

APS FUNDS SICAV P.L.C.

# ANNUAL REPORT & FINANCIAL STATEMENTS **2021**

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**APS  
Income  
Fund**



**APS  
Diversified  
Bond  
Fund**



**APS  
Regular  
Income  
Ethical  
Fund**



**APS  
Global  
Equity  
Fund**



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# MANAGEMENT AND ADMINISTRATION

## DIRECTORS

Mr. Tony Meilak  
Solitaire, Triq il-Parilja, Santa Venera, Malta

Mr. Etienne Borg Cardona  
'Mistral', Triq Esprit Barthet, Madliena, Swieqi, Malta

Dr Graziella Bray (appointed on 5 May 2021)  
15, Pensieri, Triq C Troisi, Swieqi, Malta

Mr. Joseph Portelli (retired on 5 May 2021)  
The Royal Lady, St. Anthony Street, Għajnsielem, GSM 9020, Malta

## REGISTERED OFFICE

APS Centre, Tower Street, Birkirkara BKR 4012, Malta

## COMPANY REGISTRATION NUMBER

SV 78

## INVESTMENT MANAGER

ReAPS Asset Management Limited  
APS Centre, Tower Street, Birkirkara, BKR 4012, Malta  
*Licensed to conduct Investment Services business by the Malta Financial Services Authority*

## ADMINISTRATOR AND COMPANY SECRETARY

Apex Fund Services (Malta) Limited (Appointed on 25 November 2021)  
Quad Central, Q3 Level 9, Triq L-Esportaturi, Zone 1, Central Business District,  
Birkirkara CBD 1040, Malta  
*Recognised to provide fund administration services by the Malta Financial Services Authority*

Apex Corporate & Advisory Services Limited (Appointed on 25 November 2021)  
Quad Central, Q3 Level 9, Triq L-Esportaturi, Zone 1, Central Business District,  
Birkirkara CBD 1040, Malta

BOV Fund Services Limited (Till 24 November 2021)  
TG Complex, Suite 2, Level 3, Brewery Street, Mriehel, Birkirkara BKR 3000, Malta  
*Recognised to provide fund administration services by the Malta Financial Services Authority*

## CUSTODIAN

Swissquote Financial Services (Malta) Limited  
Palazzo Spinola, 45 St. Christopher Street, Valletta VLT 1464, Malta  
*Licensed to conduct investment services business by the Malta Financial Services Authority*

## SUB-CUSTODIAN

Swissquote Bank Limited  
Ch. De La Cretaux 33, Gland CH-1196, Switzerland

## BANKERS

APS Bank p.l.c.  
APS Centre, Tower Street, Birkirkara, BKR 4012, Malta

Swissquote Bank Limited  
Ch. De La Cretaux 33, Gland CH-1196, Switzerland

## AUDITORS

Deloitte Audit Limited  
Deloitte Place, Triq l-Intornjatur, Central Business District, Birkirkara, CBD 3050, Malta

## LEGAL ADVISORS

Saliba Stafrace Legal  
9/4, Britannia House, Old Bakery Street, Valletta, VLT 1455, Malta

## DESCRIPTION

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APS Funds SICAV p.l.c. (the “Company”) is 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 24 January 2008. The Company consists of four Sub-Funds: the APS Income Fund, the APS Regular Income Ethical Fund, the APS Diversified Bond Fund, and the APS Global Equity Fund. The Company is licensed by the Malta Financial Services Authority as a UCITS Collective Investment Scheme under the Investment Services Act [Cap. 370 of the Laws of Malta]. The APS Income Fund is listed on the Malta Stock Exchange. The Company has no employees.

### **Changes made during the reporting period**

On 5 May 2021, Mr. Joseph Portelli resigned and Dr Graziella Bray was appointed in his place as Director. On 25 November 2021, the administrator changed from BOV Fund Services Limited to Apex Fund Services (Malta) Limited.

### **Changes made after the reporting period**

Nil.



# INVESTMENT MANAGER'S REPORT

## The International Economy and Financial Market

2021 was a year of uncertainty and hopeful anticipation to return to a degree of normality following the onset of the Covid 19 pandemic in 2020. Whilst 2021 was a difficult year for investment managers making decisions driven by fundamentals, it was a year that showed the benefits of diversification and flexibility. Stock market performance was driven by vaccine roll outs and the easing of lockdowns which caused the economy to rebound strongly. Throughout the year, various Covid Variants would prove to be a headwind for the recovery's trajectory and led to volatility and policy uncertainty. Global supply shortages, labour shortages and inflation were some of the issues investors had to grapple with. Despite this, most equity markets ended the year in positive territory with some notable divergences. For example, very large companies in the USA outperformed smaller ones as well as those in other geographies. Emerging markets investments had a tough year overall with the MSCI Emerging Markets Equity Index ending the year 2.54% lower.

Turning to economic performance the world economy rebounded sharply in 2021 due to a combination of factors including ultra-loose monetary policy, significant fiscal aid, as well as the reopening of economies on the back of vaccine rollouts. This impacted countries in unprecedented ways leading to massive build-ups in budget deficits and government debt. Elevated aggregate demand, combined with the effect of shutdowns in China, impacted supply chains of key inputs across hundreds of different sectors. This, coupled with high energy and commodity prices, contributed towards rising inflation data as can be seen in Figure 1. Central banks were quick to calm markets' fears by stating that inflation

was transitory and would abate within months. The rhetoric changed towards the end of the year as inflation figures were confirmed by lack of available workers and upward spiralling wages. The employment market began to normalise as countries around the world began removing furlough schemes. The word 'transitory' to describe inflation, was removed from the minutes of the US Federal Reserve in November, leading to higher inflation expectations and as a result, nominal yields.

As can be seen in Table 1, 2021 saw a divergence in vaccine rollouts. This and diverging approach to restraints on physical activity impacted economic performance differently thus ushering in different levels of recovery both within developed markets as well between developed and emerging markets.

Covid-19 Active Cases VS Vaccine Rollout 31/12/2021		
	Active Cases	Doses per 100 people
Global	288,870,691	119
Germany	680,692	180
France	1,757,767	124
Malta	11,853	216
UK	2,472,318	198
US	13,537,909	153

Table 1 Sources: Worldometer, Bloomberg Vaccine Tracker

In terms of economic growth, in October of 2021 the International Monetary Fund (IMF) had projected that during 2021 the world economy would grow by 5.9%, with advanced economies growing at a slower rate when compared to developing countries. The IMF expected that global economic growth would persist in 2022, albeit at a slower rate when compared to the previous year.

