

CIFC LONG/SHORT CREDIT FUND
(a sub-fund of CIFC Credit Funds ICAV)

Annual Report and Audited Financial Statements

For the financial period from 10 August 2020 (date of commencement of operations) to 31 December 2020

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

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CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Directors and Other Information

31 December 2020

Directors

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Robert McGann (United States resident) ⁽¹⁾
Lisa Martensson (Irish resident) ⁽¹⁾⁽²⁾
Donard McClean (Irish resident) ⁽¹⁾⁽²⁾
Claire Cawley (Irish resident) ⁽¹⁾⁽²⁾

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Administrator, Registrar and Transfer Agent

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ICAV Secretary

Bradwell Limited
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Legal Advisers

Arthur Cox LLP
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Registered Office

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Investment Manager and Distributor

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Depository

J.P. Morgan Bank (Ireland) plc
200 Capital Dock
79 Sir John Rogerson's Quay
Dublin 2, D02 RK57
Ireland

Independent Auditors

Deloitte Ireland LLP
Chartered Accountants and Statutory
Audit Firm
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Sub-Custodian

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United Kingdom

⁽¹⁾ Non-executive

⁽²⁾ Independent

31 December 2020

The Directors of the CIFC Credit Funds ICAV (the "ICAV") submit their report in respect of the CIFC Long/Short Credit Fund (the "Fund"), together with the Annual Report and the Audited Financial Statements of the Fund, for the period from 10 August 2020 (date of commencement of operations) to 31 December 2020.

The ICAV

The ICAV was registered in Ireland, registration number C422393, pursuant to the Irish Collective Asset-management Vehicles Act 2015 (the "ICAV Act") on 23 January 2020 and authorised by the Central Bank of Ireland (the "Central Bank") on 31 July 2020 as an Undertaking for Collective Investment in Transferable Securities ("UCITS") pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No 352 of 2011), as amended and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as amended (collectively the "Central Bank UCITS Regulations"). The sole object of the ICAV is the collective investment of its funds in property, to include transferable securities and other liquid financial assets of capital raised from the public and which operates on the basis of risk spreading and giving members the benefit of the results of the management of its funds.

The ICAV is organised in the form of an umbrella fund with segregated liability between sub-funds. Each sub-fund has a distinct portfolio of investments in accordance with the investment objective and policies as set out in the relevant supplement of each sub-fund. At 31 December 2020, the ICAV has one sub-fund, the CIFC Long/Short Credit Fund. These financial statements relate only to the Fund. The annual report and audited financial statements of the Fund are available upon request and free of charge from the ICAV.

The Fund

Investment objective and policies and review of fund developments

The Fund is a sub-fund of the ICAV. The Fund was authorised by the Central Bank on 31 July 2020 and commenced operations on 10 August 2020.

The Fund's investment objective is to generate attractive risk-adjusted returns through all credit, economic and market environments.

The Fund seeks to achieve its investment objective by investing primarily, either directly or indirectly through financial derivative instruments, in non-investment grade U.S., U.K., and European debt and debt-related securities. The Fund may also invest, either directly or indirectly through financial derivative instruments, in equities and equity-related securities in an amount not to exceed 10% of the Net Asset Value ("NAV") of the Fund. The Fund is actively managed and is not managed in reference to a benchmark.

The business of the Fund is reviewed in detail in the Investment Manager's Report.

Risk management objectives and policies

The Directors have identified certain risks arising from the Fund's holdings and these risks are described in the ICAV's prospectus. The principal risks and uncertainties which the Fund faces relate to the use of financial instruments and are listed in Note 7 "Financial risk management".

Results

The financial statements of the Fund are presented on pages 16 to 25, with accompanying notes on pages 26 to 44.

Significant events during the reporting period

Significant events during the period under review are disclosed in Note 15 "Significant events during the reporting period".

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Directors' Report (continued)

31 December 2020

Subsequent events after the reported period

On 10 March 2021, an updated supplement to the ICAV's prospectus was noted to outline the Manager's disclosure obligations in accordance with the Sustainable Finance Disclosures Regulation ("SFDR").

On 9 April 2021, an updated supplement to the ICAV's prospectus was noted in order to expand the Fund's ability to invest in certain indices.

From 1 January 2021 to 20 April 2021, the Fund had additional subscriptions of USD 77,823,971 and redemptions of USD 8,040,807.

Further details of these subsequent events after the reported period are disclosed in Note 16 "Subsequent Events".

Directors

The Directors that served during the period are listed on page 2.

Transactions involving Directors and ICAV Secretary

Contracts or arrangements of any significance in relation to the business of the Fund in which the Directors or the ICAV Secretary had any interest as defined in the ICAV Act, at any time during the period ended 31 December 2020, are disclosed in Note 9 "Related parties" in the notes to the financial statements.

Directors' remuneration

Details of the Directors' remuneration are outlined in Note 5 "Fees and expenses" in the notes to the financial statements.

Connected persons

In accordance with the requirements of the Central Bank UCITS Regulations, all transactions carried out with the ICAV by Carne Global Fund Managers (Ireland) Limited ("the "Manager"), J.P. Morgan Bank (Ireland) plc (the "Depositary"), delegates or sub-delegates of these parties (the "connected persons") must be conducted at arm's length and be in the best interests of Shareholders ("Shareholders") of the ICAV. The Directors are satisfied that there are arrangements in place to ensure that the obligations set out in the Central Bank UCITS Regulations are applied to all transactions with connected persons and are complied when transactions with connected persons are entered into during the financial period.

Shareholders should note that not all connected persons as defined by the Central Bank UCITS Regulations are deemed related parties as defined by IAS 24 'Related Party Disclosures'.

Transactions with related parties during the period ended 31 December 2020, are disclosed in Note 9 "Related parties" in the notes to the financial statements.

Dividends

The Fund has two types of Share classes ("Share Classes"): accumulating and distributing. The ICAV does not intend to make distributions in respect of accumulating classes. The ICAV intends to automatically re-invest all earnings, dividends and other distributions of whatever kind as well as realised capital gains pursuant to the investment objective and policies of the Fund for the benefit of the Shareholders. As a result, no dividends were paid in respect of the accumulating classes during the period ended 31 December 2020.

In respect of the distributing classes, if sufficient proceeds are available, the Directors intend to make a distribution to Shareholders of substantially the whole of the income of the Fund, as attributable to those distributing classes. Dividends are generally declared on a quarterly basis at the end of February, May, August and November, or more frequently at the discretion of the Directors, and are generally paid within 30 days of a dividend declaration. A total distribution of USD 1,537,388 was made by the Fund on all distributing classes for the period ended 31 December 2020.

31 December 2020

Soft commissions

There were no soft commission arrangements during the period.

Going concern

As at 31 December 2020, the Directors believe that the Fund will continue in operational existence for the foreseeable future. This is considered as appropriate, based on the financial position of the Fund as at 31 December 2020, as no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Fund to continue as a going concern have been identified by the Directors. For this reason, the going concern basis has been adopted in preparing the financial statements.

Accounting records

The Directors have ensured that adequate accounting record requirements under Sections 109 to 113 of the ICAV Act have been complied with by outsourcing this function to a specialist provider of such services. The accounting records are held by JPMorgan Hedge Fund Services (Ireland) Limited in their office which is located at 200 Capital Dock, 79 Sir John Rogerson's Quay, Dublin 2, D02 RK57, Ireland.

Statement on relevant audit information

In accordance with Section 128 of the ICAV Act:

- (i) so far as the Directors are aware, there is no relevant audit information of which the ICAV's statutory auditors are unaware;
- (ii) the Directors have taken all steps that the Directors ought to have taken as Directors in order to make themselves aware of any relevant audit information and to ensure that the ICAV's statutory auditors are aware of that information.

Directors' responsibilities statement

The Directors are responsible for preparing the Directors' report and financial statements in accordance with applicable laws and regulations.

The ICAV Act and the Central Bank UCITS Regulations require the Directors to prepare financial statements giving a true and fair view of the state of affairs and the profit or loss of the Fund for each financial period. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and applicable law.

The financial statements are required to give a true and fair view of the assets, liabilities and financial position of the Fund at the end of the financial period and of the profit or loss of the Fund for the financial period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the European Union; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Fund and enable them to ensure that the financial statements and Directors' Report comply with the ICAV Act and enable the financial statements to be audited. The Directors believe that they have complied with the requirement with regard to adequate accounting records by employing an experienced Administrator with appropriate expertise and adequate resources to prepare the financial statements.

31 December 2020

Directors' responsibilities statement (continued)

The Directors are also responsible for safeguarding the assets of the Fund. In this regard they have entrusted the assets of the Fund to the Depositary who has been appointed to the Fund pursuant to the terms of a depositary agreement in accordance with the requirements of the Central Bank UCITS Regulations. The Directors have a general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the ICAV Act.

The maintenance and integrity of the financial information pertaining to the Fund and published on the ICAV's website is the responsibility of the Directors. Legislation in Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Corporate governance statement

(a) General requirements

The ICAV is subject to compliance with the requirements of the ICAV Act and the Central Bank UCITS Regulations. During the period under review, the ICAV was subjected to corporate governance imposed by:

- i. The ICAV Act which is available for inspection at the registered office of the ICAV;
- ii. The Instrument of Incorporation of the ICAV which is available for inspection at the registered office of the ICAV at 10 Earlsfort Terrace, Dublin 2, D02 T380, Ireland; and
- iii. The Central Bank UCITS Regulations which can be obtained from the Central Bank's website at: <https://www.centralbank.ie/regulation/industry-market-sectors/funds/ucits> and is available for inspection at the registered office of the ICAV.

The Directors have adopted the voluntary Irish Funds (formerly Irish Funds Industry Association) ("IF") Corporate Governance Code for Irish domiciled Collective Investment Schemes and Management Companies, issued 14 December 2011 (the "Code"). The Directors have reviewed and assessed the measures included in the Code and consider its corporate governance practices and procedures since the adoption of the Code as consistent therewith.

(b) Board of Directors

In accordance with the ICAV Act and the Instrument, unless otherwise determined by an ordinary resolution of the ICAV in general meeting, the number of Directors may not be less than two. The Board of Directors (the "Board") currently comprises of five Directors, three of whom are independent. Details of the current Directors are set out in the "Directors and Other Information" section on page 2, under the heading "Directors".

The Board meets on at least a quarterly basis to fulfil its responsibilities. However, additional meetings in addition to the four meetings may be convened as required and the Board may meet more frequently in general sessions of the Board to discuss matters of general importance to the ICAV. The Board has determined that based on a) Investor(s) profile and b) current review/reporting practices and procedures, the Board is effective in fulfilling its governance responsibilities.

The ICAV operates under the delegated model whereby the Board has appointed the Manager to act as manager to the ICAV and Fund. The Manager is a private limited company and was incorporated in Ireland on 10 November 2003 under the registration number 377914 and has been authorised by the Central Bank to act as a UCITS management company. Other third party service providers are appointed to the ICAV as outlined below, without abrogating the Board's overall responsibility. The Manager has retained certain functions and conducts ongoing oversight (including risk monitoring) in respect of its delegated functions. The Board has mechanisms in place for monitoring the exercise of such delegated functions which are always subject to the supervision and direction of the Board. These delegations of functions and the appointment of regulated third party entities are detailed in the ICAV's prospectus. In summary, they are:

31 December 2020

Corporate governance statement (continued)

1. The Manager has delegated certain investment management and distribution services in respect of the Fund to CIFC Asset Management LLC (the "Investment Manager"). The Investment Manager has direct responsibility, and is accountable to, the Board of the ICAV for the investment performance of the Fund. The Investment Manager has internal controls and risk management processes in place to seek to ensure that all applicable risks pertaining to its management of the Fund are identified, monitored and managed at all times and appropriate reporting is made to the Board on a quarterly basis.
2. The Manager has delegated certain of its administration functions in respect of the Fund to JPMorgan Hedge Fund Services (Ireland) Limited (the "Administrator") which has responsibility for the day to day administration of the Fund including the calculation of the NAV. The Administrator is regulated by and under the supervision of the Central Bank.
3. The Manager has delegated certain of its registration and transfer agency functions in respect of the Fund to the Administrator which also acts as registrar and transfer agent of the ICAV and has responsibility for receiving and processing of subscription and redemption orders, allotting and issuing shares, related shareholder services, registration and maintaining the Shareholders' register of the ICAV.
4. The Board has appointed J.P. Morgan Bank (Ireland) plc as depositary of its assets which has responsibility for the safekeeping of assets and exercising independent oversight over how the ICAV is managed, all in accordance with the regulatory framework applicable to the ICAV. The Depositary is regulated by and under the supervision of the Central Bank. The Depositary has entered into written agreements delegating the performance of its safekeeping function in respect of certain of the ICAV's assets to sub-custodians. The list of sub-custodians appointed by the Depositary is set out in schedule 4 of the ICAV's prospectus. The use of sub-custodians depends on the markets in which the ICAV invests.

