

APS INCOME FUND

Supplement to the Prospectus

This Supplement contains information in relation to the APS Income Fund (the "Fund"), a Fund of the APS FUNDS SICAV PLC (the "Company") a company organised as a multi-fund investment company with variable share capital pursuant to the Companies Act, Cap 386 of the Laws of Malta, registered on the 24th January 2008 and licensed by the Malta Financial Services Authority as a collective investment scheme under the Investment Services Act, Cap 370 of the Laws of Malta

This Supplement forms part of, may not be distributed unless accompanied by (other than to prior recipients of the Prospectus of the Company ("the Prospectus")), and must be read in conjunction with, the most recent version of the Prospectus.

APS FUNDS SICAV PLC

An investment company with variable share capital with segregated liability between the sub-funds

4 March 2009

IMPORTANT INFORMATION

THIS DOCUMENT IS IMPORTANT. BEFORE YOU PURCHASE ANY OF THE SHARES REPRESENTING INTERESTS IN THE FUND DESCRIBED IN THIS SUPPLEMENT YOU SHOULD ENSURE THAT YOU FULLY UNDERSTAND THE NATURE OF SUCH AN INVESTMENT, THE RISKS INVOLVED AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS SUPPLEMENT YOU SHOULD TAKE ADVICE FROM AN APPROPRIATELY QUALIFIED ADVISOR.

Certain risks attached to investments in the Fund are set out in the Prospectus.

Suitability of Investment

You should inform yourself as to (a) the possible tax consequences, (b) the legal and regulatory requirements, (c) any foreign exchange restrictions or exchange control requirements and (d) any other requisite governmental or other consents or formalities which you might encounter under the laws of the country of your citizenship, residence or domicile and which might be relevant to your purchase, holding or disposal of the Shares.

The value of the Shares may go up or down and you may not get back the amount you have invested. See the section headed "Risk Factors" of the Prospectus for a discussion of certain risks that should be considered by you.

An investment in any Class of Shares in the Fund is only suitable for you if you (either alone or with the help of an appropriate financial or other advisor) are able to assess the merits and risks of such an investment and have sufficient resources to be able to bear any losses that may result from such an investment. The contents of this document are not intended to contain and should not be regarded as containing advice relating to legal, taxation, investment or any other matters.

Responsibility

The Directors of the Company accept responsibility for the information contained in the Prospectus and this Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this Supplement when read together with the Prospectus (as complemented, modified or supplemented by this Supplement) is in accordance with the facts as at the date of this Supplement and does not omit anything likely to affect the import of such information.

General

This Supplement sets out information in relation to each Class of Shares in the Fund. You must also refer to the Prospectus, which is separate to this document and describes the Company and provides general information about offers of shares in the Company. You should not take any action in respect of the Shares unless you have received a copy of the Prospectus. Should there be any inconsistency between the contents of the Prospectus and this Supplement, the contents of this Supplement will, to the extent of any such inconsistency, prevail.

This Supplement and the Prospectus should both be carefully read in their entirety before any investment decision with respect to Shares is made.

Distribution of this Supplement and Selling Restrictions

Distribution of this Supplement is not authorised unless accompanied by a copy of the Prospectus (other than to prior recipients of the Prospectus). The distribution of this Supplement and the offering or purchase of the Shares may be restricted in certain jurisdictions. If you receive a copy of this Supplement and/or the Prospectus you may not treat such document(s) as constituting an offer, invitation or solicitation to you to subscribe for any Class of Shares unless, in the relevant jurisdiction, such an offer, invitation or solicitation could lawfully be made to you without compliance with any registration or other legal requirement. If you wish to purchase any Class of Shares, it is your duty to inform yourself of, and to observe, all applicable laws and regulations of any relevant jurisdiction. In particular, you should inform yourself as to the legal requirements of so applying, and any applicable exchange control regulations and taxes in the countries of your respective citizenship, residence or domicile.

Listing on the Malta Stock Exchange

The Shares within the Fund are listed on the Malta Stock Exchange.