2021 had its fair share of political events. In January we saw that attack on Capitol Hill in Washington DC and in August the chaotic retreat of Western military forces out of Afghanistan. Tension remained simmering in the South China Sea evidenced through significant increases in Japanese military spending and the emergence of the Australia-UK-USA security alliance. We also saw tensions returning to Europe, with a surge of Russian military forces along the Ukrainian border, coupled with a military build-up of the Belarussian army at the Polish border. This geopolitical theme is likely to evolve further in 2022. The timing of all this coincides with a gas crisis in Europe that has been exacerbated by delays and reductions in exports of Russian gas to the Continent. Over the year we also saw tensions and skirmishes between the UK and the European Union as both parties tried to further disentangle forty-seven years of close economic and political cooperation.

2021 also saw the continued march of green themed investment with the not so nascent concept of investing along strong Ethical, Social and Governance lines becoming ever more mainstream. The finance industry is both leading the change as well as adapting to stakeholder demands that want to see it contributing positively to humanity. Governments around the world likewise are heeding the message that they need to do more. To this end the UK hosted COP26, which resulted in nearly 200 countries signing a non-legally binding deal to limit the consequences of climate change.

As shown in Figure 2 on next page, fiscal and monetary largesse kept financial markets calm over 2021. With the exception of late November due to the discovery of the Omicron variant, which saw the Chicago Board Options Exchange Volatility Index (commonly referred to as VIX) peaking on the first of December at 27.48. It then transpired that the Variant is both more contagious and simultaneously less deadly sending the VIX lower to 15.12.

The benchmark 10-year government bond yield in the US rose from 0.91% at the end of 2020 to 1.51% by the end of 2021. Meanwhile, yields on 10-year benchmark government debt issued by Germany and the UK, rose by 0.39% and 0.77% respectively. The yield on Japanese 10-year debt increased marginally by 0.05%.

## US CPI for All Urban Consumers 12-Month Percentage Change

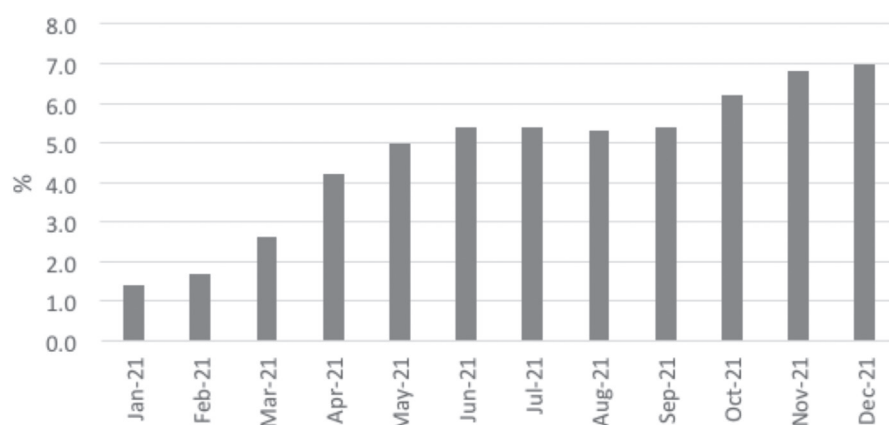


Figure 1

Source: U.S. Bureau of Labor Statistics





Figure 2

Source: Bloomberg

Table 2 displayed below shows the changes in the benchmark 10-year yields on selected development market sovereign debt.

Country	Generic 10-Year Yields as at the end of		Change
	31.12.2020	31.12.2021	
Germany	-0.57%	-0.18%	0.39%
Japan	0.02%	0.07%	0.05%
UK	0.20%	0.97%	0.77%
US	0.91%	1.51%	0.60%

Table 2 Source: Bloomberg

Global equities rallied as vaccines were rolled out in earnest, especially throughout developed markets. The rally was also fuelled by policy stimulus as large fiscal recovery packages were rolled out and monetary policy remained highly accommodative.

During the period under review, the Dow Jones Industrial Average and S&P 500 rose 18.73% and 26.89% respectively. The NASDAQ Composite, whose composition is heavily tilted towards information technology stocks, advanced by 21.39% during the year. In Europe, equity markets also performed well, with the EURO STOXX 50 rising 20.99%, while the UK's FTSE 100 rose 14.30%. The sustainable investment segment outperformed, with the MSCI World SRI Net Return Index gaining 36.69% (measured in euro) compared to the MSCI World Index, which gained 31.07% (measured in euro).

Meanwhile, the Hang Seng Index fell 14.08% and the MSCI Emerging Markets Index lost 4.59% as China faced a myriad of challenges emanating from lacklustre consumption demand, a cooling real estate sector that was putting pressure

on debt-ridden developers, and a regulatory crackdown on technology and gambling.

Index	31.12.2020	31.12.2021	Price Change
Dow Jones Industrial Average	30,606.48	36,338.30	18.73%
S&P 500 Index	3,756.07	4,766.18	26.89%
NASDAQ Composite	12,888.28	15,644.97	21.39%
EURO STOXX 50 Index	3,552.64	4,298.41	20.99%
FTSE 100 Index	6,460.52	7,384.54	14.30%
MSCI World SRI Net Return Index	3,288.40	4,494.90	36.69%
MSCI World Net Total Return Index	335.13	439.25	31.07%
Hang Seng Index	27,231.13	23,397.67	-14.08%
MSCI Emerging Markets Index	1,291.26	1,232.01	-4.59%

Table 3 Source: Bloomberg

Table 4 shows that in the foreign exchange market, the value of the US dollar advanced against the euro, driven by the swifter rollout of Covid-19 vaccines and an increasingly hawkish tone by the Fed as inflation started to look less transitory than anticipated. By the end of 2021, the euro had depreciated by 7.42% against the US dollar. The euro also weakened significantly against the pound sterling, due to similar reasons concerning

the vaccine rollout in the UK and an increasingly hawkish Bank of England.

Currency	31.12.2020	31.12.2021	Change in Value Against the Euro
EUR per 1 AUD	0.6298	0.639	1.46%
EUR per 1 GBP	1.1185	1.1893	6.33%
EUR per 100 JPY	0.7924	0.7638	-3.60%
EUR per 1 USD	0.8186	0.8793	7.42%

Table 4 Source: Bloomberg

## The Maltese Economy and Financial Market

In-line with the rest of Europe, Malta saw a recovery driven by the reopening of the economy as Covid-19 vaccine roll outs progressed. The arrival of variants challenged this recovery forcing the Government to reintroduce restrictive measures as well as extending the wage supplement. The impact of restrictions was felt most keenly in the tourism sector as the table on the following page depicts.

At the same time, the vaccination drive continued in earnest with booster shots starting to be administered in the fourth quarter of 2021 in an attempt to stave off the Omicron variant. By the end of the year, Malta had administered 1.07 million vaccine doses, equivalent to 216 doses per 100 citizens. This placed Malta amongst the best counties in the world in terms of vaccine roll out.