The providers of these services and other service providers are set out in the "Directors and Other Information" section on page 2.

Board materials, including a detailed agenda of items for consideration at each Board meeting, minutes of the previous meeting and reports from various internal and external service providers are generally circulated in advance of the meeting to allow all Directors adequate time to review the material and assess the performance of the service providers.

The quorum necessary for the transaction of business at a meeting of Directors is two. All Directors generally attend all Board Meetings.

The Board has not directly established any committees to whom business is delegated.

(c) Internal control and risk management systems in relation to financial reporting

The Board is ultimately responsible for overseeing the establishment and maintenance of adequate internal control and risk management systems of the ICAV in relation to the financial reporting process.

The Manager has appointed the Administrator to maintain the accounting records of the ICAV independently of the Investment Manager and through this appointment the Board has procedures in place to ensure that all relevant accounting records are properly maintained and are readily available, including production of annual financial statements.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Directors' Report (continued)

31 December 2020

(c) Internal control and risk management systems in relation to financial reporting (continued)

Subject to the supervision of the Board, the appointment of the Administrator is intended to manage rather than eliminate the risk of failure to achieve the ICAV's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. The Board is responsible for assessing the risk of irregularities whether caused by fraud or error in financial reporting and for ensuring that processes are in place for the timely identification of internal and external matters with a potential effect on financial reporting. The appointment of the Administrator independent of the Investment Manager is intended to mitigate though not eliminate the risk of fraud or irregularities which may impact the financial statements of the ICAV.

During the period covered by these financial statements, the Board was responsible for the review and approval of the annual financial statements as set out in the Directors' Responsibilities Statement. The statutory financial statements are required to be audited by Independent Auditors who report annually to the Board on their findings. The Board monitors and evaluates the Independent Auditors' performance, qualifications and independence. As part of its review procedures, the Board receives presentations from relevant parties including consideration of IFRS and their impact on the annual financial statements, and presentations and reports on the audit process. The Board evaluates and discusses significant accounting and reporting issues as the need arises. The audited annual financial statements of the ICAV are required to be approved by the Board and filed with the Central Bank.

Independent Auditors

Deloitte Ireland LLP, Chartered Accountants and Statutory Audit Firm, have been appointed, in accordance with Section 125 of the ICAV Act, to act as independent Auditors of the ICAV.

On behalf of the Board of Directors:



Director:
Date: 20 April 2021



Director:

2020 Review

Fund Performance

The CIFC Long / Short Credit Fund (the “Fund”) inceptioned on August 10, 2020 and has produced a cumulative return of +3.95% (gross) and +3.13% (net) through December 31, 2020.¹

The Fund performed in line with its mandate as it launched and ramped throughout the second half of 2020. At inception, the Fund managed just over \$30 million, which grew quickly throughout the last five months of the year to over \$320 million by year-end. Despite these large capital movements, the Fund was able to generate solid results as well as protect capital in months that the BAML US Cash Pay High Yield Index (“J0A0”) posted negative returns (i.e., in September 2020, the J0A0 fell by 1.07%, while the Fund posted gains of 0.17% on a gross basis).¹

In considering any performance data herein, each recipient should bear in mind that past performance is not indicative of future results and there can be no assurances that an investment will achieve comparable results or that the entire principal investment will not be lost.

Portfolio

The Fund invests in a variety of ways to take advantage of market dislocations in U.S. High Yield.

Long and short investments in the Fund are based on both fundamental and technical considerations. Fundamental ideas are presented and vetted by CIFC’s deep and experienced investment team, which seeks to capitalize on catalyst/event driven total return opportunities, mispriced assets and relative value inefficiencies. Technical ideas are generated by the trading group and the Portfolio Manager as they look to identify momentum and take advantage of liquidity in specific segments of the market. Bonds are checked by the investment analysts to confirm that the issuers are likely to perform as expected and that there are no credit specific risks of which we need to be aware. Most importantly, the Fund strives to avoid drawdowns during market weakness and to preserve capital for our investors, as discussed below.

In 2020, as we ramped the Fund from its size at inception into ten times that by year-end, the High Yield market was generally quite strong, with investors reaching for COVID-19 affected issuers and compressing yields of more risky bonds in anticipation of a broad reopening of world economies. While we were happy to capture much of the upside of the market during those months despite substantial inflows from our investors, we were most pleased with our performance during the month of September. As COVID-19 cases began to surge again during the fall, the High Yield market was pressured as many issuer’s bond prices had returned to near their pre-pandemic levels. Our focus on portfolio hedges, diversification and understanding the technical drivers of where investors were more or less aggressive in their allocations, allowed the Fund to produce positive returns in a down month for the J0A0.

Market Activity in 2020

When the Fund was launched in August 2020, the U.S. High Yield market was well on its way to recovery from the COVID-19 induced lows of March 2020. Investors had gained comfort in the ‘haves’ – companies whose earnings were

¹ Gross performance shown does not reflect the deduction of management fees and any other fees and expenses incurred in the management of the Fund. Net performance is representative of an investor in Class USD B-1 subject to a 0.5% management fee, a 10% incentive fee and a 30bps expense cap. Past performance is not indicative of future results.

only moderately impacted or in some cases enhanced by the effects of the pandemic. Those most impacted by COVID-19 continued to trade at substantial discounts to their historical levels, though higher than their March lows.

As discussed above, September brought some concerns that the pandemic could last longer than many had hoped, which drove the market lower as optimism about the timing of the reopening faded. However, in October, news about the efficacy of the Pfizer vaccine (then subsequently Moderna), ignited a rally in risk assets, pushing High Yield into the black for the year. From there, prices continued to move higher as strong equity markets, stable treasury rates and supportive inflows into the asset class sustained the rally into year-end.

Capital markets activity was robust as well in 2020 with a mixture of rescue financing/liquidity enhancing deals for some, and opportunistic low-coupon refinancing for others. In fact, 2020 High Yield new issue was the highest on record at over \$440 billion, easily eclipsing the prior high from 2013 of \$381 billion. Due to the insatiable appetite for High Yield toward the latter part of the year, we even witnessed a multitude of new deals that priced below 4%, which was unprecedented.

One of the main factors in the market that we focus on – liquidity – was quite encouraging during the year. We track daily average trading volumes of High Yield bonds closely, as we feel it provides true insight into liquidity available in the market at different intervals of market performance. We note that starting in February, as fear of the pandemic became more prevalent and the High Yield market began to decline, daily average trading volumes ramped up substantially. For the months of February, March, April, May and June, these volumes increase year-over-year by +26%, +59%, +60%, +48% and +23%, respectively. Thus, somewhat contrary to popular belief, in times of severe market stress, and subsequent recovery, we have found liquidity to be quite robust. That being said, we believe it is critical to actively manage the portfolio and understand the technicals of the market as certain bonds offer better liquidity than others during periods of dislocation.

Outlook

Looking forward, we believe the following are key factors to monitor for the High Yield market:

- The Federal Reserve – Chairman Powell’s most recent commentary indicated a willingness to allow Treasury rates to move wider in our opinion, though we note that the Fed has been highly supportive of markets since the global financial crisis
- Treasury rates, which have come off their mid-2020 lows, ended February 2021 +50 basis points wider than at year-end 2020
- U.S. fiscal policy, in particular impacts from the new \$1.9 trillion stimulus bill that will potentially be followed by a separate large infrastructure bill and possibly new tax regimes
- Cash levels at High Yield accounts
- The timing of COVID-19 vaccine dissemination and the phasing of a return to “normal” around the world’s largest economies
- Commentary from our sector analysts about what management teams are saying (in order to identify developing trends)

As always, we will strive to continue to dynamically position the Fund to benefit from the technicals of the overall High Yield market, as well as its various sub-segments. From this perspective, we estimate that while High Yield investors’ cash balances have declined, they remain at comfortable levels. New issue supply will likely remain robust, making it more difficult to push up secondary prices in the near term. In our view, the street remains balanced in its positioning and we have noted dealers willingness to actively provide liquidity in secondary markets, with a significant uptick in large portfolio

trades, as well as higher average daily trading volumes year-on-year in the asset class. ETFs represent a small part of the market but remain a driver of volatility at times, as fund flows can shift quickly into and out of these assets, creating market imbalances. We continue to believe that understanding the liquidity and technicals of the market will be key drivers of returns. With that in mind, we are somewhat more cautious as we move into April 2021 based on the technical factors mentioned above regarding lower cash balances and likely robust new issue volumes. We would welcome a pullback, which would allow us to purchase higher quality bonds at lower prices.

In summary, we continue to focus on idiosyncratic credit ideas, parts of the market susceptible to interest rate risk, the Fed and U.S. fiscal policy changes in 2021 and segments of the market where dispersion is the greatest and the most impacted by these factors. With those issues top of mind, we expect volatility to remain high and hope to benefit from targeted trade ideas and identifying market dislocations in the months ahead.

CIFC Asset Management LLC
12 April 2021

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Depository's Report

31 December 2020

We, J.P. Morgan Bank (Ireland) plc, appointed Depository to CIFC Credit Funds ICAV (the "Entity") provide this report solely in favour of the investors of the Entity as a body for the year ended 31 December 2020 ("the Accounting Period"). This report is provided in accordance with the UCITS Regulations – European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (SI No 352 of 2011) as amended, ("the UCITS Regulations"). We do not, in the provision of this report, accept nor assume responsibility for any other purpose or person to whom this report is shown.

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

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

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

For and on behalf of



J.P. Morgan Bank (Ireland) plc
200 Capital Dock
79 Sir John Rogerson's Quay
D02 RK57
Dublin 2
Ireland

Date: 20 April 2021

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CIFIC CREDIT FUNDS ICAV

Report on the audit of the annual accounts

Opinion on the annual accounts of CIFIC Credit Funds ICAV (the 'ICAV')

In our opinion the annual accounts:

- give a true and fair view of the assets, liabilities and financial position of the ICAV as at 31 December 2020 and of the profit for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework and the applicable Regulations.

The annual accounts we have audited comprise:

- the Statement of Financial Position;
- the Statement of Comprehensive Income;
- the Statement of Changes in Net Assets;
- the Statement of Cash Flows; and
- the related notes 1 to 17, including a summary of significant accounting policies as set out in note 2.

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

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

Basis for opinion

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

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CIFIC CREDIT FUNDS ICAV

Responsibilities of directors

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

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

Auditor's responsibilities for the audit of the annual accounts

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

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

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

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

Report on other legal and regulatory requirements

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

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

Matters on which we are required to report by exception

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

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

Opinion on other matters prescribed by the applicable Regulations

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

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

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF CIFIC CREDIT FUNDS ICAV

Use of our report

This report is made solely to the ICAV's shareholders, as a body, in accordance with Section 120(1) (b) of the ICAV Act. Our audit work has been undertaken so that we might state to the ICAV's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the ICAV and the ICAV's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.



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

Date: 27 April 2021

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)
Statement of Financial Position

As at 31 December 2020
(Expressed in United States Dollars)

	Note	USD 2020 ¹
Assets		
Financial assets at fair value through profit or loss	7	239,129,702
Cash and cash equivalents	2(h)	76,953,320
Cash collateral	2(m)	12,255,000
Receivables for securities sold	2(n)	5,759,041
Interest receivable	2(o)	3,025,203
Expense cap receivable, reimbursable by the Investment Manager	5	108,151
Total assets		337,230,417
Liabilities		
Financial liabilities at fair value through profit or loss	7	622,517
Securities purchased payable	2(n)	13,906,019
Investment management fee payable	5	391,601
Management fee payable	5	26,274
Performance fee payable	5	1,071,907
Accrued expenses and other liabilities		275,952
Total liabilities		16,294,270
Net assets attributable to holders of redeemable participating shares		320,936,147

¹ CIFC Long/Short Credit Fund commenced operations on 10 August 2020. As such, there are no comparative figures to disclose.