This Supplement is an updated version of the Supplement dated 27th February 2008 updated so as to reflect:

- **Changes in the allocation of profits for distribution;**
- **The application of a Monthly Investment Plan vis-à-vis subscription to Accumulator Shares; and**
- **Clarifications relative to Shareholders' rights.**

TERMS OF THE SHARES REPRESENTING INTERESTS IN THE FUND

Investment Objective

The Investment Objective of the Fund is to endeavour to maximise the total level of return to investors, minimising the volatility of the portfolio whilst having regard to attaining a desirable level of liquidity through investment, principally, in Maltese debt securities and in Maltese equity securities. To a limited extent, the Fund may also invest in international debt and equity securities.

Changes to the Investment Objective of the Fund shall be subject to the prior approval of the Unit holders of the Fund. The change in the investment objective should only become effective after all pending redemptions linked to the change in the investment objective have been satisfied. Any applicable redemption fees would also need to be waived accordingly.

Investment Policy

The Investment Manager will seek to attain the Fund's investment objective through a careful selection of debt securities denominated principally in Euro. The Fund's portfolio may also have an exposure to debt securities denominated in currencies other than the Euro.

Subject to the Investment Restrictions listed below, the Fund may invest up to 25% of its net asset value in equity securities denominated in any currency.

For the purposes of efficient portfolio management, the Investment Manager may enter into Financial Derivative Instruments contracts to hedge exposures with the limit specified in the license conditions applicable to the Company in respect of the Fund. The Fund will not be leveraged in any manner via the use of financial derivative instruments.

Apart from the restrictions set out hereunder, there is no restriction on the allocation of the Fund's assets between Maltese debt securities, but it is currently intended that there should be a core holding of Malta Government fixed interest securities and other listed debt securities. The Investment Manager will keep under review, and may from time to time, amend the asset allocation as it may consider necessary with a view to achieving the Fund's investment objective.

Investment Restrictions

The Fund shall be subject to the following investment restrictions:

- a. The Fund shall not invest more than 10 per cent of its assets in Securities which are not traded in or dealt on a market which:
 - (i) the Investment Manager considers as being appropriate for the Fund;
 - (ii) is listed in an Annex to this Supplement as may be issued from time to time;
 - (iii) is regulated, operates regularly, is recognised and is open to the public;
 - (iv) has adequate liquidity and adequate arrangements in respect of the transmission of income and capital; and
 - (v) is not the subject of an MFSA restriction.
- b. For corporate entities the Fund shall not invest more than 10 per cent of its assets in Securities issued by the same body.

c. For corporate entities the Fund shall not hold more than 10 per cent of any class of Security issued by any single issuer.

d. The Fund may, subject to approval from the MFSA, invest up to 100 per cent of its assets in Securities issued or guaranteed by any State, its constituent States, its local authorities, or public international bodies of which one or more States are members.

e. The Fund may invest in nil paid or partly paid shares and subscribe for placing or underwriting as long as the amount due to be paid does not exceed 5 per cent of the value of the Fund, except that, if the amount exceeds that figure, cash not required for other purposes or for the efficient management of the portfolio shall be available to cover the full amount outstanding.

f. The Fund and its Investment Manager, taking into account all of the Funds which the latter manages, shall not acquire sufficient instruments to give it the right to exercise control over 20 per cent or more of the share capital or votes of a company, or sufficient instruments to enable it to exercise significant influence over the management of the issuer.

Deposits with Credit Institutions

g. No more than 10 per cent of the assets of the Fund shall be kept on deposit with any one body. This limit may be increased to 30 per cent in respect of money deposited with a credit institution licensed in Malta or in any other EEA State, or with any other credit institution which has been approved by the MFSA.

Investments in Other UCITS and/ or Other Collective Investment Schemes

h. The Fund may acquire the Units of other Collective Investment Schemes subject to the following:

- not more than 20 per cent of the Fund's assets shall be invested in any one Fund;
- where the Fund invests in the Units of another Fund managed by the same Investment Manager, the Investment Manager of the Fund into which the investment is made shall waive all charges which it is entitled to charge for its own account in relation to the acquisition or disposal of Units;
- where a commission is received by the Investment Manager of the Fund by virtue of an investment in the Units of another Fund, that commission shall be paid into the property of the Fund.