One of the most significant economic events of 2021 was the grey listing of Malta by the Financial Action Task Force (FATF) in July. Following the grey listing, different types of local stakeholders piled pressure on the Government to work towards the removal from the grey-list. As a consequence, Malta was quick to make high level political commitments to strengthen the effectiveness of its anti-money laundering regime. These included promises to increase transparency and accuracy of company beneficial ownership register, enhancing the use of the FIAU's financial intelligence and ensuring financial intelligence is focused on tax evasion and money laundering. Whilst the economic cost of grey listing is uncertain, it is vital for the country to be removed from the list as soon as possible in order to limit any further damage to Malta's reputation and by extension, its economy.

On the economic front, the most recent forecasts published by the European Commission indicated that the Maltese economy grew 5.0% in 2021. Data from the National Statistics Office (NSO) showed that the seasonally adjusted unemployment rate in November stood at 3.5%, down 0.9% from a year earlier. In December, the rate of inflation as

# INVESTMENT MANAGER'S REPORT

Malta Inbound Tourism 2019 - 2021

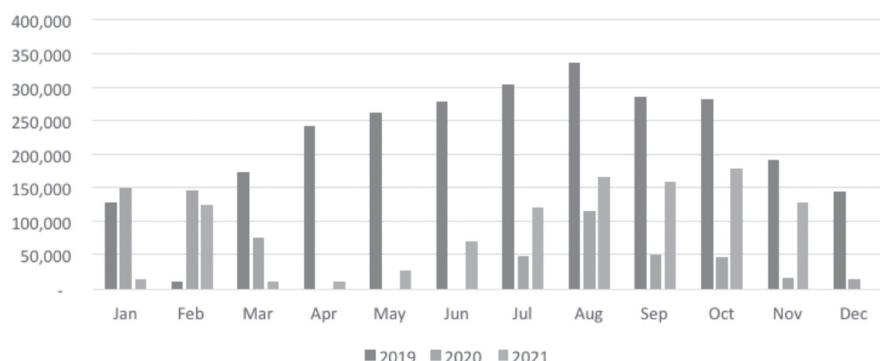


Figure 3 Source: National Statistics Office

Note: December 2021 data was unavailable at the time of writing

measured by the Harmonised Index of Consumer Prices stood at 2.6%, significantly higher than the rate of 0.2% that was registered in December 2020.

According to the NSO, central government recurrent revenue during the first eleven months of the year stood at €4,538.5 million, or €806.4 million higher in comparison to the same period in 2020. Total expenditure stood at €5,660.5 million, representing an increase of €592.9 million over 2020. The deficit stood at €1,122 million, a reduction of €212 million when compared to the deficit posted in 2020.

Yields on Malta Government Bonds with outstanding tenors between two and twenty years were higher at the end of 2021 when compared to twelve months earlier as shown in Table 5.

Tenor	Yields on Maltese Sovereign Debt as at the end of		
	31.12.2020	31.12.2021	Change
2 Years	-0.36%	-0.23%	0.13%
3 Years	-0.32%	-0.08%	0.24%
4 Years	-0.26%	0.06%	0.32%
5 Years	-0.20%	0.19%	0.39%
7 Years	-0.03%	0.40%	0.43%
10 Years	0.27%	0.75%	0.48%
15 Years	0.66%	1.20%	0.54%
20 Years	0.91%	1.48%	0.57%

Table 5 Source: Bloomberg

Table 6 shows the difference between yields on 10-year Maltese sovereign debt and that of a select group of fellow Eurozone countries. The yield difference between Maltese sovereign debt and French, Irish, Italian, and Spanish sovereign bonds shrunk, meaning that Maltese ten-year debt had become relatively more expensive over the course of the period under review.

Country	Additional Yield from owning 10-Year Malta Sovereign Debt		
	31.12.2020	31.12.2021	Change
France	0.61%	0.55%	-0.06%
Germany	0.84%	0.93%	0.09%
Ireland	0.57%	0.50%	-0.07%
Italy	-0.27%	-0.42%	-0.15%
Spain	0.22%	0.19%	-0.04%

Table 6 Source: Bloomberg

The primary market for local bonds was active in 2021, with multiple issuers coming to market, including bonds issued by GO p.l.c., International Hotel Investments p.l.c., and Mizzi Organisation. The primary market was also active on the equity side, with notable offers from Hili Properties p.l.c. and VBL p.l.c..

The Malta Stock Exchange Corporate Bonds Total Return Index, which captures both price and interest return, rose 4.99% during 2021. Table 7 shows the change in yields on the largest corporate bond issues listed on the Regulated Main Market of the Malta Stock Exchange during the period under review.

In the equity market, the Malta Stock Exchange Equity Total Return Index fell 3.21% in 2021. Table 8 provides granular data on the performance of individual stocks that are traded on the Malta Stock Exchange.

Yields on selected Corporate Bonds listed on the Malta Stock Exchange as at the end of			
Security	31.12.2020	31.12.2021	Change
3.80% Hili Finance Company p.l.c. 2029	3.94%	3.80%	-0.14%
3.5% GO p.l.c. 2031	NA	3.13%	NA
3.65% Mizzi Organisation Finance p.l.c. 2028-2031	NA	3.25%	NA
3.50% Bank of Valletta p.l.c. 2030 S1 T1	3.38%	3.06%	-0.32%
3.75% Premier Capital p.l.c. 2026	3.65%	3.26%	-0.39%
4.35% SD Finance p.l.c. 2027	4.35%	4.16%	-0.19%
4.00% International Hotel Investments p.l.c. Dec-2026 Secured	4.39%	3.40%	-0.99%
3.65% International Hotel Investments p.l.c. 2031	NA	3.63%	NA
3.25% APS Bank p.l.c. 2025-2030	3.01%	2.93%	-0.08%
4.00% MIDI p.l.c. 2026	3.49%	3.22%	-0.27%
3.75% Bank of Valletta p.l.c. 2026-2031	3.52%	2.93%	-0.59%
5.75% International Hotel Investments p.l.c. 2025	5.48%	4.87%	-0.61%