Approved on behalf of the Board of Directors:



Director
Date: 20 April 2021



Director

The accompanying notes form an integral part of these financial statements.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Schedule of Investments

As at 31 December 2020

(Expressed in United States Dollars)

Description	Maturity Date	Coupon %	Holding	Cost USD	Fair Value USD	% of Net Assets
Corporate Bonds						
<u>Canada</u>						
GFL Environmental Inc.	01/05/2027	8.50%	2,096,000	2,321,115	2,330,490	0.73%
Kronos Acquisition Holdings Inc. / KIK						
Custom Products Inc.	31/12/2027	7.00%	2,016,000	2,050,350	2,114,572	0.66%
MEG Energy Corp.	01/02/2027	7.13%	1,881,000	1,939,873	1,946,835	0.60%
<u>Total Canada</u>				<u>6,311,338</u>	<u>6,391,897</u>	<u>1.99%</u>
<u>Germany</u>						
Vertical Holdco GmbH	15/07/2028	7.63%	2,544,000	2,742,980	2,777,730	0.87%
<u>Total Germany</u>				<u>2,742,980</u>	<u>2,777,730</u>	<u>0.87%</u>
<u>Ireland</u>						
Virgin Media Vendor Financing Notes IV DAC	15/07/2028	5.00%	2,595,000	2,634,769	2,701,395	0.84%
<u>Total Ireland</u>				<u>2,634,769</u>	<u>2,701,395</u>	<u>0.84%</u>
<u>Netherlands</u>						
Ziggo Bond Co. BV	15/01/2027	6.00%	2,720,000	2,860,241	2,879,514	0.90%
<u>Total Netherlands</u>				<u>2,860,241</u>	<u>2,879,514</u>	<u>0.90%</u>
<u>United States of America</u>						
AdaptHealth LLC	08/01/2029	4.63%	1,771,000	1,791,250	1,821,916	0.57%
Albertsons Cos Inc. / Safeway Inc. / New						
Albertsons LP / Albertsons LLC	15/03/2025	5.75%	2,433,000	2,515,114	2,514,858	0.78%
Albertsons Cos Inc. / Safeway Inc. / New						
Albertsons LP / Albertsons LLC	15/01/2027	4.63%	2,761,000	2,926,660	2,939,927	0.92%
Albertsons Cos Inc. / Safeway Inc. / New						
Albertsons LP / Albertsons LLC	15/03/2029	3.50%	4,000,000	3,925,950	4,053,480	1.26%
Arches Buyer Inc.	01/12/2028	6.13%	2,578,000	2,643,584	2,667,134	0.83%
Ardagh Packaging Finance PLC / Ardagh Holdings USA Inc.	30/04/2025	5.25%	300,000	317,625	316,904	0.10%
Avis Budget Car Rental LLC / Avis						
Budget Finance Inc.	15/07/2027	5.75%	2,937,000	2,951,110	2,986,562	0.93%
Axalta Coating Systems LLC	15/02/2029	3.38%	3,813,000	3,832,065	3,820,149	1.19%
Ball Corp.	15/03/2022	5.00%	4,739,000	4,960,984	4,968,723	1.55%
Bausch Health Cos Inc.	30/01/2030	5.25%	770,000	789,250	809,362	0.25%
Blue Cube Spinco LLC	15/10/2025	10.00%	2,932,000	3,111,585	3,107,920	0.97%
Boyd Gaming Corp.	01/12/2027	4.75%	1,542,000	1,575,728	1,604,929	0.50%
Builders FirstSource Inc.	01/06/2027	6.75%	2,876,000	3,118,553	3,123,221	0.97%
Cablevision Lightpath LLC	15/09/2027	3.88%	2,096,000	2,116,960	2,111,720	0.66%
Calpine Corp.	15/02/2028	4.50%	2,835,000	2,934,225	2,952,652	0.92%
Carvana Co.	01/10/2028	5.88%	3,558,000	3,652,093	3,700,320	1.15%
CCO Holdings LLC / CCO Holdings						
Capital Corp	01/03/2023	4.00%	4,876,000	4,930,616	4,915,617	1.53%
CCO Holdings LLC / CCO Holdings						
Capital Corp	15/08/2030	4.50%	3,910,000	4,129,938	4,154,394	1.29%

The accompanying notes form an integral part of these financial statements.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Schedule of Investments (continued)

31 December 2020

(Expressed in United States Dollars)

<u>Description</u>	<u>Maturity Date</u>	<u>Coupon %</u>	<u>Holding</u>	<u>Cost USD</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Corporate Bonds (continued)						
<u>United States of America (continued)</u>						
CCO Holdings LLC / CCO Holdings						
Capital Corp	01/05/2032	4.50%	1,955,000	2,072,300	2,089,836	0.65%
Centene Corp.	15/01/2025	4.75%	3,055,000	3,140,999	3,138,952	0.98%
Centene Corp.	15/12/2029	4.63%	675,000	729,844	750,266	0.23%
CenturyLink Inc.	15/03/2022	5.80%	2,520,000	2,632,775	2,631,825	0.82%
CenturyLink Inc.	15/01/2028	6.88%	2,537,000	2,898,523	2,947,182	0.92%
Chemours Co./The	15/11/2028	5.75%	3,235,000	3,258,953	3,305,766	1.03%
Clarios Global LP / Clarios US Finance						
Co.	15/05/2027	8.50%	3,725,000	3,970,813	4,053,021	1.26%
Continental Resources Inc./OK	01/06/2044	4.90%	1,944,000	1,754,460	1,926,280	0.60%
Crown Americas LLC / Crown Americas						
Capital Corp. IV	15/01/2023	4.50%	300,000	312,750	317,289	0.10%
CSC Holdings LLC	01/02/2029	6.50%	600,000	671,250	678,555	0.21%
DCP Midstream Operating LP	01/04/2044	5.60%	1,955,000	1,998,988	2,024,432	0.63%
Encompass Health Corp.	15/03/2023	5.13%	2,395,000	2,418,950	2,407,226	0.75%
Energizer Holdings Inc.	31/03/2029	4.38%	2,346,000	2,404,650	2,432,849	0.76%
EQM Midstream Partners LP	15/07/2048	6.50%	3,700,000	3,636,650	3,853,790	1.20%
Ford Motor Co.	15/01/2043	4.75%	3,332,000	3,236,790	3,402,805	1.06%
Ford Motor Co.	08/12/2046	5.29%	1,951,000	2,024,163	2,042,453	0.64%
Ford Motor Credit Co. LLC	28/03/2022	3.34%	4,819,000	4,838,104	4,873,214	1.52%
Freedom Mortgage Corp.	01/05/2026	7.63%	1,460,000	1,489,200	1,546,067	0.48%
Freeport-McMoRan Inc.	01/03/2022	3.55%	1,955,000	2,001,431	1,993,562	0.62%
FXI Holdings Inc.	15/11/2026	12.25%	2,438,000	2,783,988	2,783,501	0.87%
Graphic Packaging International LLC	15/11/2022	4.88%	2,500,000	2,617,500	2,627,537	0.82%
HCA Inc.	01/09/2030	3.50%	500,000	513,135	531,705	0.17%
HUB International Ltd.	01/05/2026	7.00%	2,357,000	2,433,603	2,467,296	0.77%
iHeartCommunications Inc.	01/05/2027	8.38%	2,414,000	2,603,098	2,581,230	0.80%
Iron Mountain Inc.	15/09/2029	4.88%	2,297,000	2,411,850	2,425,632	0.76%
Kraft Heinz Foods Co.	01/06/2026	3.00%	3,910,000	4,095,725	4,086,028	1.27%
L Brands Inc.	01/11/2035	6.88%	2,583,000	2,805,654	2,904,261	0.90%
Lamar Media Corp.	15/01/2029	4.88%	2,932,000	3,115,250	3,122,580	0.97%
Lamb Weston Holdings Inc.	01/11/2024	4.63%	277,000	288,080	289,465	0.09%
LBM Acquisition LLC	15/01/2029	6.25%	3,007,000	3,059,043	3,110,366	0.97%
Level 3 Financing Inc.	15/01/2024	5.38%	3,336,000	3,371,210	3,374,181	1.05%
LifePoint Health Inc.	15/01/2029	5.38%	2,016,000	2,005,920	2,014,186	0.63%
Match Group Holdings II LLC	01/06/2028	4.63%	880,000	924,000	924,000	0.29%
Match Group Holdings II LLC	01/08/2030	4.13%	2,442,000	2,545,785	2,543,880	0.79%
MGM Resorts International	15/10/2028	4.75%	1,188,000	1,190,110	1,275,609	0.40%
Netflix Inc.	15/02/2022	5.50%	3,215,000	3,375,750	3,369,722	1.05%
Nexstar Broadcasting Inc.	01/11/2028	4.75%	2,835,000	2,931,293	2,971,434	0.93%
NFP Corp.	15/08/2028	6.88%	2,784,000	2,894,163	2,975,901	0.93%
Novelis Corp.	30/09/2026	5.88%	3,485,000	3,638,476	3,646,181	1.14%
NRG Energy Inc.	15/05/2026	7.25%	3,197,000	3,396,820	3,377,631	1.05%
Occidental Petroleum Corp.	01/01/2031	6.13%	1,306,000	1,306,000	1,400,946	0.44%

The accompanying notes form an integral part of these financial statements.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Schedule of Investments (continued)

31 December 2020

(Expressed in United States Dollars)

<u>Description</u>	<u>Maturity Date</u>	<u>Coupon %</u>	<u>Holding</u>	<u>Cost USD</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Corporate Bonds (continued)						
<u>United States of America (continued)</u>						
Occidental Petroleum Corp.	15/07/2044	4.50%	2,012,000	1,705,170	1,713,973	0.53%
Ovintiv Inc.	15/08/2034	6.50%	2,409,000	2,543,543	2,792,329	0.87%
PowerTeam Services LLC	04/12/2025	9.03%	2,181,000	2,369,580	2,432,055	0.76%
Prime Healthcare Services Inc.	01/11/2025	7.25%	2,026,000	2,076,235	2,155,158	0.67%
Prime Security Services Borrower LLC /						
Prime Finance Inc.	15/04/2026	5.75%	3,590,000	3,917,653	3,935,538	1.23%
Rayonier AM Products Inc.	15/01/2026	7.63%	435,000	435,000	454,140	0.14%
Royal Caribbean Cruises Ltd	01/06/2025	11.50%	2,170,000	2,517,200	2,539,551	0.79%
RP Escrow Issuer LLC	15/12/2025	5.25%	2,419,000	2,485,523	2,531,024	0.79%
SBA Communications Corp.	01/10/2022	4.00%	4,915,000	4,969,150	4,973,366	1.55%
SBA Communications Corp.	01/09/2024	4.88%	3,000,000	3,085,875	3,080,940	0.96%
Scientific Games International Inc.	15/11/2029	7.25%	2,034,000	2,186,685	2,235,752	0.70%
Service Properties Trust	15/01/2028	3.95%	2,954,000	2,824,763	2,859,841	0.89%
Silgan Holdings Inc.	15/03/2025	4.75%	2,835,000	2,889,928	2,889,928	0.90%
Sinclair Television Group Inc.	01/03/2030	5.50%	4,419,000	4,435,855	4,603,228	1.43%
Sirius XM Radio Inc.	01/08/2022	3.88%	2,444,000	2,477,972	2,483,715	0.77%
Six Flags Entertainment Corp.	15/04/2027	5.50%	2,372,000	2,349,475	2,440,195	0.76%
Tallgrass Energy Partners LP / Tallgrass						
Energy Finance Corp.	31/12/2030	6.00%	3,993,000	3,998,100	4,116,484	1.28%
T-Mobile USA Inc.	01/03/2023	6.00%	2,932,000	2,946,660	2,939,330	0.92%
United Rentals North America Inc.	15/01/2028	4.88%	640,000	674,400	682,400	0.21%
Univision Communications Inc.	01/06/2027	6.63%	751,000	798,876	808,020	0.25%
Valvoline Inc.	15/06/2031	3.63%	435,000	435,000	446,963	0.14%
WPX Energy Inc.	15/10/2027	5.25%	2,421,000	2,489,783	2,569,432	0.80%
Yum! Brands Inc.	15/03/2031	3.63%	1,039,000	1,038,470	1,051,551	0.33%
<u>Total United States of America</u>				<u>207,672,232</u>	<u>210,523,343</u>	<u>65.59%</u>
Total Corporate Bonds				<u>222,221,560</u>	<u>225,273,879</u>	<u>70.19%</u>
Loan Notes						
<u>United States of America</u>						
Jaguar Holding Co II	18/08/2022	3.50%	2,922,269	2,924,096	2,924,651	0.91%
Refinitiv US Holdings Inc.	01/10/2025	3.39%	2,922,545	2,920,718	2,921,945	0.91%
<u>Total United States of America</u>				<u>5,844,814</u>	<u>5,846,596</u>	<u>1.82%</u>
Total Loan Notes				<u>5,844,814</u>	<u>5,846,596</u>	<u>1.82%</u>

The accompanying notes form an integral part of these financial statements.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Schedule of Investments (continued)

31 December 2020

(Expressed in United States Dollars)

