	
US\$13,978,619	EUR12,471,000	10/07/2020	BNY Mellon (35,498) (0.02%)
GBP163,292,400	US\$204,749,084	10/07/2020	BNY Mellon (2,401,544) (1.18%)
			(2,437,042) (1.20%)
Total financial liabilities at fair value through profit or loss			(2,827,836) (1.39%)
Total financial assets and liabilities at fair value through profit or loss			163,626,805 80.61%
Cash and cash equivalents		25,607,129	12.61%
Cash collateral		13,449,138	6.62%
Other net assets		330,892	0.16%
Net assets attributable to holders of redeemable shares		203,013,964	100.00%
Analysis of total assets			% of Total Assets
Transferable securities listed on an official stock exchange listing or traded on a regulated market			79.60%
Financial derivative instruments dealt in on a regulated market			0.43%
OTC financial derivative instruments			0.75%
Cash and cash equivalents			12.43%
Other assets			6.79%
Total Assets			100.00%

RIVER AND MERCANTILE INVESTMENTS ICAV

SECURITIES FINANCING TRANSACTIONS REGULATION 2016

Securities Financing Transactions Regulation (Regulation (EU) 2015/2365) (“SFTR”) came into force on 12 January 2016 and, amongst other requirements, introduces new disclosure requirements in the Fund’s annual and interim reports published after 13 January 2017 detailing the ICAV’s use of securities financing transactions. Securities financing transactions are defined as repurchase/reverse repurchase transactions, total return swaps, securities borrowing and lending and margin lending transactions.

For the financial period ended 30 June 2020, the ICAV has not entered into any repurchase/reverse repurchase transactions, stock lending, securities borrowing and margin lending transactions.

For the financial period ended 30 June 2020, the ICAV has entered into total return swaps. As a result, additional disclosures have been included in this supplementary section to the audited annual report.

River and Mercantile Investments Global Macro Fund

As at 30 June 2020, the Fund held total return swaps with fair value amounting to US\$1,027,347.

For the financial period ended 30 June 2020, the total returns earned on trading in total return swaps was US\$4,819,13.

River and Mercantile Inflation Plus Fund and River and Mercantile Emerging Markets Equity Absolute Return Fund

For the financial period ended 30 June 2020, River and Mercantile Inflation Plus Fund and River and Mercantile Emerging Markets Equity Absolute Return Fund did not enter into any securities financing transactions.

Settlement and clearing

All OTC derivative transactions entered into by the ICAV under an International Swap and Derivatives Association, Inc. Master Agreement (“ISDA Master Agreement”) or similar agreement. An ISDA Master Agreement is a bilateral agreement between the ICAV and a counterparty that governs OTC derivative transactions (including total return swaps) entered into by the parties.

Collateral and safekeeping

All collateral received/pledged by the ICAV under the ISDA Master Agreement is transferred bilaterally under a title transfer arrangement. Collateral received by the ICAV is held by the Depository in the name of the ICAV and is segregated by the Depository from the assets belonging to the ICAV. The collateral posted by the ICAV is transferred under a security interest arrangement in accordance with the ISDA Master Agreement.

Non-cash collateral received by way of title transfer collateral arrangement in relation to OTC derivative transactions, cannot be sold, re-invested or pledged.

As at 30 June 2020, the ICAV has not received or pledged any non-cash collateral.

As at 30 June 2020, there has been no cash collateral pledged or received in relation to SFTR transactions.