Table 7 Source: Bloomberg

Index / Security	31.12.2020	31.12.2021	Price Change
MSE Equity Total Return Index	8,471.34	8,199.40	-3.21%
MSE Equity Price Index	4,131.09	3,944.63	-4.51%
Bank of Valletta p.l.c.	0.95	0.90	-5.26%
BMIT Technologies p.l.c.	0.48	0.48	0.00%
FIMBank p.l.c.	0.50	0.34	-32.00%
LifeStar Holding p.l.c.	0.50	1.00	100.00%
GO p.l.c.	3.54	3.36	-5.08%
Grand Harbour Marina p.l.c.	0.70	0.68	-2.86%
Harvest Technology p.l.c.	1.48	1.45	-2.03%
HSBC Bank Malta p.l.c.	0.90	0.92	2.22%
International Hotel Investments p.l.c.	0.72	0.62	-13.89%
Lombard Bank Malta p.l.c.	2.36	1.95	-17.37%
Main Street Complex p.l.c.	0.50	0.48	-4.00%
Malita Investments p.l.c.	0.90	0.80	-11.11%
Malta International Airport p.l.c.	6.20	6.00	-3.23%
Malta Properties Company p.l.c.	0.50	0.55	10.00%
MaltaPost p.l.c.	1.33	1.22	-8.27%
Mapfre Middlesea p.l.c.	2.46	2.30	-6.50%
MedservRegis p.l.c.	0.79	0.65	-17.72%
MIDI p.l.c.	0.45	0.43	-4.44%
PG p.l.c.	2.00	2.40	20.00%
Plaza Centres p.l.c.	0.98	0.93	-5.10%
RS2 Software p.l.c.	2.00	1.74	-13.00%
RS2 Software p.l.c. Pref	N/A	1.65	N/A
Santumas Shareholdings p.l.c.	1.39	1.18	-15.11%
Simonds Farsons Cisk p.l.c.	7.80	9.65	23.72%
Tigné Mall p.l.c.	0.85	0.75	-11.76%
Trident Estates p.l.c.	1.66	1.54	-7.23%
VBL p.l.c.	N/A	0.30	N/A

Table 8 Source: Bloomberg, Malta Stock Exchange

## Portfolio Activity Review

### APS Income 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. The Fund seeks to achieve its investment objective by investing primarily in Malta Government Bonds and Corporate Bonds listed on the Malta Stock Exchange, predominantly in euro and which may be at a fixed or floating rate, rated or unrated. The Fund may also hold selected equities, deposits and cash.

#### Fund Performance

##### Accumulator Share Class

During the year ended 31 December 2021, the price of the APS Income Fund Accumulator Shares decreased by 0.24% from €190.2051 to €189.7413.

##### Distributor Share Class

During the year ended 31 December 2021, the price of the APS Income Fund Distributor Shares decreased by 2.24% from €128.0337 to €125.1633. The Share Class distributed two dividends of €1.24635 and €1.31244 per share over the same period of time.

#### Fund Overview

The Net Asset Value of the Fund decreased from €88.95 million to €88.41 million during the twelve-month period under review.

The objective during the year was to overall improve portfolio diversification at asset class and regional level whilst also reduce exposure to companies in sectors that the Investment Manager thought would face headwinds in the short-to-medium term, whilst increasing exposure to those companies that were deemed to be best positioned to. In this regard, the Fund also participated in primary issuances, both in equity and in corporate debt. The exposure to Malta Government Stock was initially reduced during the first half of the year under review, before later being increased in line with the changing outlook of the Investment Manager whilst at the same time optimising the Fund's investments by rotating out of particular Malta Government Stocks that were deemed to be too expensive into more attractively priced issues.

The Investment Manager continued to maximise the Fund's allocation to internationally-listed securities as a means of geographically diversifying the Fund's exposures.

At the end of 2021, the Fund's assets were allocated as follows -

- Local corporate bonds - 34.50%
- Local government bonds - 25.04%
- Local equities - 22.75%
- International corporate bonds - 9.94%
- International government bonds - 2.11%
- International equities - 1.34%
- Term deposits - 1.47%
- Cash and foreign exchange forward contracts - 2.85%

### APS Regular Income Ethical Fund

#### Investment Objective

The investment objective of the Fund is to endeavour to maximise the total return to investors, minimising the volatility of the portfolio whilst having regard to attaining a desirable level of liquidity, following ethical principles according to the Ethical Policy. The Fund seeks to achieve this objective by investing primarily in international government and corporate bonds, and in direct equities. The Fund may also invest in collective investment schemes, deposits, and cash.

#### Fund Performance

##### Class A - Accumulator Share Class

During the year ended 31 December 2021, the price of the APS Regular Income Ethical Fund Class A Shares increased by 4.82% from €1.4945 to €1.5665.

##### Class B - Distributor Share Class

During the year ended 31 December 2021, the price of the APS Regular Income Ethical Fund Class B Shares increased by 3.00% from €1.1795 to €1.2149. The Share Class distributed two dividends of €0.00792 and €0.01303 per share over the same period of time.

##### Class C - Accumulator Share Class

During the year ended 31 December 2021, the price of the APS Regular Income Ethical Fund Class C Shares increased by 4.74% from €1.4883 to €1.5589.

##### Class D - Distributor Share Class

During the year ended 31 December 2021, the price of the APS Regular Income Ethical Fund Class D Shares increased by 2.94% from €1.1766 to €1.2112. The Share Class distributed two dividends of €0.00780 and €0.01289 per share over the same period of time.

# INVESTMENT MANAGER'S REPORT

The Fund differs from a traditional fund in the process by which investments are selected. Specifically, the investment process applies a rigorous ethical screening over and above the traditional investment selection process. The Investment Manager adopts a two-tiered approach to ethical screening. The Manager first excludes companies operating in certain industries which are deemed to be detrimental to humanity. This is followed by positive screening, where the Investment Manager selects those companies which have high Environmental, Social and Governance (ESG) scores. A similar ethical screening is also applied to government and supranational issuers.

## **Fund Overview**

The Net Asset Value of the Fund increased from €36.25 million to €43.31 million during the twelve-month period under review.

The Fund entered the year with relatively high cash balances and an overweight stance on Equities. Throughout the year, the manager deployed cash into direct equities increasing the overweight stance on an expectation of a global economic recovery. The manager also reduced duration and added exposure to high yield debt across multiple issuers reducing overall portfolio concentration keeping global diversification in mind. As yields remained historically low, the Manager carried multiple portfolio adjustment exercises with the scope of increasing yield. On the currency side, the most notable positions were in the US Dollar and Pound Sterling. For both currencies the Manager maintained an overweight stance. Both currencies rallied against the Euro over the year. An underweight stance on Emerging markets across asset classes was maintained. These decisions contributed to the positive return achieved for the period.

At the end of 2021, the Fund's assets were allocated as follows -

- Corporate bonds - 35.66%
- Government and supranational bonds - 27.77%
- Equities - 29.97%
- Cash and foreign exchange forward contracts - 6.60%

## **APS Diversified Bond Fund**

### **Investment Objective**

The investment objective of the Fund is to achieve long-term capital growth, together with income, mainly through investment in debt instruments issued worldwide by companies and governments. Fund Performance

### **Class A - Accumulator Share Class**

During the year ended 31 December 2021, the price of the APS Diversified Bond Fund Class A Shares decreased by 0.59% from €1.1251 to €1.1185.

### **Class B - Distributor Share Class**

During the year ended 31 December 2021, the price of the APS Diversified Bond Fund Class B Shares decreased by 2.78% from €1.0177 to €0.9894. The Share Class distributed two dividends of €0.01038 and €0.01200 per share over the same period of time.

### **Class C - Accumulator Share Class**

During the year ended 31 December 2021, the price of the APS Diversified Bond Fund Class C Shares decreased by 0.60% from €1.0996 to €1.093.