<u>Description</u>	<u>Maturity Date</u>	<u>Amount Bought</u>	<u>Amount Sold</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Unrealised Gain on Forward Foreign Currency Contracts					
(Counterparty: Brown Brothers Harriman)					
Buy GBP/Sell USD	19/01/2021	221,012,138	(294,249,905)	7,899,563	2.46%
Buy EUR/Sell USD	19/01/2021	3,777,776	(4,592,575)	31,352	0.01%
Total Unrealized Gain on Forward Foreign Currency Contracts				7,930,915	2.47%
<u>Description</u>	<u>Maturity Date</u>	<u>Number of Contracts</u>	<u>Notional Amount</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Listed Put Options					
(Counterparty: Barclays Bank Plc)					
<u>United States of America</u>					
SPDR S&P 500 ETF Trust	04/01/2021	1,192	43,865,600	54,236	0.02%
<u>Total United States of America</u>				54,236	0.02%
Total Unrealized Gain on Listed Put Options				54,236	0.02%
		<u>Maturity Date</u>	<u>Notional Amount</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Total Return Swaps					
(Counterparty: Barclays Bank Plc)					
<u>United States of America</u>					
Allison Transmission Inc.	15/01/2021	(2,720,600)	13,864	0.01%	
Brink's Co./The	15/01/2021	(1,542,700)	5,948	0.00%	
Service Corp. International/US	15/01/2021	(537,500)	2,864	0.00%	
Teleflex Inc.	15/01/2021	(1,572,000)	1,400	0.00%	
<u>Total United States of America</u>			24,076	0.01%	
Total Unrealized Gain on Total Return Swaps				24,076	0.01%
Total Derivative Assets				8,009,227	2.50%
Total Financial Assets at Fair Value Through Profit or Loss				239,129,702	74.51%

The accompanying notes form an integral part of these financial statements.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Schedule of Investments (continued)

31 December 2020

(Expressed in United States Dollars)

<u>Description</u>	<u>Maturity Date</u>	<u>Amount Bought</u>	<u>Amount Sold</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Unrealised Loss on Forward Foreign Currency Contracts					
(Counterparty: Brown Brothers Harriman)					
Buy USD/Sell GBP	19/01/2021	807,695	(600,091)	(12,700)	(0.00%)
Total Unrealized Loss on Forward Foreign Currency Contracts				<u>(12,700)</u>	<u>(0.00%)</u>

<u>Description</u>	<u>Maturity Date</u>	<u>Number of Contracts</u>	<u>Notional Amount</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Listed Put Options					
(Counterparty: Barclays Bank Plc)					
<u>United States of America</u>					
SPDR S&P 500 ETF Trust	04/01/2021	(1,192)	(43,269,600)	(26,224)	(0.01%)
<u>Total United States of America</u>				<u>(26,224)</u>	<u>(0.01%)</u>
Total Unrealized Loss on Listed Put Options				<u>(26,224)</u>	<u>(0.01%)</u>

<u>Description</u>	<u>Maturity Date</u>	<u>Notional Amount</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Total Return Swaps				
(Counterparty: Barclays Bank Plc)				
<u>Canada</u>				
Open Text Holdings Inc.	15/01/2021	(1,565,250)	(13,023)	(0.00%)
<u>Total Canada</u>			<u>(13,023)</u>	<u>(0.00%)</u>
<u>United States of America</u>				
Adient Global Holdings Ltd.	15/01/2021	(2,493,788)	(12,361)	(0.00%)
Albertsons Cos Inc. / Safeway Inc. / New Albertsons LP / Albertsons LLC	15/01/2021	(4,400,000)	(36,179)	(0.01%)
Alcoa Nederland Holding BV	15/01/2021	(2,132,813)	(3,590)	(0.00%)
AMC Networks Inc.	15/01/2021	(1,993,875)	(2,563)	(0.01%)
American Axle & Manufacturing Inc.	15/01/2021	(2,288,000)	(905)	(0.00%)
Ball Corp.	15/01/2021	(1,953,938)	(529)	(0.00%)
Centene Corp.	15/01/2021	(712,125)	(2,044)	(0.01%)
Chemours Co./The	15/01/2021	(3,073,520)	(37,330)	(0.01%)
Cleveland-Cliffs Inc.	15/01/2021	(1,984,125)	(16,531)	(0.01%)
CSC Holdings LLC	15/01/2021	(627,000)	(3,228)	(0.00%)
Dana Financing Luxembourg Sarl	15/01/2021	(1,776,500)	(4,819)	(0.00%)
Encompass Health Corp.	15/01/2021	(1,386,125)	(15,554)	(0.01%)
Gartner Inc.	15/01/2021	(1,520,188)	(15,529)	(0.00%)

The accompanying notes form an integral part of these financial statements.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Schedule of Investments (continued)

31 December 2020

(Expressed in United States Dollars)

<u>Description</u>	<u>Maturity Date</u>	<u>Notional Amount</u>	<u>Fair Value USD</u>	<u>% of Net Assets</u>
Total Return Swaps (continued)				
(Counterparty: Barclays Bank Plc)				
<u>United States of America (continued)</u>				
HCA Inc.	15/01/2021	(602,500)	(3,772)	(0.00%)
Hilton Domestic Operating Co Inc.	15/01/2021	(2,321,000)	(4,524)	(0.00%)
Kraft Heinz Foods Co.	15/01/2021	(4,283,283)	(29,831)	(0.01%)
MasTec Inc.	15/01/2021	(1,018,875)	(10,937)	(0.00%)
Mauser Packaging Solutions Holding Co.	15/01/2021	(2,449,150)	(22,718)	(0.01%)
MGM Resorts International	15/01/2021	(1,265,220)	(63,604)	(0.02%)
NCR Corp.	15/01/2021	(2,583,350)	(41,458)	(0.01%)
Olin Corp.	15/01/2021	(2,547,870)	(15,674)	(0.01%)
Sally Holdings LLC / Sally Capital Inc.	15/01/2021	(435,625)	(3,838)	(0.00%)
Service Corp International/US	15/01/2021	(1,791,094)	(14,138)	(0.00%)
Standard Industries Inc./NJ	15/01/2021	(2,057,250)	(42,337)	(0.01%)
Targa Resources Partners LP / Targa Resources Partners Finance Corp.	15/01/2021	(2,037,000)	(11,582)	(0.00%)
Tenet Healthcare Corp.	15/01/2021	(2,045,000)	(18,772)	(0.01%)
Terex Corp.	15/01/2021	(2,521,125)	(3,792)	(0.00%)
TransDigm Inc.	15/01/2021	(2,517,181)	(53,172)	(0.02%)
Tronox Inc.	15/01/2021	(2,028,000)	(20,681)	(0.01%)
United Rentals North America Inc.	15/01/2021	(3,765,425)	(39,216)	(0.01%)
Windstream Escrow LLC / Windstream Escrow Finance Corp.	15/01/2021	(2,297,138)	(5,346)	(0.00%)
Yum! Brands Inc.	15/01/2021	(1,090,000)	(14,016)	(0.00%)
<u>Total United States of America</u>			<u>(570,570)</u>	<u>(0.18%)</u>
Total Unrealized Loss on Total Return Swaps			<u>(583,593)</u>	<u>(0.18%)</u>
Total Derivative Liabilities			<u>(622,517)</u>	<u>(0.19%)</u>
Total Financial Liabilities at Fair Value Through Profit or Loss			<u>(622,517)</u>	<u>(0.19%)</u>
Total Financial Assets and Liabilities at Fair Value Through Profit or Loss			238,507,185	74.32%
Other Net Assets			82,428,962	25.68%
Net Assets Attributable to Holders of Redeemable Participating Shares			<u>320,936,147</u>	<u>100.00%</u>
			Fair Value USD	% of Total Assets
<u>UCITS Regulations analysis - unaudited</u>				
Transferable securities admitted to official stock exchange listing			231,120,475	68.53%
Financial derivative instruments - OTC			7,386,710	2.19%
Total Portfolio			<u>238,507,185</u>	<u>70.72%</u>

The accompanying notes form an integral part of these financial statements.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Statement of Comprehensive Income

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020
(Expressed in United States Dollars)

	Note	USD 2020 ¹
Investment income		
Interest income earned at investments held at fair value through profit and loss	2(j)	1,770,726
Net gain on financial assets and liabilities at fair value through profit or loss	2(f),7	18,491,488
Net loss on foreign exchange translation	2(e),7	(38,110)
Total gain		<u>20,224,104</u>
Expenses		
Investment management fee	5	(391,601)
Management fee	5	(26,176)
Performance fee	5	(1,071,907)
Other expenses	6	(289,968)
Total expenses		<u>(1,779,652)</u>
Expense cap, reimbursable by the Investment Manager	5	108,151
Total net expenses		<u>(1,671,501)</u>
Finance costs		
Distributions to holders of redeemable participating shares	2(q),11	(1,537,388)
Interest expense		(6,127)
Total finance costs		<u>(1,543,515)</u>
Net increase in net assets resulting from operations attributable to holders of redeemable participating shares		<u>17,009,088</u>

¹ CIFC Long/Short Credit Fund commenced operations on 10 August 2020. As such, there are no comparative figures to disclose.

Gains and losses arose solely from continuing investment activities. There were no gains or losses other than those presented in the Statement of Comprehensive Income.

The accompanying notes form an integral part of these financial statements.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Statement of Changes in Net Assets

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020
(Expressed in United States Dollars)

	USD 2020¹
Net assets attributable to holders of redeemable participating shares at the beginning of the period	-
Subscriptions of redeemable participating shares issued during the period	305,005,874
Redemptions of redeemable participating shares redeemed during the period	(1,078,815)
Net increase in net assets resulting from operations attributable to holders of redeemable participating shares	17,009,088
Net assets attributable to holders of redeemable participating shares at the end of the period	<hr/> 320,936,147 <hr/>

¹ CIFC Long/Short Credit Fund commenced operations on 10 August 2020. As such, there are no comparative figures to disclose.

The accompanying notes form an integral part of these financial statements.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Statement of Cash Flows

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020
(Expressed in United States Dollars)

	USD 2020¹
<i>Cash flows from operating activities:</i>	
Net increase in net assets resulting from operations attributable to holders of redeemable participating shares	17,009,088
Operating profit before working capital changes	17,009,088
Net increase in financial assets and financial liabilities at fair value through profit or loss	(238,507,185)
Net increase in cash collateral	(12,255,000)
Net increase in other assets	(3,133,354)
Net increase in securities purchased payable and receivables for securities sold	8,146,978
Net increase in fee payable and accrued expenses	1,765,734
Cash used in operations	(244,020,937)
Net cash used in operating activities	(227,011,849)
<i>Cash flows from financing activities</i>	
Subscriptions of redeemable participating shares issued during the period	305,005,874
Redemptions of redeemable participating shares redeemed during the period	(1,078,815)
Net cash provided by financing activities	303,927,059
Net increase in cash and cash equivalents	76,915,210
Cash and cash equivalents at the beginning of the period	-
Cash and cash equivalents at the end of the period	76,953,320
Supplementary information	
Interest paid	(1,260,604)

¹ CIFC Long/Short Credit Fund commenced operations on 10 August 2020. As such, there are no comparative figures to disclose.

The accompanying notes form an integral part of these financial statements.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)
Notes to the Financial Statements

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020
(Expressed in United States Dollars)

1. General information

The CIFC Long/Short Credit Fund (the "Fund") is a sub-fund of CIFC Credit Funds ICAV (the "ICAV"). The Fund commenced operations on 10 August 2020. The ICAV was registered in Ireland, registration number C422393, pursuant to the Irish Collective Asset-management Vehicles Act 2015 (the "ICAV Act") on 23 January 2020 and authorised by the Central Bank of Ireland (the "Central Bank") on 31 July 2020 as an Undertaking for Collective Investment in Transferable Securities ("UCITS") pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (S.I. No 352 of 2011), as amended and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019, as amended (collectively the Central Bank "UCITS Regulations"). The sole object of the ICAV is the collective investment of its funds in property, to include transferable securities and other liquid financial assets, of capital raised from the public and which operates on the basis of risk spreading and giving members the benefit of the results of the management of its funds.

The ICAV is organised in the form of an umbrella fund with segregated liability between sub-funds. Each sub-fund has a distinct portfolio of investments in accordance with the investment objective and policies as set out in the relevant supplement of each sub-fund. At 31 December 2020, the ICAV has one sub-fund, CIFC Long/Short Credit Fund.

The Fund's investment objective is to generate attractive risk-adjusted returns through all credit, economic and market environments.

The Fund seeks to achieve its investment objective by investing primarily, either directly or indirectly through Financial Derivative Instruments ("FDI"), in non-investment grade U.S., U.K., and European debt and debt-related securities. The Fund may also invest, either directly or indirectly through FDI, in equities and equity-related securities in an amount not to exceed 10% of the Net Asset Value ("NAV") of the Fund. The Fund is actively managed and is not managed in reference to a benchmark.