Transactions in Financial Derivative Instruments – for efficient portfolio management purposes

i. The Fund may employ techniques and instruments for the purpose of efficient portfolio management. These operations may concern the use of Financial Derivative Instruments.

j. The Fund shall only hold Financial Derivative Instruments for the purposes of efficient portfolio management and shall not hold Financial Derivative Instruments for investment purposes nor shall it be leveraged or geared in any manner through the use of Financial Derivative Instruments.

k. The Fund's maximum exposure to one counterparty in an OTC-derivative transaction shall not be more than 5 per cent of value of the assets of the Fund. This limit may be increased to 10 per cent in respect of OTC-derivative transactions made with a counterparty which is a credit institution. The exposure per counterparty of an OTC-derivative should not be measured on the basis of the notional value of the OTC-derivative, but on the maximum potential loss incurred by the Fund if the counterparty defaults.

Uncovered Sales

l. The Fund may not carry out uncovered sales of Securities or other financial instruments. Uncovered sales are all transactions in which the Fund is exposed to the risk of having to buy securities at a higher price than the price at which the securities are delivered, thus making a loss, and the risk of not being able to deliver the underlying for settlement at the time of the maturity of the transaction.

General Restrictions – Single Issuer Exposures

m. Notwithstanding the individual limits laid down in (b), (g) and (k), the Fund may not combine: i. investments in Securities issued by; ii. deposits made with; and/or iii. counterparty exposures arising from OTC-derivative transactions undertaken with; a single body in excess of 35 per cent of its assets.

Borrowing Limits

n. A Fund may borrow up to a maximum of 10 per cent of: i. its assets, when the Fund is set up as an investment company or limited partnership; or ii. the value of the Fund, when the Fund is set up as a unit trust or common contractual fund. Provided that the borrowing is on a temporary basis and such that the Fund's overall risk exposure does not exceed 110 per cent of its assets under any circumstances. Provided further that the Fund may acquire foreign currency by means of a 'back to back' loan.

Miscellaneous

o. Material changes to the Investment Policies and Restrictions of the Fund shall be notified to investors in advance of the change.

p. The Fund shall not grant loans or act as a guarantor on behalf of a third party. This is without prejudice to the right of the Fund to acquire debt securities.

The Fund will not invest in Feeder Funds or Funds of Funds without prior approval of the MFSA.

The Directors may, at their sole discretion, alter the investment policies as set out above provided that any material change therein shall be notified to the Shareholders of the Fund.

Subscription Price and Repurchase Price

The Subscription Price and the Repurchase Price at which a Share will be subscribed for or repurchased on a Dealing Day, as the case may be, will be the Net Asset Value per Share on the relevant Dealing Day as adjusted in accordance with any applicable Preliminary Charge or Repurchase Charge (see "Fees and Expenses" below) and in accordance with the other provisions of this section.

The Net Asset Value per Share will differ on each Dealing Day: (a) as the value of the Fund's assets will increase or decrease over time; (b) as the fees and expenses in relation to the Fund will accrue over time; and (c) due to dealing charges, taxes and other similar costs and spreads from buying and selling prices of the Fund's asset.

Accordingly, you should note that the Net Asset Value per Share in respect of a repurchase of Shares may be less than the original value of your investment and you may sustain a loss on your investment.

Dividend Policy

The Directors shall calculate, at each ex div date, the net income available for distribution, adjusted to reflect the re-allocation, if any, of part of the expenses against capital.

In the absence of unforeseen circumstances, subject to the availability of distributable profits and in the absence of exceptional market conditions, the Directors expect to distribute to shareholders on a semi-annual basis part or all of the net income available for distribution by the APS Income Fund.

Any undistributed income will be reflected in the net asset value per share of the respective Fund.