### **Class D - Distributor Share Class**

During the year ended 31 December 2021, the price of the APS Diversified Bond Fund Class D Shares decreased by 2.78% from €1.0176 to €0.9893. The Share Class distributed two dividends of €0.01037 and €0.01200 per share over the same period of time.

### **Class G - Distributor Share Class**

During the year ended 31 December 2021, the price of the APS Diversified Bond Fund Class G Shares decreased by 2.75% from £1.0262 to £0.998. The Share Class distributed two dividends of £0.01010 and £0.01214 per share over the same period of time.

## **Fund Overview**

The Net Asset Value of the Fund increased from €49.86 million to €52.25 million during the year under review.

In managing the exposure to corporate credit throughout the year, the Investment Manager adopted a general preference towards sub-investment-grade rated bonds and instruments characterised as hybrid debt. This was intended to allocate capital to those sectors within the credit market that were deemed to offer the most attractive return on a risk-adjusted basis. During the period under review, the Investment Manager crystallised gains on selected credit positions that had performed well and reinvested the proceeds into more attractively priced corporate bonds.

In terms of interest rate risk management, the Fund's duration was tactically increased during both the second and third quarter of the year, before being partially reduced in November as government bond yields in the United States retreated from the year's highs.

The Fund maintained significant exposures to foreign currencies during the year, with the allocation to individual currencies being adjusted over time to reflect the Investment Manager's view on the specific currency. At the end of the period under review, close to 19% of the Fund was exposed to non-euro currencies, with notable positions held in the US Dollar, Pound Sterling, Japanese Yen, Polish Zloty, Mexican Peso, Hungarian Forint and Norwegian Krone.

At the end of 2021, the Fund's asset were allocated as follows -

- Government and supranational bonds - 32.08%
- Corporate bonds - 64.55%
- Exchange traded funds - 2.39%
- Cash and foreign exchange forward contracts - 0.97%

## **APS Global Equity Fund**

### **Investment Objective**

The investment objective of the Fund is to achieve long-term capital appreciation through investment, primarily, in a diversified portfolio of equity securities. The Fund may also invest in other types of securities such as preferred stock, rights, warrants, contingent convertible bonds and securities convertible into common equity shares.

## **Fund Performance**

### **Accumulator Share Class**

During the year ended 31 December 2021, the share price of the APS Global Equity Fund Accumulator Shares increased by 14.37% from €1.0524 to €1.2036.

### **Distributor Share Class**

During the year ended 31 December 2021, the share price of the APS Global Equity Fund Distributor Shares increased by 13.99% from €1.0525 to €1.1997. The Share Class distributed a dividend of €0.00391 per share over the same period of time.

## **Fund Overview**

The Fund was first offered to investors on 28 September 2020 with the offering period closing on the 26 October 2020. The Net Asset Value of the Fund stood at €5.73 million at the start of the period under review and this increased by 102% over year 2021 to €11.59 million.

The Fund began the year with high cash balances as having started trading in November 2020 the Fund was in the roll-out phase by the start of the period under review. Initially, the manager's focus was cash deployment as Fund subscriptions continued to gain momentum and market optimism was high driven by global vaccine deployment. At the start of 2021, value rotation trades outperformed but faced headwinds towards the middle of the year, as central banks pushed the notion that inflation would be 'transitory'. This had the effect of lowering market inflation expectations. Central Banks' rhetoric around inflation changed significantly towards the end of the year pushing yields higher and challenging growth stock valuations. Whilst investments in the US made up the Fund's largest geographical exposure, compared to the wider market, the Fund had a higher proportion of European and UK stocks. The Manager also maintained low exposure to emerging markets given the regulatory issues

being faced in China as well as a slower and less successful vaccine rollout program compared to developed markets.

With respect to currencies, the Fund, most notably, held exposures in Euro, Pound Sterling, US Dollar and Norwegian Krone. The Manager maintained a long bias towards commodities indirectly through various oil companies in Europe and the US.

At the end of 2021, the Fund's assets were allocated as follows -

- Equity - 94.2%
- Cash and foreign exchange forward contracts - 5.80%

## Remuneration Disclosure

### Remuneration Policy of the Company

For the purposes of SLC 1.9 of Appendix II to Part B of the Standard Licence Conditions, the total, fixed remuneration paid to the Company's three Directors is disclosed on page 29.

Other identified staff consist of the Compliance Officer and the Money Laundering Reporting Officer.

None of the identified staff are employed with APS Funds SICAV p.l.c. During the financial year ended 31 December 2021, the total, fixed, contribution paid by the Company towards the remuneration of these identified staff, totalling 2 beneficiaries, amounted to €21,540.

Details of the management fees paid by the Company to the Investment Manager, and a description of how they are calculated, are disclosed in the Statement of Comprehensive Income and in note 9a to the financial statements.

### Remuneration Policy of the Investment Manager

In accordance with its obligations pursuant to the Directive 2014/91/EU of the European Parliament and the Council ("the UCITS Directive"), ReAPS Asset Management Limited ("ReAPS"), as a licensed Investment Manager of APS Funds SICAV p.l.c., an UCITS Collective Investment Scheme, is required to have remuneration policies and practices in place.

The remuneration provisions are:

- Consistent with and promote sound and effective risk management of the UCITS;
- Do not encourage risk-taking which is inconsistent with the risk profiles or fund rules governing the relevant UCITS;
- Do not impair compliance with UCITS Manager's duty to act in the best interest of the UCITS.

ReAPS is the subsidiary of APS Bank p.l.c. and thus forms part of APS Group. A Group Remuneration Policy was drawn and subsequently approved by the Bank's Board of Directors. In turn, ReAPS drew a separate and distinct Remuneration Policy which is in line and consistent with that of the Group.

ReAPS' Remuneration Policy covers all those staff who fall into the 'Identified Staff' Category only. The term 'Identified Staff' is broadly defined in the UCITS Directive and includes senior management, risk takers, control functions, and other employees in same remuneration bracket, whose professional activities have a material impact on the company's risk profile or of the UCITS it manages. These include the ReAPS' Board of Directors, Committee Members, Senior Management, Investment Managers and Investment Analysts, other employees involved in the investment decision and risk taking process, and Senior Staff engaged in Control Functions.

ReAPS' Remuneration Policy complies with the following principles in a way and to the extent that is appropriate to the size, internal organisation and the nature, scope and complexity of its activities -

- a. The remuneration policy is in line with the business strategy, objectives, values and interests of ReAPS and the UCITS it manages and of the investors in such UCITS, and includes measures to avoid conflicts of interest;
- b. The remuneration policy is adopted by the management body of ReAPS in its supervisory function, and that body adopts, and reviews at least annually, the general principles of the remuneration policy and is responsible for, and oversees their implementation;
- c. Staff engaged in control functions are compensated in accordance with the achievement of the objectives linked to their functions, independently of the performance of the business areas they control;
- d. Appropriate balancing of the fixed and variable components of total remuneration such that the fixed component represents a sufficiently high portion of the total remuneration and there is the option of paying no variable remuneration.