The Manager has appointed CIFC Asset Management LLC as Investment Manager and Distributor of the Fund pursuant to the investment management and distribution agreement between the Manager, the ICAV and the Investment Manager dated 31 July 2020.

The registered office of the ICAV is 10 Earlsfort Terrace, Dublin 2, D02 T380, Ireland. JPMorgan Hedge Fund Services (Ireland) Limited was appointed as the Administrator and J.P. Morgan Bank (Ireland) plc was appointed as the Depositary. The Depositary has entered into written agreements delegating the performance of its safekeeping function in respect of certain of the ICAV's assets to sub-custodians. The list of sub-custodians appointed by the Depositary is set out in schedule 4 of the ICAV's prospectus. The use of sub-custodians will depend on the markets in which the ICAV invests.

2. Significant accounting policies

(a) Basis of preparation

The financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS"), as adopted by the European Union, the ICAV Act and the Central Bank UCITS Regulations. The Fund commenced operations on 10 August 2020. As such, there are no comparative figures to disclose.

The financial statements are presented in United States Dollars (USD). The financial statements have been prepared on a historical cost basis, except for financial assets and financial liabilities at fair value through profit or loss that have been measured at fair value.

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020
(Expressed in United States Dollars)

2. Significant accounting policies (continued)

(b) Significant accounting judgements and estimates

The preparation of financial statements in conformity with IFRS as adopted by the European Union requires management to make judgements, critical accounting estimates and assumptions that affect the application of policies, including certain valuation assumptions and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period and future periods if the revision affects both current and future periods.

All references to “net assets” throughout this document refer to net assets attributable to holders of Shares (“Shares”), unless otherwise stated.

(c) Going concern

The accompanying financial statements have been prepared on a going concern basis. This is considered as an appropriate basis of preparation based on the financial position of the Fund as at 31 December 2020, as no material uncertainties related to events or conditions that may cast significant doubt about the ability of the Fund to continue as a going concern have been identified by the Directors. In making this assessment the Directors considered the potential impact of COVID-19 including the level of redemptions post period end as disclosed in Note 16. Disclosures on liquidity risks and how these are managed are set out in Note 7.

(d) Changes in relevant accounting standards

Standards, amendments and interpretations that are not yet effective for the period beginning 10 August 2020 and not early adopted

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 10 August 2020 that have a material effect on the financial statements of the Fund.

(e) Foreign currency translation

Functional and presentation currency

Functional currency is the currency of the primary economic environment in which the Fund operates. The functional currency of the Fund is United States Dollar (“USD”). Investor subscriptions and redemptions are received and paid in the currency of the relevant Share class (“Share Class”). The presentation currency is the same as the functional currency in these financial statements.

All financial information presented in USD has been rounded to the nearest USD.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the period end date.

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020
(Expressed in United States Dollars)

2. Significant accounting policies (continued)

(e) Foreign currency translation (continued)

Transactions and balances (continued)

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within 'Net gain on financial assets and liabilities at fair value through profit or loss'. Any other foreign currency gains and losses are included in the 'Net loss on foreign exchange translation' in the Statement of Comprehensive Income.

(f) Financial instruments at fair value through profit or loss

Classification

A financial asset or liability is classified as being measured at: amortised cost, fair value through other comprehensive income or fair value through profit or loss. The classification of a financial asset or liability is based on the business model in which the financial asset or liability is managed and on its contractual cash flow characteristics.

The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Fund is primarily focused on fair value information and uses that information to assess the assets' performance and make decisions. As a result, debt instruments are measured at fair value through profit or loss. Derivative positions are measured at fair value through profit or loss.

All other financial assets and liabilities including cash, cash equivalents, receivables and payables are classified as being measured at amortised cost. Measurement at amortised cost takes into account any premium or discount on acquisition as well as transaction costs and fees that are an integral part of the effective interest rate. All financial assets measured at amortised cost are short term in nature and the application of the expected credit loss model does not impact the carrying amounts of these financial assets as they approximate their fair values under IFRS 9.

Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date - the date on which Fund commits to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Fund has transferred substantially all risks and rewards of ownership in accordance with IFRS 9. The Fund uses the FIFO method to determine realised gains and losses on derecognition. A financial liability is derecognised when the obligation specified in the contract is discharged cancelled or expired.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss are presented in the Statement of Comprehensive Income within 'Net gain on financial assets and liabilities at fair value through profit or loss'.

Fair value estimation

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.

The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives) are based on quoted market prices at the close of trading on the reporting date. In circumstances where the last traded price is not within the bid-ask spread, management will determine the point within the bid-ask spread that is most representative of fair value.

Cash deposits and similar investments are valued at their face value together with accrued interest.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)
Notes to the Financial Statements (continued)

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020
(Expressed in United States Dollars)

2. Significant accounting policies (continued)

(f) Financial instruments at fair value through profit or loss (continued)

Fair value estimation (continued)

Options contracts are valued at the relevant settlement price on the applicable exchange, provided that if the settlement price of an option contract is not available, the instrument shall be determined on the basis of the probable realisation value of the investment.

Forward foreign exchange contracts are valued as at the valuation point for the relevant dealing day by reference to the prevailing market maker quotations, namely, the price at which a new forward contract of the same size and maturity could be undertaken.

FDI not traded on an exchange shall be valued on a mark-to-market basis or, where market conditions prevent marking-to-market, on a mark-to-model basis.

(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 asset and settle the liability simultaneously. Please refer to Note 7(f) "Offsetting and amounts subject to master netting/similar agreements" for further details.

(h) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less.

(i) Expenses

Interest expense and all other expenses are recognised on an accrual basis. Please refer to Note 5 "Expenses reimbursable by the Investment Manager" for further details on the capped expenses.

(j) Income

Interest income from financial assets at fair value through profit or loss is income arising on debt instruments at fair value through profit or loss is calculated on an effective interest basis and is presented in the Statement of Comprehensive Income.

Interest income is income arising from cash and cash equivalents and is recognised on an accrual basis.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the Statement of Comprehensive Income. There were no withholding taxes during the period.

(k) Redeemable participating shares

Shares are redeemable at the shareholder's option and are classified as financial liabilities. The distribution cost, if any, on these Shares is recognised in the Statement of Comprehensive Income as finance costs.

These Shares can be put back to the Fund with effect from any valuation day (the business day preceding each dealing day (being the day upon which redemptions and subscriptions occur, i.e. each business day; and / or any other day which the Directors have determined, subject to advance notice to all Redeemable Participating Shareholders ("Shareholders") in the Fund and provided there is at least one dealing day per fortnight)) for cash equal to a proportionate share of the Fund's NAV. The Shares are carried at the redemption amount that is payable at the Statement of Financial Position date if the Shareholder exercised its right to put the Share back to the Fund.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Notes to the Financial Statements (continued)

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020
(Expressed in United States Dollars)

2. Significant accounting policies (continued)

(l) Cash held in investor money collection accounts

Pursuant to the Central Bank Supervision and Enforcement Act 2013, section 48 (i) Investor Money Regulations 2015, the Administrator reviewed the way in which funds arising out of subscriptions and redemptions were being channeled into and out of the Fund and, arising out of this review, established a separate bank account to administer this process accordingly.

Cash held in investor money collection accounts represents cash balances maintained in an independent cash account in the name of the Fund, which relate to pending issuance of Shares or payments of redemptions. These cash balances are regarded as assets of the Fund and are therefore recognised on the Statement of Financial Position. As at 31 December 2020, the balance in these accounts was USD Nil.

(m) Cash collateral

Cash held as collateral includes restricted cash balance held at the Fund's clearing brokers and collateral on derivative transactions. As at 31 December 2020, the Fund held cash collateral of USD 12,255,000.

(n) Securities purchased payable and receivables for securities sold

Securities purchased payable and receivables for securities sold are reported on the Statement of Financial Position. Securities purchased payable relate to unsettled purchases of securities yet to be traded but not yet settled. Receivables for securities sold relate to receivables for securities sold that have been contracted for but not yet delivered on the reporting date.

(o) Interest receivable

Interest receivable are reported on the Statement of Financial Position and relate to unsettled interest income from debt securities at fair value through profit or loss.

(p) Establishment costs

Establishment costs consist of the cost of establishing the ICAV and the Fund, including the expenses associated with obtaining authorisation from any authority, filing fees, the preparation and printing of the principal documents, marketing costs and the fees and expenses of legal counsel and other professionals involved in the establishment and initial offering of the ICAV. These costs are borne by the ICAV and amortised over the first five years of the ICAV's operation, on such terms and in such manner as the Directors may in their discretion determine.

(q) Dividends policy

In respect of the distributing classes, if sufficient proceeds are available, the Directors intend to make a distribution to Shareholders of substantially the whole of the income of the Fund, as attributable to those distributing classes. Dividends are generally declared on a quarterly basis at the end of February, May, August and November, or more frequently at the discretion of the Directors, and are generally paid within 30 days of a dividend declaration.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Notes to the Financial Statements (continued)

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020

(Expressed in United States Dollars)

3. Taxation

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

Notwithstanding the above, Irish tax may arise on the happening of a "chargeable event". A chargeable event includes:

- a) Any distribution payments made to Shareholders by the ICAV in respect of their Shares;
- b) Any encashment, redemption, cancellation or transfer of Shares;
- c) The holding of Shares at the end of each eight year period beginning with the acquisition of such Shares.

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

- a) A Shareholder who is neither Irish resident nor ordinarily resident in Ireland for tax purposes, at the time of the chargeable event, provided appropriate valid declarations in accordance with Section 739D of the Taxes Consolidation Act 1997, as amended, are held by the ICAV or the ICAV has been authorised by the Irish Revenue to make gross payments in the absence of appropriate declarations under the ICAV with the necessary signed statutory declarations; and
- b) Certain exempted Irish tax resident Shareholders who have provided the ICAV with the necessary signed statutory declarations.

Capital gains, dividends and interest received by the ICAV may be subject to taxes, including withholding taxes in the countries in which the issuers of investments are located, which may be reflected in the NAV of the ICAV. Such taxes may not be recoverable by the ICAV or its Shareholders.

The Fund has evaluated the tax positions and has concluded that there are no significant tax positions requiring recognition, measurement or disclosure in the financial statements. Tax penalties and interest, if any, would be accrued as incurred and would be classified as tax expense in the Statement of Comprehensive Income. During the period ended 31 December 2020, the Fund did not incur any interest or penalties.

4. Share capital

The Share capital of the ICAV shall at all times equal the NAV of the ICAV. The Directors are empowered to issue up to 500,000,000,000 Shares of no par value in the ICAV at the NAV per Share on such terms as they may think fit. There are no rights of pre-emption upon the issue of Shares in the ICAV.

As of 31 July 2020, the ICAV has issued Subscriber Shares to the value of EUR 2.00. The Subscriber Shares entitle the Shareholders holding them to attend and vote at all meetings of the ICAV, but do not entitle the holders to participate in the dividends or net assets of the Fund.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Notes to the Financial Statements (continued)

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020

*(Expressed in United States Dollars)***4. Share capital (continued)**

The ICAV offers Share Classes in the Fund as set out below. The ICAV may also create additional Share Classes in the Fund in the future with prior notification to, and clearance in advance by, the Central Bank.

Class	Currency	Distribution Policy	Minimum Initial Investment (mm = '000,000)	Minimum Subsequent Investment	Minimum Holding (mm = '000,000)
USD Class A-1	USD	Accumulating	USD 1mm	USD 10,000	USD 1mm
USD Class A-2	USD	Distributing	USD 1mm	USD 10,000	USD 1mm
USD Class B-1	USD	Accumulating	USD 5mm	USD 10,000	USD 1mm
USD Class B-2	USD	Distributing	USD 5mm	USD 10,000	USD 1mm
GBP Class A-1	GBP	Accumulating	GBP 1mm	GBP 10,000	GBP 1mm
GBP Class A-2	GBP	Distributing	GBP 1mm	GBP 10,000	GBP 1mm
GBP Class B-1	GBP	Accumulating	GBP 5mm	GBP 10,000	GBP 1mm
GBP Class B-2	GBP	Distributing	GBP 5mm	GBP 10,000	GBP 1mm
Euro Class A-1	Euro	Accumulating	EUR 1mm	EUR 10,000	EUR 1mm
Euro Class A-2	Euro	Distributing	EUR 1mm	EUR 10,000	EUR 1mm
Euro Class B-1	Euro	Accumulating	EUR 5mm	EUR 10,000	EUR 1mm
Euro Class B-2	Euro	Distributing	EUR 5mm	EUR 10,000	EUR 1mm
CHF Class A-1	CHF	Accumulating	CHF 1mm	CHF 10,000	CHF 1mm
CHF Class A-2	CHF	Distributing	CHF 1mm	CHF 10,000	CHF 1mm
CHF Class B-1	CHF	Accumulating	CHF 5mm	CHF 10,000	CHF 1mm
CHF Class B-2	CHF	Distributing	CHF 5mm	CHF 10,000	CHF 1mm

Each of the share entitles the Shareholder to participate equally on a pro rata basis in the dividends and net assets of the Fund attributable to the relevant Share Class in respect of which they are issued, save in the case of dividends declared prior to becoming a Shareholder. The Subscriber Shares' entitlement is limited to the amount subscribed and accrued interest thereon.