Listing

The Shares within the Fund are listed on the Malta Stock Exchange. The Directors may, at any time and at their sole discretion, decide to de-list the Shares on the Malta Stock Exchange. The Directors, at any time and at their sole discretion, may decide to apply to list the Fund on one or more stock exchanges.

The Shares are not listed and the Directors are not in the process of seeking admissibility to listing the Shares on any other recognised investment exchange (other than the Malta Stock Exchange).

Taxation

General

Investors and prospective investors are urged to seek professional advice as regards both Maltese and any foreign tax legislation applicable to the acquisition, holding and disposal of Shares as well as distributions, if any, made by the Company.

The following is a summary of the anticipated tax treatment applicable to the Company and to its Shareholders in Malta. This information, which does not constitute legal or tax advice, refers only to Shareholders who do not deal in securities in the course of their normal trading activity.

The information below is based on tax law and practice applicable at the date of this Supplement. Shareholders of the Company are reminded that tax law and practice and the levels of tax relating to the Company, its Funds and the Shareholders, may change from time to time.

For taxation classification, the Fund is a prescribed fund and the manager has all intentions to maintain its prescribed status.

The Company

The tax regime for collective investment schemes is based on the classification of funds into prescribed or non-prescribed funds in terms of the conditions set out in the Collective Investment Schemes (Investment Income) Regulations, 2001 (relevant classification as at the date of this Prospectus of each of the sub-funds of the Company is found below). In general, a prescribed fund is defined as a resident fund which has declared that the value of its assets situated in Malta amount to at least eighty-five percent of the value of the total assets of the fund.

Investment income (other than investment income paid by another licensed collective investment scheme) as defined in the Income Tax Act received by a prescribed fund is subject to a withholding tax and such income cannot be received by the fund gross of tax. The applicable rate of withholding tax is currently 15% on local bank interest and 10% on investment income other than local bank interest. The Company (whether in respect of prescribed or non-prescribed funds) is not entitled to a credit or to a refund of any tax at source deducted from income received by the Company. Other income and capital gains (except for income from immovable property situated in Malta, if any) are tax exempt in the hands of prescribed funds.

In respect of both prescribed and non-prescribed funds, capital gains, dividends, interest and any other income from foreign securities held by the Company may be subject to tax imposed by the country of origin concerned and such taxes may not be recoverable by the Company or its Shareholders.

The Shareholders

Capital gains realised on transfers or redemptions by non-residents (covered by the relevant exemption) of Shares in the Company, are exempt from tax in Malta.

Capital gains realised by resident shareholders of the Company on the redemption, liquidation, or cancellation of units in resident non-prescribed funds may be subject to a 15% final withholding tax and the obligation to deduct such tax at source lies on the Company. However the resident shareholder has the option to request the Company not to effect the deduction of the said 15% withholding tax in which case the investor would be required to declare the gains in his income tax return and will be subject to tax at the normal rates.

Capital gains realised by resident investors by way of a transfer or redemption of shares in prescribed funds, would be exempt for as long as the Shares are listed on the Malta Stock Exchange.

Distributions of dividends from the Company's distributable profits, whether these are reinvested or otherwise, to Shareholders (both individual and corporate) who are both domiciled and ordinarily resident in Malta for tax purposes are chargeable to tax under Maltese law. Unless otherwise exempt, the same applies for persons having any one of these attributes missing, to the extent that dividends from the Company are received by them in Malta.

Dividends from the Malta source taxed profits, Malta source profits which are exempt from tax up to the level of the ultimate shareholder, or profits received by the Company from the foreign income account of another Maltese company should, *inter alia*, not be subject to a withholding tax or to further tax in the hands of the Shareholders.

Distributions from the Company's Untaxed Account to a Maltese resident person (other than a person) or to a non-resident person who is owned and controlled by, directly or indirectly, or who acts on behalf of a person who is ordinarily resident and domiciled in Malta should, *inter alia*, be subject to a withholding tax of 15%. This withholding tax should be deducted by the Company and the dividend would be passed on to the Shareholders net of the tax. The Maltese resident individual investor may opt to declare such dividends paid from the Untaxed Account of the Company in his/her income tax return and in that case the 15% withholding tax would be available as a credit (or a refund, as the case may be) against the individual's tax liability.