Management Companies that are significant in terms of their size or of the size of the UCITS that they manage, their internal organisation and the nature, scope and complexity of their activities will also need to establish a 'Remuneration Committee'. Following due consideration of the Investment Manager's size, internal organisation as well as the nature, scope and complexity of its activities, ReAPS' Board of Directors applied for a derogation from MFSA to be exempt from having a ReAPS' Remuneration Committee. The Authority had granted the derogation in May 2018,

on the basis that ReAPS would rely on the Group's Remuneration Committee. The MFSA had granted a renewal to the derogation in December 2021.

Below is the remuneration structure for the Directors and Staff Members of ReAPS:

#### a. Remuneration Structure for Directors

The remuneration of the Chairman and the Non-Executive Directors is a fixed pay and set at a level, which is competitive with the rest of the market, the competencies and contribution required, and reflect the extent of responsibilities and the number of Board meetings and committee membership/s.

#### b. Remuneration Structure for Staff Members

The remuneration of the staff members is based on the following criteria:

##### Fixed Remuneration

The base salary provides a predictable base level of income reflecting each staff member's level of responsibility, capabilities, skills and experience. Base salaries are reviewed annually, and increases are granted in line with performance and when a staff member assumes increased responsibilities or significantly deepens knowledge and expertise. Base salaries are also reviewed when there is a material change in the remuneration levels of comparable roles in the respective market.

##### Variable Remuneration

Staff members may have a variable component to their remuneration in addition to their fixed remuneration. The relation between fixed and variable remuneration shall not exceed twenty-five (25) per cent of the fixed component for each individual.

'Identified Staff' of ReAPS consist of its Directors including the Managing Director, Investment Committee Members, Portfolio Managers, Assistant Portfolio Managers, Compliance Officer, Risk Manager and Money Laundering Reporting Officer. ReAPS reimburses APS Bank p.l.c. for these services. This fee is based on the time allocated by these staff members to perform their duties in relation to their activities.

Total remuneration paid to the Identified Staff, totalling 16 beneficiaries, amounted to €353,942 fixed and €25,679 variable during the financial year ended 31 December 2021.



# INVESTMENT MANAGER'S REPORT

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*The Funds' performance figures listed above have been rounded to two decimal places whilst the Fund prices are listed to four decimal places, as stipulated in the Prospectus. Past performance is not necessarily indicative of future results. Some of the opinions expressed herein are of a forward-looking nature and should not be interpreted as investment advice. The Manager has obtained the information contained in this document from sources believed to be reliable but has not independently verified the information contained herein and therefore its accuracy cannot be guaranteed. The Manager makes no guarantees, representations or warranties and accepts no responsibility or liability as to the accuracy or completeness of the information contained in this document. The Manager has no obligation to update, modify or amend this report or to otherwise notify a reader thereof in the event that any matter stated therein, or any opinion, projection, forecast or estimate set for the herein changes or subsequently becomes inaccurate.*

*Sources – Bloomberg; Central Bank of Malta; European Commission; Eurostat; International Monetary Fund; National Statistics Office Malta; Malta Stock Exchange; Worldometer, Bloomberg Vaccine Tracker U.S. Bureau of Labor Statistics.*

# REPORT OF THE DIRECTORS

The Directors are hereby laying before and for approval by the Shareholders at this Annual General Meeting, the Annual Report, including the Financial Statements of APS Funds SICAV p.l.c. (the "Company") for the year ended 31 December 2021.

## Principal Activities

The Company is organised as a multi-fund investment company with variable share capital (SICAV) pursuant to the Companies Act [Cap. 386 of the Laws of Malta]. The Company was registered on the 24 January 2008 and is licensed by the Malta Financial Services Authority as a UCITS Collective Scheme under the Investment Services Act [Cap. 370 of the Laws of Malta] and the UCITS Directive [Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS) (recast)]. The Company has established four separate Sub-Funds namely; the APS Income Fund, the APS Regular Income Ethical Fund, the APS Diversified Bond Fund, and the APS Global Equity Fund. The Company has no employees.

## Review of Business

The net assets attributable to Shareholders as at 31 December 2021 stood at €195,557,612 (2020: €180,792,769). The increase in net assets of 8.17% (2020: 5.80%) was mainly the result of net subscriptions across all Sub-Funds. The effect of investment performance on the Company's net assets was marginally positive as the negative performance registered by the APS Income Fund was offset slightly by the positive performance of the other three Sub-Funds.

## Significant developments during the year under review are reported below:

The Company appointed Apex Corporate & Advisory Services Limited, with registration number C 50004 to act as Administrator, Secretary, Registrar and Transfer Agent of the Company with effect from 25 November 2021, thereby replacing BOV Fund Services Limited. This change also brought about a change in the Company's Money Laundering Reporting Officer. Apex Corporate & Advisory Services Limited is regulated by the Malta Financial Services Authority and is licensed as a Class C Company Services Provider.

With effect from 21 January 2022, the investment objective of the APS Diversified Bond Fund was changed to better reflect the aims and objective of the Fund.

The performance of the individual Sub-Funds is further described in the Investment Manager's Report on pages 8 to 14.

## Principal risks and uncertainties

The successful management of risk is essential to enable the Company to achieve its objectives. The ultimate responsibility for risk management rests with the Company's Directors, who evaluate the Company's risk appetite and formulate policies for identifying and managing such risks. The principal risks and uncertainties facing the Company are included below.

The Company defines risk as the probability of a permanent loss of capital. The risk management effort targets the mitigation of the probability of a permanent loss of invested capital within its investment objective. At the same time, it is also understood that the risk cannot be completely eliminated. Risk is considered acceptable by the Board of Directors if its sources are understood, and if the level of risk lies within the appetite and tolerance levels set by the Board of Directors after consulting with the Investment Manager. Risks are taken only after an understanding of the nature of the risk, and only if that risk carries an adequate compensation in the form of return.

## Non-Financial Risks

### Operational risk

Operational risk, also referred to as operations risk, is the risk of loss from failures in a company's systems, processes and procedures such as computer breakdowns including viruses and hardware problems. Operational risk can also materialize from external events, which are not under the direct control of the Company such as terrorist attacks and "acts of God".

### Settlement risk

The security settlement process involves a bilateral agreement whereby two counterparties trading with one another agree to pay for and transfer investment securities to each other. Settlement risk is defined as the risk that the Company could be in the process of paying the counterparty for securities purchased while the counterparty is declaring itself as bankrupt. The Company could also be in a position whereby it is expecting payment for securities sold whilst the counterparty declares bankruptcy.

### Political risk

Political risk, also known as geopolitical risk, may be defined as the risk that asset returns decrease

due to changes in the political environment within a country that lead to heightened instability. Political instability may arise from a change in government, legislative bodies and other policy makers.