The Directors also reserve the right to re-designate any Share Class from time to time, provided that Shareholders in that Share Class first have been notified by the ICAV that the Shares are re-designated and have been given the opportunity to have their Shares redeemed by the ICAV, except that this requirement shall not apply where the Directors re-designate Shares in issue in order to facilitate the creation of an additional Share Class.

Certain Shares entitle the Shareholder to attend and vote at meetings of the ICAV and of the Fund represented by those Shares.

Redemptions

The Directors may at their discretion in consultation with the Manager, as appropriate, limit the redemption of Shares of any Class. If redemption applications on any dealing day exceed 10% of the NAV of the Fund, or such higher percentage as the Directors may determine in their sole discretion in respect of any dealing day (the "Gate Amount"), the ICAV may (i) reduce all such redemption applications pro rata (in accordance with the size of the redemption applications so that Shares redeemed on such dealing day, in aggregate, represent only the Gate Amount) and (ii) defer redemption applications in excess of the Gate Amount to subsequent dealing days, subject to any Gate Amount applicable on any such dealing day. On the dealing day following the application of a Gate Amount, all redemption requests will be dealt with on a pro rata basis should the gate continue to apply. Except at the sole discretion of the ICAV, any such deferred redemption application may not be revoked.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Notes to the Financial Statements (continued)

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020
(Expressed in United States Dollars)

4. Share capital (continued)**Redemptions (continued)**

Shareholders may request that Shares be redeemed on any dealing day by completing and submitting a redemption application to the ICAV care of the Administrator in accordance with the redemption cut-off time set out in the ICAV's prospectus. Redemption applications received after the relevant redemption cut-off time will be held over until the next applicable dealing day, unless the Directors determine in their sole discretion, in exceptional circumstances and where such redemption applications are received before the earliest relevant valuation point, to accept such redemption applications on the relevant dealing day.

Shares will be redeemed at the applicable NAV per Share on the dealing day as of which the redemption is effected, subject to any applicable fees associated with such redemption.

The net assets and NAV per Share of each Share Class as at 31 December 2020 are as follows:

Class	Number of Shares	NAV per Share	Net Assets per Share Class USD
USD Class A-1 (Accumulating)	2,000	1,007.94	2,015,884
USD Class B-1 (Accumulating)	8,314	1,031.34	8,574,081
USD Class B-2 (Distributing)	3,709	1,018.34	3,777,248
GBP Class A-2 (Distributing)	38,000	1,015.84	52,767,596
GBP Class B-1 (Accumulating)	4,369	1,028.37	6,142,137
GBP Class B-2 (Distributing)	173,824	1,022.76	243,016,830
Euro Class B-1 (Accumulating)	3,696	1,026.66	4,642,371

Transactions in the Shares of the Fund for the period ended 31 December 2020 are as follows:

Class	Shares at start of period	Shares issued	Shares redeemed	Shares at end of period
USD Class A-1 (Accumulating)	-	2,000	-	2,000
USD Class B-1 (Accumulating)	-	8,445	(131)	8,314
USD Class B-2 (Distributing)	-	3,709	-	3,709
GBP Class A-2 (Distributing)	-	38,394	(394)	38,000
GBP Class B-1 (Accumulating)	-	4,645	(276)	4,369
GBP Class B-2 (Distributing)	-	173,850	(26)	173,824
Euro Class B-1 (Accumulating)	-	3,696	-	3,696

5. Fees and Expenses**Management fee**

In respect of its provision of management services to the Fund, the Manager receives a management fee (the "Management fee") at a maximum rate of 0.0825% per annum of the NAV of the Fund (plus VAT, if any). The Management fee is subject to an annual minimum fee of EUR 42,000 (plus VAT, if any).

The Management fee accrues on each dealing day and is paid monthly in arrears together with any reasonable and documented out of pocket expenses incurred by the Manager in the performance of its duties that are not covered by the Management fee.

Management fee for the period ended 31 December 2020 were USD 26,176, with USD 26,274 remaining payable at 31 December 2020.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Notes to the Financial Statements (continued)

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020
(Expressed in United States Dollars)

5. Fees and Expenses (continued)

Audit fees

Audit fees for the period ended 31 December 2020 were EUR 25,000 (excluding VAT and out of pocket expenses).

No non audit services were provided by the auditors to the Fund during the period.

Directors' fee

The Directors are entitled to a fee by way of remuneration for their services at a rate to be determined from time to time by the Directors. The amount of the remuneration may not exceed EUR 40,000 per annum for each Director or any higher amount as may be determined by the Directors and notified to Shareholders from time to time. The Directors are entitled to be reimbursed by the ICAV for all reasonable disbursements and out-of-pocket expenses incurred by them, if any.

Joshua Hughes and Robert McGann have waived their director fee in relation to the ICAV.

Directors' fee for the period ended 31 December 2020 were USD 30,468, with USD 30,468 remaining payable at 31 December 2020.

Investment management fee

The Investment Manager receives an annual investment management fee out of the assets of the Fund in respect of each class at the rate of up to 0.75% per annum of the NAV for all Class A Shares and up to 0.50% per annum of the NAV for all Class B Shares (in each case plus VAT, if any) for the provision of investment management and distribution services in respect of the Fund (the "Investment management fee").

The Investment management fee accrues at each valuation point and is paid monthly in arrears.

Investment management fee for the period ended 31 December 2020 were USD 391,601, with USD 391,601 remaining payable at 31 December 2020.

Performance fee

The Investment Manager is entitled to receive a performance fee ("Performance fee") in respect of the Class A Shares equal to 15% and of the Class B Shares equal to 10% of the excess of the NAV per Share of the relevant class (after the deduction of the investment management and distribution fee and all other payments and expenses but before the deduction of any (i) accrued Performance fee and (ii) any dividends paid during the performance period) at the end of a performance period over (i) the previous highest NAV per Share of each class (before any accrual for the Performance fee) at the end of any previous Performance Period on which the Performance fee was paid; or (ii) the Initial Offer Price, if higher, of the relevant class (the "high water mark") in respect of the Fund.

No Performance fee is payable unless the NAV per Share exceeds the high water mark and any such Performance fee is payable only on an increase of the NAV over the high water mark.

The Performance fee (if any) accrues on each dealing day. The Performance fee accrued on each dealing day is determined by calculating the Performance fee that is payable if that day is the last day of the current performance period. The Performance fee is payable by the Fund to the Investment Manager annually in arrears, normally within 14 calendar days of the end of each performance period.

Performance fee for the period ended 31 December 2020 were USD 1,071,907, with USD 1,071,907 remaining payable at 31 December 2020.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Notes to the Financial Statements (continued)

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020
(Expressed in United States Dollars)

5. Fees and Expenses (continued)**Expense cap, reimbursable by the Investment Manager**

The Investment Manager has voluntarily agreed to cap the Management fee and the Fund's other expenses at 0.30% per annum of the NAV of the Fund and pays any excess of other expenses over this amount; provided that Performance fee, litigation and other extraordinary expenses are excluded from such cap. In the event that the Investment Manager decides in the future to withdraw or amend this cap, Shareholders will be notified in advance.

The expenses reimbursable by the Investment Manager above the expense cap, for the period ended 31 December 2020 were USD 108,151, with USD 108,151 receivable at 31 December 2020.

6. Other expenses

	For the period from 10 August 2020 to 31 December 2020 USD
Administrator Fees	80,564
Audit Fees	29,729
Custody Fees	9,893
Depositary Fees	32,009
Directors' Fee	30,468
Financial Reporting Fees	14,210
General Operating Expenses	11,505
Insurance	9,468
Legal Fees	23,437
Onboarding Fees	7,031
Establishment Costs	18,750
Research Fees	14,466
Risk Reporting Fees	8,438
Total	289,968

7. Financial risk management**(a) Introduction and overview**

The Fund has exposure to the following specific risks from financial instruments:

- market risk (including price risk, currency risk, interest rate risk, and concentration risk);
- liquidity risk; and
- credit risk

This note presents information about the Fund's exposure to each of the above risks, the Fund's objectives, policies and processes for measuring and managing risk.

Risk management framework

Under the terms and agreement of the management agreement between the Manager and the ICAV, the Manager has the responsibility for the management of the ICAV, comprising the functions of investment management, marketing and administration, with the power to delegate such functions as supervised by the Directors of the ICAV.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Notes to the Financial Statements (continued)

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020
(Expressed in United States Dollars)

7. Financial risk management (continued)**(a) Introduction and overview (continued)***Risk management framework (continued)*

The risk monitoring process for the Fund is the responsibility of the Directors of the ICAV, together with the Fund's Investment Manager.

The Investment Manager is required to put in place measures to ensure that each of the specific management functions, including risk management, can be monitored effectively at any time. The Investment Manager has significant expertise and experience in the management, including investment management and administration, of collective investment schemes.

The Investment Manager is responsible for the compliance and monitoring of risk levels with the responsibility for risk management to assess the quality and adequacy of the control environment to manage risk for the Fund on a daily basis.

(b) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and investment prices. The likelihood of these types of adverse changes and the extent to which they affect the business of the Fund cannot always be accurately predicted.

Changes in the market value or fair value of underlying assets could result in defaults that may in turn reduce or halt the distribution of cash to the Fund or trigger a liquidation of an investment.

(i) Price Risk

Price risk is the risk that the value of an investment may fluctuate as a result of changes in market prices, whether caused by factors specific to an individual investment or all factors affecting all instruments traded in the market.

The following table details the Fund's price risk exposure:

31 December 2020	Exposure USD	Sensitivity USD
Corporate bonds	225,273,879	22,527,388
Loan notes	5,846,596	584,660

Sensitivity analysis

If the price of the investments increased by 10%, this would have resulted in a movement in net assets as shown in table above.

A decrease would have resulted in an equal but opposite movement. 10% is deemed by management to be a reasonable estimate in price movements of the portfolio.

The Investment Manager attempts to mitigate this risk by maintaining a diversified portfolio.

(ii) Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

In accordance with the Fund's policy, the Investment Manager monitors and reviews the Fund's foreign exchange exposure on a daily basis.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Notes to the Financial Statements (continued)

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020

*(Expressed in United States Dollars)***7. Financial risk management (continued)****(b) Market risk (continued)***(ii) Currency Risk (continued)*

As at 31 December 2020, the Fund's exposure to currency risk is as follows:

	Total USD	Impact on NAV should currency move by ± 5%
Net currency liabilities as at 31 December 2020 were:		
British Pound Sterling	(1,329,906)	(8,564)
Euro	(171,273)	(66,495)
Total	(1,501,179)	(75,059)

The Fund may utilise techniques and instruments, such as currency futures, options and forward currency contracts, for efficient portfolio management for currency hedging purposes, subject to the conditions and within the limits laid down by the Central Bank.

(iii) Interest Rate Risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments.

Exposure to Interest Rate Risk

The Fund is exposed to the risk that the fair value or future cash flows from its financial instruments will fluctuate as a result of changes in market interest rates. The Fund monitors its exposure to market interest rates through its investments and cash balances. A summary of the Fund's interest rate gap positions as at 31 December 2020, categorised by maturity date, is disclosed below:

	Less than 1 year USD	1 - 5 years USD	More than 5 years USD	Non-interest bearing USD	Total USD
Assets					
Financial assets at fair value through profit or loss	24,076	72,718,658	158,401,817	7,985,151	239,129,702
Cash and cash equivalents	76,953,320	-	-	-	76,953,320
Receivables for securities sold	-	-	-	5,759,041	5,759,041
Cash collateral	-	-	-	12,255,000	12,255,000
Other assets and receivables	-	-	-	3,133,354	3,133,354
Total assets	76,977,396	72,718,658	158,401,817	29,132,546	337,230,417
Liabilities					
Financial liabilities at fair value through profit or loss	583,593	-	-	38,924	622,517
Securities purchased payable	-	-	-	13,906,019	13,906,019
Accrued expenses and other liabilities	-	-	-	1,765,734	1,765,734
Total liabilities	583,593	-	-	15,710,677	16,294,270
Interest rate sensitivity gap	76,393,803	72,718,658	158,401,817		
Sensitivity	3,075,143				

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)
Notes to the Financial Statements (continued)

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020
(Expressed in United States Dollars)

7. Financial risk management (continued)

(b) Market risk (continued)

(iii) Interest Rate Risk (continued)

Sensitivity analysis

At 31 December 2020, had interest rates strengthened by 1%, with all other variables held constant, net assets attributable to holders of redeemable participating shares would have changed by the amount shown above. A 1% weakening of interest rates would have resulted in an equal but opposite effect on the above financial statement amounts on the basis that all other variables remain constant.