Distributions from the Company's equalisation reserve are treated as dividends for income tax purposes and are likely to be subject to a withholding tax of 15% when paid to a Maltese resident person (other than a company). The Maltese resident individual investor has the option to declare such a dividend in his/her income tax return with the 15% withholding tax being available as a credit (or a refund, as the case may be) against the individual's tax liability.

Formation Expenses

The costs and expenses incurred in the formation of the Company amounted to approximately Euro 12,000. In view that the Fund is currently the only Fund of the Company, it shall bear the set-up costs. If further Funds are created within the period of amortisation the costs of establishing the Company will be allocated by the Investment Manager to all Funds pro-rata to the Net Asset Value of the relevant Funds following their launch and will continue to be amortised over such period.

The costs and expenses incurred in the issue of shares in the Fund, including the costs incurred in the preparation of this Supplement and all legal and printing costs as well as the preparation and printing of all marketing material, amounting in total to approximately Euro 3,500 will be paid out of the assets of the Fund. These costs and expenses will be amortised in accordance with the rules laid down in the Companies Act, 1995.

GENERAL INFORMATION RELATING TO THE FUND

Classes of Shares	Distributor Class and Accumulator Class
Base Currency	EURO
Business Day	unless otherwise determined by the Directors from time to time, any day of the week other than a Saturday, a Sunday or a public holiday in Malta or such other day as the Directors may determine from time to time.
Dealing Day	unless otherwise determined by the Directors, any day which is a Business Day being a day on which the Net Asset Value of the Fund is determined.
Dealing Deadline	4.00 p.m. on any Dealing Day.
Launch Date	22nd April 2008
Initial Offer Period	24th March 2008 – 21st April 2008
Valuation Point	1.00 p.m. on any Dealing Day.
Settlement Date	Within (14) business days from the relevant Dealing Day.

Description of the Shares

Initial Issue Price	EURO 100
Minimum Initial Investment Amount	EURO 2000
Minimum Additional Investment Amount	EURO 100
Monthly Investment Plan (applicable only for the accumulator class of shares)	Minimum EURO 50 monthly

Fees and Expenses

The following fee will be incurred on investments made investors in the APS Income Fund (which accordingly will not be incurred by the Company on behalf the Fund and will not affect the Net Asset Value of the Fund):

Classes of Shares	Distributor Class and Accumulator Class
Up Front Fee	1.5% of the amount invested.

The following fees and expenses will be incurred by the Company on behalf the Fund and will affect the Net Asset Value of the Fund.

Classes of Shares	Distributor Class and Accumulator Class
Investment Management Fees	0.75% p.a. of the Net Asset Value of the Fund.
Custody Fee	0.03% p.a. of the net asset value of the Fund with a minimum of EUR 8,150 and a maximum of EUR 11,650.
Administration Fees	0.13% p.a. of the Net Asset Value with a minimum of EUR 25,000 (reduced to EUR 20,800 for the first twelve months from the launch of the Fund) and a maximum of EUR 42,000.

DIRECTORY

APS FUNDS SICAV P.L.C.

Registered Office and Business Address

APS House 20, St. Anne Square, Floriana, FRN 9020

Investment Manager

APS Bank Limited (Head Office) 24, St. Anne Square, Floriana, FRN 9020, Malta

Administrator & Company Secretary

Valletta Fund Services Limited
Level 6, The Mall Offices, The Mall, Floriana FRN 1470, Malta

Custodian

Bank of Valletta p.l.c.
BOV Centre, Cannon Road
Santa Venera SVR 9030, Malta

Bankers

APS Bank Ltd,
20, St. Anne Square, Floriana, FRN 9020, Malta

Auditors and Reporting Accountants

Ernst & Young, Malta

Regional Business Centre,
Fourth Floor, Achille Ferris Street, Msida, Malta

Legal Advisors

Ganado & Associates Advocates
171/176, Old Bakery Street, Valletta VLT 1455, Malta