## Legal risk/Regulatory standing

This is the risk of losses due to non-compliance with legal requirements towards the Maltese regulator and other regulators in whose jurisdiction the Company may conduct its business. The Compliance function of the Company is carried out by an experienced person who is a lawyer. Professional external advice and experience is sought for other matters, where appropriate.

## Reputational risk

The Company is subject to numerous laws and regulations covering a wide range of matters. Failure to comply could have financial or reputational implications and could materially affect the Company's ability to operate. The Company has embedded operating policies and procedures to ensure compliance with existing legislation.

## Regulatory risk

The regulatory environment is another source of uncertainty. Regulatory risk is associated with the uncertainty of how a transaction will be regulated or with the potential for regulations to change in the future. A change in regulation and/or statutes may end up increasing the cost of operations for the Company, reduce investment returns or completely change the competitive landscape.

## Taxation risk

Taxation risk arises due to the uncertainty associated with tax legislations. Changes in tax legislations may have adverse effects and unforeseen negative consequences for transactions and business relationships. Taxation risk also encompasses the risk that tax legislations become more burdensome on the Company.

## Leverage

The UCITS regulations permit the Company to borrow, for the account of a Sub-Fund, up to 10% of the value of assets of that Sub-Fund provided that such borrowing is on a temporary basis. The assets of such Sub-Fund may be charged as security for any such borrowings.

## Financial Risk Management

Financial risk is the possibility that shareholders could suffer financial loss when they invest their money in an asset. There are a number of financial risks that could potentially impact the activities of



# REPORT OF THE DIRECTORS

the funds and include, but not solely, the following: market risk, interest rate risk, currency risk, credit risk, and liquidity risk. The Company's objective in managing such risks is the creation and protection of shareholders' value. In order to manage and mitigate such risks, the Company employs a number of risk management tools in its day-to-day operation. Further detail can be found under note 14 on pages 47 to 55.

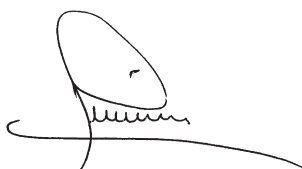
## Results and Dividends

The results for the year 2021 can be found on the Statements of Comprehensive Income on page 29. The dividends declared for the year ended 31 December 2021 with respect to the APS Income Fund, the APS Regular Income Ethical Fund, the APS Diversified Bond Fund and the APS Global Equity Fund distributor class of shares can be found under note 10 on page 44.

## Directors

The Directors of the Company who held office during the year under review are listed on page 6.

On behalf of the Board



**Tony Meilak**  
Chairman

8 March 2022

## Auditors

Deloitte Audit Limited have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

## Going Concern

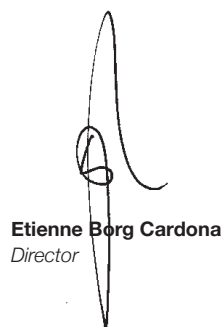
The COVID-19 pandemic remained ever present during 2021 despite best efforts for global inoculation with the case count increasing exponentially towards the end of the year on the emergence of the Omicron variant. The ability of the disease to spring a negative shock on the global economy has not gone away as vaccination programs keep playing catch up. World authorities are dealing with a situation that keeps evolving rapidly with severe lockdowns never being too far away, impinging business and consumer confidence. The value of the Sub-Funds and the future performance of the underlying investments might be significantly affected, depending on the duration of the crisis and the continued negative effect on economic activity. As required by Listing Rule 5.62 the Directors have taken due consideration of the performance and outlook for

the Sub-Funds, and have a reasonable expectation that the impact of the current challenging economic environment does not create a material uncertainty that casts doubt upon the Company's ability to continue operating as a going concern for the foreseeable future.


## Standard licence conditions and regulatory sanctions

During the year under review the APS Global Equity Fund registered an active breach when an investment was made in contravention with the Fund's Offering Supplement. Upon ascertaining that the Instrument was not eligible, the position was immediately closed and yielded a small profit and therefore no investor in APS Global Equity Fund was adversely impacted. The position represented 0.80% of the portfolio in APS Global Equity Fund.

There were no other breaches of standard licence conditions or other regulatory requirements or administrative penalties which were subject to regulatory sanctions.



**Etienne Borg Cardona**  
Director



**Graziella Bray**  
Director

# RAPPORT TAD-DIRETTURI

Id-Diretturi qeghdin iqieghdu dan ir-Rapport Annwali quddiem l-Azzjonisti għall-approvazzjoni tagħhom f'din il-Laqqgħa Generali Annwali. Dan ir-Rapport Annwali jinkludi fih ir-Rapporti Finanzjarji tal-APS Funds SICAV p.l.c. (il-Kumpanija) għas-sena li għalqet fil-31 ta' Diċembru 2021.

## Attivitajiet Prinċipali

Il-Kumpanija hija mwaqqfa bħala kumpanija ta' investment b'kapital azzjonarju varjabbli (SICAV) b'fondi multipli, taħt l-Att dwar il-Kumpaniji [Kap. 386 tal-Liġijiet ta' Malta]. Il-Kumpanija kienet irreġistrata fil-24 ta' Jannar 2008 u għandha liċenzja mill-Awtorità Maltija għas-Servizzi Finanzjarji bħala Skema ta' Investment Kollektiv UCITS taħt l-Att dwar Servizzi ta' Investment [Kap. 370 tal-Liġijiet ta' Malta] u skont id-Direttiva dwar l-UCITS [Direttiva 2009/65/KE tal-Parlament Ewropew u tal-Kunsill tat-13 ta' Lulju 2009 dwar il-koordinazzjoni ta' liġijiet, regolamenti u dispożizzjonijiet amministrattivi fir-rigward tal-imprizi ta' investment kollektiv f'titoli trasferibbli (UCITS) (tfassil mill-gdid)]. Il-Kumpanija waqqfet erba' fondi separati li huma: l-APS Income Fund, l-APS Regular Income Ethical Fund, l-APS Diversified Bond Fund u l-APS Global Equity Fund. Il-Kumpanija m'għandhiex impjegati.

## Rassenja tal-Attività tal-Kumpanija

L-assi netti attribwibbli lill-azzjonisti fil-31 ta' Diċembru 2021 kellihom il-valur ta' €195,557,612 (2020: €180,792,769). Iż-żieda fl-assi netti (ta' 8.17%) kienet prinċipalment riżultat tal-konkorrenza netta li kien hemm għal kull Fond. Il-prestazzjoni tal-investimenti halliet impatt marginalment pożittiv fuq l-assi netti tal-Kumpanija, peress li minkejja li l-APS Income Fund irreġistra prestazzjoni negattiva, it-tliet fondi l-oħra pattew xi ftit għaliha bi prestazzjoni pożittiva.