Limitations of sensitivity analysis

The sensitivity analyses disclosed above are subject to a number of limitations, as follows:

- The methodology is based on historical data and cannot take account of the fact that future market price movements, correlations between markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns;
- The market price risk information is a relative estimate of risk rather than a precise and accurate number;
- The market price information represents a hypothetical outcome and is not intended to be predictive; and
- Future market conditions could vary significantly from those experienced in the past.

(iv) Concentration risk

The Fund is subject to concentration risk if it has a large exposure to a particular holding or if investors to the Fund have a holding of Shares greater than 5%.

As at 31 December 2020, one shareholder held greater than 5% of the issued shares of GBP Class A-2 (Distributing) amounting to combined holding of 51% of the issued shares in that class.

As at 31 December 2020, one shareholder held greater than 5% of the issued shares of GBP Class B-2 (Distributing) amounting to combined holding of 99% of the issued shares in that class.

As at 31 December 2020, the Fund held no positions greater than 5% of the NAV.

The Fund is being actively marketed to reduce the concentration risk of Shareholders to the Fund. The Fund is being marketed across UK, US and Europe for USD Class.

(c) Liquidity risk

This is the risk that a lack of a market in certain portfolio securities could prevent the Fund from liquidating unfavourable positions or prevent the Fund from funding redemption requests from existing Shareholders.

The following table illustrate the potential liquidity of financial liabilities at fair value through profit or loss:

As at 31 December 2020	Less than 1 month USD	1 month to 1 year USD	Greater than 1 year USD	No stated maturity USD	Total USD
Net assets attributable to holders of redeemable participating shares*	320,936,147	-	-	-	320,936,147
Financial liabilities at fair value through profit or loss	622,517	-	-	-	622,517
Securities purchased payable	13,906,019	-	-	-	13,906,019
Accrued expenses and other liabilities	-	1,765,734	-	-	1,765,734
Total liabilities	335,464,683	1,765,734	-	-	337,230,417

*Redeemable participating shares are redeemable at the shareholder's option. However, the Directors do not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as the Directors can institute a gate provision if the redemption applications on any dealing day exceed 10% of the NAV of the Fund as disclosed on Note 4.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Notes to the Financial Statements (continued)

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020
(Expressed in United States Dollars)

7. Financial risk management (continued)**(c) Liquidity risk (continued)**

As at 31 December 2020, the Fund did not hold any securities that in the Investment Manager's opinion could not be liquidated within a reasonable timeframe.

(d) Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Fund, resulting in a financial loss to the Fund.

The Fund seeks to minimise its liquidity risk through continuous monitoring of the credit rating of the different counterparties and through compliance with the Central Bank UCITS Regulations in terms of investment restrictions.

The Fund's maximum credit risk exposure at the Statement of Financial Position date is represented by the respective carrying amounts of the financial instruments in the Statement of Financial Position, including cash and cash equivalents, cash held in investor money collection account and financial derivative instruments held at the period end.

At 31 December 2020, all investments, cash and cash equivalents were held with J.P. Morgan Chase Bank, National Association and Barclays Bank Plc, which have credit ratings of AA and A+ respectively, by Fitch Ratings Inc.

At 31 December 2020, the Fund's debt securities investments had the following credit rating by Moody's Investors Service:

Credit Rating	No. of debt securities
B1	20
B2	11
B3	10
Ba1	7
Ba2	14
Ba3	16
Baa3	1
Caa1	7
Caa2	5

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Notes to the Financial Statements (continued)

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020
(Expressed in United States Dollars)

7. Financial risk management (continued)**(e) Fair value measurement**

As the Fund's investments are classified as financial assets and financial liabilities at fair value through profit or loss, the carrying value of the Fund's investments is a reasonable approximation of fair value. The Fund's accounting policy on fair value measurements is discussed in Note 2(f). The Fund measures fair values, as defined by IFRS 13 'Fair Value Measurement' ("IFRS 13"), using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

Level 1: Quoted market price (unadjusted) in an active market for an identical instrument.

Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

Fair values of financial assets and financial liabilities that are traded in active markets are based on quoted market prices or dealer price quotations. For all other financial instruments, the Fund determines fair values using valuation techniques as described in Note 7(e).

Fair value hierarchy analysis

The table below analyses the Fund's assets and liabilities measured at fair value as at 31 December 2020 by the level in the fair value hierarchy into which the fair value measurement is categorised; and the assets and liabilities not measured at fair value but for which carrying value approximates to fair value.

Transfers between levels are recognised at the end of the reporting period. There were no transfers between levels during the period ended 31 December 2020.

As at 31 December 2020	Level 1 USD	Level 2 USD	Level 3 USD	Total USD
Financial assets at fair value through profit or loss				
Debt securities	-	231,120,475	-	231,120,475
Derivatives	-	8,009,227	-	8,009,227
Total financial assets at fair value through profit or loss	-	239,129,702	-	239,129,702
Financial liabilities at fair value through profit or loss				
Derivatives	-	(622,517)	-	(622,517)
Total financial liabilities at fair value through profit or loss	-	(622,517)	-	(622,517)

All other current assets and current liabilities included in the Statement of Financial Position as at 31 December 2020 are carried at values that reflect a reasonable approximation of their fair value.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Notes to the Financial Statements (continued)

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020
(Expressed in United States Dollars)

7. Financial risk management (continued)**(f) Offsetting and amounts subject to master netting/similar agreements**

As at 31 December 2020, the Fund was subject to ISDA master netting agreements, which are applicable if the Fund entered into FDI on an Over-the-counter ("OTC") basis. The following financial instruments were subject to enforceable master netting agreements:

As at 31 December 2020

Description	Gross amount of recognised Financial Assets USD	Gross amount of recognised financial assets set-off in the Statement of Financial Position USD	Net amounts of financial assets presented in the Statement of Financial Position USD	<u>Gross amounts not offset in the Statement of Financial Position</u>		
				Financial Instruments USD	Cash Collateral Received USD	Net Amount USD
Derivative Assets						
Brown Brothers Harriman Forward Foreign Currency Contracts	7,930,915	-	7,930,915	(12,700)	-	7,918,215
Barclays Bank Plc Option Contracts	54,236	-	54,236	(26,224)	-	28,012
Total Return Swaps	24,076	-	24,076	(24,076)	-	-

Description	Gross amount of recognised Financial Liabilities USD	Gross amount of recognised financial liabilities set-off in the Statement of Financial Position USD	Net amounts of financial liabilities presented in the Statement of Financial Position USD	<u>Gross amounts not offset in the Statement of Financial Position</u>		
				Financial Instruments USD	Cash Collateral Pledged USD	Net Amount USD
Derivative Liabilities						
Brown Brothers Harriman Forward Foreign Currency Contracts	(12,700)	-	(12,700)	12,700	-	-
Barclays Bank Plc Option Contracts	(26,224)	-	(26,224)	26,224	-	-
Total Return Swaps	(583,593)	-	(583,593)	24,076	559,517	-

The Fund and its counterparty have elected to settle all transactions on a gross basis, however, each party has the option to settle all open contracts on a net basis in the event of default of the other party. Per the terms of the master netting agreement, an event of default includes the following:

- failure by a party to make payment when due;
- failure by a party to perform any obligation required by the agreement (other than payment) if such failure is not remedied within 30 days after notice of such failure is given to the party;
- bankruptcy.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)

Notes to the Financial Statements (continued)

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020
(Expressed in United States Dollars)

7. Financial risk management (continued)**(g) Efficient portfolio management**

The Fund may engage in transactions in FDIs for the purposes of efficient portfolio management to reduce risk, reduce costs, generating additional capital at an appropriate risk level and/or to protect against exchange rate risks within the conditions and limits laid down by the Central Bank from time to time. The FDIs that the Fund may use for efficient portfolio management are forward foreign currency contracts, listed options and total return swaps. The Investment Manager will look to ensure that the techniques and instruments used are economically appropriate in that they will be realised in a cost-effective way.

Realised and unrealised gains and losses on FDIs for efficient portfolio management are presented in the Fund's Statement of Comprehensive Income within 'Net gain on financial assets and liabilities at fair value through profit or loss'. During the period ended 31 December 2020, the Fund had realised gains of USD 4,013,450 and movement in unrealised gains of USD 7,355,718 in relation to the use of FDI for efficient portfolio management.

There were no significant direct and indirect operational costs and fees incurred from efficient portfolio management techniques used by the Fund.

8. Foreign exchange rates

The exchange rates as at 31 December 2020 used in the production of these financial statements to the presentation currency of USD were as follows:

	31 December 2020
British Pound Sterling	1.3670
Euro	1.2236

9. Related parties

Details of all fees paid to the Manager and Investment Manager of the Fund and expense reimbursable by the Investment Manager have been disclosed in Note 5.

Details regarding Directors' fee, including any other emoluments or gains which have been paid or are payable, to any Director of the ICAV have been disclosed in Note 5.

As at 31 December 2020, one Shareholder who is related to CIFC Asset Management LLC, held 0.80% of the NAV of the Fund.

Carne Global Fund Managers (Ireland) Limited, as Manager is considered a related party to the ICAV as it is considered to have significant influence over the ICAV in its role as Manager. During the financial period ended 31 December 2020, the Manager received fee which are presented on Note 5. Carne Global Financial Services Limited, the parent Company of the Manager, received fee amounting to USD 17,016 during the financial period ended 31 December 2020 in respect of fund governance services to the ICAV, of which USD 17,016 was payable at financial period end.

There were no other related party transactions for the financial period other than those disclosed above, and in Note 5.

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020
(Expressed in United States Dollars)

10. Transaction costs

Transaction costs are defined as the incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument.

Transaction costs include brokerage fees and custodian agent fees relating to purchase or sale of financial instruments including derivatives (except OTC derivatives). Transaction costs for fixed income securities are not separately identifiable as they are embedded in the bid/offer price of the security transaction.

There were no transaction costs incurred by the Fund for the period ended 31 December 2020.

11. Distributions

A total distribution of USD 1,537,388 was made by the Fund on all distributing classes for the period ended 31 December 2020 as per the Fund's dividend policy described on the Director's report under "Dividends". The dividend ex-date was 30 November 2020, the pay date was 16 December 2020.

12. Commitments and contingent liabilities

As at 31 December 2020, the Fund did not have any significant commitments or contingent liabilities.

13. Indemnities

The Fund has entered into agreements that contain a variety of indemnities. The Fund's maximum exposure under these arrangements is unknown as this would involve future claims that may be made against the Fund that have not yet occurred. However, based on experience, the Fund expects the risk of loss to be remote.

14. Soft commissions

The Investment Manager has not entered into soft commission arrangements with brokers in respect of which certain goods and services used to support investment decision making were received during the period ended 31 December 2020.

15. Significant events during the reporting period

The Fund launched on 10 August 2020.

On 11 December 2020, an updated Prospectus for the ICAV was issued, and a revised supplement to reflect some changes including the introduction of new share classes and some changes to the dealing cut-off and settlement times for the Fund.

Since the beginning of 2020, global financial markets have experienced and may continue to experience significant volatility resulting from the spread of COVID-19. While containment efforts were made to slow the spread of the epidemic the outbreak has now spread globally resulting in travel and border restrictions, quarantines, supply chain disruptions, lower consumer demand and general market uncertainty. The effects of COVID-19 have and may continue to adversely affect the global economy.

The Board is aware that global financial markets have been reacting to the outbreak. All markets have incurred increased volatility and uncertainty since the onset of the pandemic.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)
Notes to the Financial Statements (continued)

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020
(Expressed in United States Dollars)

15. Significant events during the reporting period (continued)

The Board has also noted the operational risks that are posed to the Fund and its service providers due to global and local movement restrictions that have been enacted by various governments. 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 will continue to monitor this situation.

Management believes that there were no other significant events during the period that need to be reflected in the financial statements or disclosed in the notes to the financial statements

16. Subsequent events

On 10 March 2021, an updated supplement to the ICAV's prospectus was noted to outline the Manager's disclosure obligations in accordance with the SFDR.

On 9 April 2021, an updated supplement to the ICAV's prospectus was noted in order to expand the Fund's ability to invest in certain indices.

From 1 January 2021 to 20 April 2021, the Fund had additional subscriptions of USD 77,823,971 and redemptions of USD 8,040,807. These post period end subscriptions and redemptions all settled prior to the approval of the audited annual financial statements on 20 April 2021.

Management believes that there are no other post period end events that need to be reflected in the financial statements or disclosed in the notes to the financial statements.

17. Approval of the audited annual financial statements

The Board of Directors approved the audited annual financial statements on 20 April 2021.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)
Appendix 1 – Statement of Portfolio Changes (Unaudited)

For the period from 10 August 2020 (date of commencement of operations) to 31 December 2020
(Expressed in United States Dollars)

Purchases	Cost USD
CCO Holdings LLC / CCO Holdings Capital Corp, 4.5%, 01/05/2032	10,110,613
Calpine Corp., 4.5, 15/02/2028	8,950,730
Albertsons Cos Inc. / Safeway Inc. / New Albertsons LP / Albertsons LLC, 4.625%, 15/01/2027	7,018,118
Uber Technologies Inc., 8%, 01/11/2026	6,255,900
Novelis Corp., 5.875%, 30/09/2026	5,860,874
Iron Mountain Inc., 4.875%, 15/09/2029	5,859,868
Albertsons Cos Inc. / Safeway Inc. / New Albertsons LP / Albertsons LLC, 3.5%, 15/03/2029	5,725,575
Builders FirstSource Inc., 6.75%, 01/06/2027	5,648,033
LifePoint Health Inc., 5.375%, 15/01/2029	5,401,920
Prime Security Services Borrower LLC / Prime Finance Inc., 5.75%, 15/04/2026	5,111,273
SBA Communications Corp., 4%, 01/10/2022	4,969,150
Ball Corp., 5%, 15/03/2022	4,960,984
CCO Holdings LLC / CCO Holdings Capital Corp, 4%, 01/03/2023	4,930,616
Tallgrass Energy Partners LP / Tallgrass Energy Finance Corp., 6%, 31/12/2030	4,869,100
Ford Motor Credit Co. LLC, 3.339%, 28/03/2022	4,838,104
Vertical Holdco GmbH, 7.625%, 15/07/2028	4,544,243
Live Nation Entertainment, 4.75%, 15/10/2027	4,495,448
Sunoco LP/Finance Corp., 4.5%, 15/05/2029	4,472,420
Sinclair Television Group Inc., 5.5%, 01/03/2030	4,435,855
Gray Television Inc., 4.75%, 15/10/2030	4,359,488
Sales	Proceeds USD
CCO Holdings LLC / CCO Holdings Capital Corp, 4.5%, 01/05/2032	8,083,756
Uber Technologies Inc., 8%, 01/11/2026	6,321,514
Calpine Corp., 4.5%, 15/02/2028	6,125,775
Sunoco LP/Finance Corp., 4.5%, 15/05/2029	4,559,890
Live Nation Entertainment, 4.75%, 15/10/2027	4,547,095
Gray Television Inc., 4.75%, 15/10/2030	4,341,035
Ford Motor Co., 3.375%, 13/11/2025	4,246,148
Davita Inc., 3.75%, 15/02/2031	4,162,500
Albertsons Cos Inc. / Safeway Inc. / New Albertsons LP / Albertsons LLC, 4.625%, 15/01/2027	4,122,773
Frontier communications, 5.875%, 15/10/2027	4,092,850
One main finance Corp., 4%, 15/09/2030	3,949,100
Commscope Tech LLC, 5%, 15/03/2027	3,819,128
Bausch Health Cos Inc., 6.25%, 15/02/2029	3,686,139
Iron Mountain Inc., 4.875%, 15/09/2029	3,513,105
CCO Holdings LLC / CCO Holdings Capital Corp., 5.375%, 01/05/2025	3,492,141
Nexstar Broadcasting Inc., 5.625%, 15/07/2027	3,450,385
Caesars Resort, 5.25%, 15/10/2025	3,420,530
Dave & Buster's Inc., 7.625%, 01/11/2025	3,413,823
Kraft Heinz Foods Co., 4.875%, 01/10/2049	3,397,905
LifePoint Health Inc., 5.375%, 15/01/2029	3,389,629

The CBI requires a schedule of material changes in the composition of the portfolio during the period. These are defined as aggregate purchases of a security exceeding one per cent of the total value of purchases for the year and aggregate disposals greater than one per cent of the total value of sales. At a minimum the largest 20 purchases and 20 sales must be given or all purchases and sales if less than 20.

A full list of purchases and sales for the period ended 31 December 2020 is available on request from the Administrator.

31 December 2020

Carne Global Fund Managers (Ireland) Limited is authorised and regulated as a UCITS Manager (the "Manager") by the Central Bank under the European Union (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 as amended from time to time ("UCITS Regulations"). The Manager has appointed CIFC Asset Management, LLC as the "Investment Manager" to carry out discretionary investment management in relation to the CIFC Long/Short Credit Fund (the "Fund"), a sub-fund of CIFC Credit Funds ICAV.

Investment Objective of the Fund

The assets of each Fund must be invested in accordance with the restrictions on investments set out in the UCITS Regulations and such additional investment restrictions in accordance with Central Bank requirements. The investment objective of the Fund is to generate attractive long-term risk-adjusted returns primarily by investing in and managing a portfolio of U.S., UK, and European debt and debt-related securities.

Remuneration Policy

The European Union Directive 2014/91/EU as implemented in Ireland by S.I. No. 143/2016 - European Union (Undertakings for Collective Investment in Transferable Securities) (Amendment) Regulations 2016, requires management companies to establish and apply remuneration policies and practices that promote sound and effective risk management, and do not encourage risk taking which is inconsistent with the risk profile of the UCITS.

To that effect, the Manager, has implemented a remuneration policy that applies to all UCITS for which the Manager acts as manager (the "Remuneration Policy") and covers all staff whose professional activities have a material impact on the risk profile of the Manager or the UCITS it manages ("Identified Staff of the Manager"). The Remuneration Policy also applies to all alternative investment funds for which the Manager acts as alternative investment fund manager. In accordance with the Remuneration Policy, all remuneration paid to Identified Staff of the Manager can be divided into:

- Fixed remuneration (payments or benefits without consideration of any performance criteria); and
- Variable remuneration (additional payments or benefits depending on performance or, in certain cases, other contractual criteria) which is not based on the performance of the UCITS.

The Manager has designated the following persons as Identified Staff of the Manager:

1. The Designated Persons;
2. Each of the Manager's directors;
3. Compliance Officer;
4. Risk Officer;
5. Chief Operating Officer, and
6. All members of the investment committee

The Manager has a business model, policies and procedures which by their nature do not promote excessive risk taking and take account of the nature, scale and complexity of the Manager and the UCITS. The Remuneration Policy is designed to discourage risk taking that is inconsistent with the risk profile of the UCITS and the Manager is not incentivised or rewarded for taking excessive risk.

The Manager has determined not to constitute a separate remuneration committee and for remuneration matters to be determined through the Manager's Operations & Compliance Committee.

The Manager's Operations & Compliance Committee is responsible for the ongoing implementation of the Manager's remuneration matters and will assess, oversee and review the remuneration arrangements of the Manager as well as that of the delegates as relevant, in line with the provisions of the applicable remuneration requirements.

31 December 2020

Remuneration Policy (continued)

The Manager's parent company is Carne Global Financial Services Limited ("Carne"). Carne operates through a shared services organisational model which provides that Carne employs the majority of staff and enters into inter-group agreements with other Carne Group entities within the group to ensure such entities are resourced appropriately. Additionally, the Manager directly employs a limited number of staff. Each of the Identified Staff, other than one non-executive independent director, are employed and paid directly by Carne and remunerated based on their contribution to the Carne Group as a whole. In return for the services of each of the Carne Identified Staff, the Manager pays an annual staff recharge to Carne (the "Staff Recharge").

The non-executive independent director is paid a fixed remuneration and each other Identified Staff member's remuneration is linked to their overall individual contribution to the Carne Group, with reference to both financial and non-financial criteria and not directly linked to the performance of specific business units or targets reached or the performance of the UCITS.

The aggregate of the total Staff Recharge and the remuneration of the independent non-executive director is EUR 1,208,000 paid to 12 individuals for the year ended 31 December 2020. The Manager has also determined that, on the basis of number of sub-funds / net asset value of the UCITS relative to the number of sub-funds / assets under management, the portion of this figure attributable to the UCITS is EUR 3,967.

The ICAV does not pay any fixed or variable remuneration to identified staff of the Investment Manager.

There have been no material changes made to the Remuneration Policy or the Manager's remuneration practices and procedures during the financial year.

Risk Management & Risk Profile

The risk management function has effective policies and procedures in order to identify, measure, manage and monitor, on an on-going basis, all risks relevant to the Fund's investment strategy, and to ensure that the risk profile is consistent with the risk limits. The risk management function monitors compliance with these risk limits and the Manager's Chief Risk Officer manages situations when the Fund's risk profile is inconsistent with these limits. There were no significant changes to systems during the period.

Operational Risk

The Manager has operational risk management policies and procedures in order to identify, measure, manage and monitor appropriately operational risks including professional liability risks to which the Fund is or could be reasonably exposed. As a result of this ongoing review, the Manager is satisfied that the control framework in place is adequate for the services being provided to the Fund. There have been no material changes to the above process since the Manager was appointed. There were no areas of concern identified by the Manager.

CIFC LONG/SHORT CREDIT FUND (a sub-fund of CIFC Credit Funds ICAV)
Appendix 3 – Securities Financing Transactions (Unaudited)

31 December 2020

The ICAV engages in Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities or commodities lending and securities or commodities borrowing, buy-sell back transactions or sell-buy back transactions and margin lending transactions) (“SFT”) and Total Return Swaps. In accordance with Article 13 of the Regulation, the Fund’s involvement in and exposures related to Total Return Swaps (“TRS”) for the accounting period ended 31 December 2020 are detailed below.

Global Data

Amount of assets engaged in TRS.

The following table represents the total value of assets and liabilities engaged in TRS:

Type of Asset	Amount of assets USD	% of Net Asset Value	Amount of liabilities USD	% of Net Asset Value
TRS	24,076	0.01%	583,593	0.18%

Concentration Data

Ten largest collateral issuers

The Fund did not receive non-cash collateral by way of title transfer collateral arrangement across TRS as at the Statement of Financial Position date.

Top ten counterparties

The following table provides details of the top ten counterparties (based on gross volume of outstanding transactions) in respect of TRS, as at the Statement of Financial Position date.

Counterparty	TRS	
	Asset Fair value USD	Liability Fair value USD
Barclays Bank Plc	24,076	583,593

Aggregate transaction data

Maturity tenor of collateral

The following table provides an analysis of the maturity tenor of collateral pledged in relation to TRS outstanding at the Statement of Financial Position date:

Maturity	TRS Cash collateral pledged USD
Open maturity	12,255,000
	12,255,000

Cash pledged as collateral is presented as open transactions as it is not subject to a contractual maturity date.

31 December 2020

Aggregate transaction data (continued)

Currency of collateral:

The following table provides an analysis of the currency profile of collateral pledged in relation to TRS as at the Statement of Financial Position date:

Currency	TRS
	Cash collateral pledged USD
USD	12,255,000
	12,255,000

Maturity tenor of TRS

The following table provides an analysis of the maturity tenor of TRS outstanding as at the Statement of Financial Position date:

Maturity	TRS	
	Asset Fair value USD	Liability Fair value USD
1 to 4 weeks	24,076	583,593
	24,076	583,593

The above maturity tenor analysis has been based on the period remaining to maturity. Open maturity transactions are those transactions that are callable or terminable on a daily basis.

Country in which counterparties are established:

All of the collateral is posted with the United Kingdom entities/branches of the counterparty.

Settlement and clearing

Details of cash collateral specific to individual TRS contracts cannot be sourced as the Fund collateralises at a portfolio level on a netted basis. This means that the collateral calculated/moved with the broker will cover the mark to market exposure for all contracts traded under the relevant ISDA/CSA agreement.

Re-use of collateral

Share of collateral received that is reused and reinvestment return:

As at 31 December 2020 no cash collateral held was being re-used.

Safekeeping of collateral

Non Cash Collateral received/granted

The Fund did not receive non-cash collateral across TRS as at the Statement of Financial Position date.

Return and cost

All returns from OTC derivative transactions accrue to the Fund and are not subject to any returns sharing arrangements with the Fund's Manager or any other third parties. Returns from those instruments are disclosed under net gain/(loss) on financial assets and liabilities at fair value through profit or loss and net gain/(loss) on foreign exchange translation in the Fund's Statement of Comprehensive income.