## L-iżviluppi l-aktar notevoli li seħħew matul is-sena li qed nirrapportaw fuqha kienu dawn:

Il-Kumpanija hatret lil Apex Corporate & Advisory Services Limited, li għandha n-numru ta' reġistrazzjoni C 50004, biex taġixxi bħala Amministratur, Segretarju, Registratur u Agent ta' Trasferiment tal-Kumpanija b'effett mill-25 ta' Novembru 2021, u b'hekk tiehu post il-BOV Fund Services Limited. Din iċ-ċaqliqa gābet ukoll bidla fil-Money Laundering Reporting Officer tal-Kumpanija. Apex Corporate & Advisory Services Limited hija regolata mill-Awtorità Maltija għas-Servizzi Finanzjarji u għandha liċenzja bħala Fornitur ta' Servizzi Korporattivi (Klassi C).

B'effett mill-21 ta' Jannar 2022, l-għan tal-investment tal-APS Diversified Bond Fund ġie emendat biex jirrifletti aħjar il-miri u l-oġettiv tal-Fond.

Aktar dettalji dwar il-prestazzjoni ta' kull Fond individwali huma mogħtija fir-Rapport tal-Investment Manager f'paġni 8 sa 14.

## Ir-riskji u l-inċertezzi ewlenin

Il-kontroll effettiv tar-riskju huwa essenzjali biex il-Kumpanija tilhaq l-għanijiet tagħha. Ir-responsabbiltà aħħarja għall-kontroll tar-riskju taqa' fuq id-Diretturi tal-Kumpanija. Dawn jevalwaw id-dispożizzjoni tal-Kumpanija għar-riskju u jfasslu l-politika biex jidentifikaw u jikkontrollaw ir-riskji. Ir-riskji u l-inċertezzi ewlenin li tiffaċċa l-Kumpanija huma mniżżla hawn taħt.

Il-Kumpanija tiddefinixxi r-riskju bħala l-probabbiltà ta' telf permanenti ta' kapital. L-isforz li jsir biex jiġi kkontrollat ir-riskju huwa mmirat biex inaqas kemm jista' jkun il-probabbiltà ta' telf permanenti ta' kapital investit fl-ambitu tal-oġettiv tal-kumpanija għall-investment. Fl-istess ħin huwa rikonoxxut li r-riskju ma jistax jinqata' għal kollox. Ir-riskju jittqies aċċettabbli għall-Bord tad-Diretturi jekk ikun magħruf minn fejn hu ġej u jkun fil-parametri tad-dispożizzjoni u t-tolleranza li l-Bord tad-Diretturi jkun iffissa wara li jkun ikkonsulta mal-Investment Manager. Ir-riskju jittiehed biss jekk ikun hemm għarfien tajjeb tan-natura tar-riskju u jekk dak ir-riskju jġib miegħu kumpens sodisfaċenti bħala rendita.

## Riskji Mhux Finanzjarji

### Riskju tal-operat

Ir-riskju tal-operat, imsejjah ukoll riskju mill-operazzjoni, huwa r-riskju li jkun hemm telf minhabba waqfien jew nuqqasijiet fis-sistemi, proċessi jew proċeduri tal-kumpanija, pereżempju waqfien tal-kompjuters, inkluzi problemi ta' infezzjoni minn xi virus jew hsara ta' makkinarju. Ir-riskju tal-operat jista' jiġi wkoll minn fatturi esterni li mhumix taħt il-kontroll dirett tal-Kumpanija, bħalma huma attakki terroristiċi jew diżastri naturali.

### Riskju tas-saldu

Il-proċess tal-ħlas għas-saldu tax-xiri u bejgħ ta' investimenti jinvolvi ftehim bilaterali fejn żewġ kontropartiti li qed jinnegozjaw bejniethom jiftiehm li jagħmlu trasferiment u ħlas ta' titoli ta' investment lil xulxin. Ir-riskju tas-saldu huwa definit bħala r-riskju li l-Kumpanija tista' tkun fil-proċess li thallas lill-kontropartita għal investimenti mixtrija, jew inkella tkun fil-pożizzjoni fejn qed tistenna ħlas għal titoli mibjugħa, fl-istess ħin li l-kontropartita tkun qed tiddikjara lilha nnifisha bħala falluta.

### Riskju politiku

Ir-riskju politiku, magħruf ukoll bħala riskju ġeopolitiku, huwa definit bħala r-riskju li r-rendita

minn ċerti assi tista' tonqos minhabba bidliet fl-ambjent politiku ta' pajjiż, li jwasslu għal instabilità serja. L-instabilità politika tista' tkun ikkawżata minn bidla fil-gvern, korpi leġislattivi jew atturi oħra li jinfluwenzaw il-politika.

## Ir-riskju legali/il-pożizzjoni regolatorja

Dan hu r-riskju ta' telf ikkawżat minn nuqqas ta' osservanza tar-rekwiżiti legali tar-regolatur Malti jew ta' regolaturi oħra f'għurisdizzjonijiet fejn topera l-Kumpanija. Il-funzjoni interna tal-Osservanza li għandha l-Kumpanija hija fdata f'idejn persuna ta' esperjenza, li hi avukat. Għar-rigward ta' materji oħra, il-Kumpanija tirrikorri, skont il-ħtieġa, għall-pariri u l-esperjenza legali ta' professjonisti esterni.

## Riskju tar-reputazzjoni

Il-Kumpanija hija soġġetta għal diversi liġijiet u regolamenti li jkopru firxa wiesgħa ta' materji. Jekk il-Kumpanija tonqos milli tkun konformi magħhom, jista' jkun hemm implikazzjonijiet għall-finanzi u r-reputazzjoni tagħha u tista' tintlaqat materjalment il-kapaċità tal-kumpanija li tkompli topera. Il-Kumpanija għandha mdaħħlin fis-sistemi tagħha politika u proċeduri li jassiguraw li tkun konformi mal-leġislazzjoni eżistenti.

## Riskju regolatorju

L-inċertezza tista' tiġi wkoll mill-ambjent regolatorju. Ir-riskju regolatorju huwa marbut mal-inċertezza ta' kif tranżazzjoni se tkun regolata jew ta' kif ir-regoli jistgħu jinbidlu fil-futur. Jekk ikun hemm bdil fir-regoli jew l-istatuti, dan jista' jwassal biex jizdiedu l-kosti tal-operat tal-Kumpanija, inaqqsu d-dħul mill-investment jew saħansitra jibdlu għal kollox ix-xenarju tal-kompetizzjoni.

## Riskju tat-Taxxa

Ir-riskju tat-taxxa ġej mill-inċertezza marbuta mal-leġislazzjoni tat-taxxa. Meta jsir tibdil fil-liġijiet tat-taxxa, dan jista' jkollu effetti negattivi u konsegwenzi ħżiena mhux mistennija fuq it-tranżazzjonijiet u r-relazzjonijiet kummerċjali. Ir-riskju tat-taxxa jiġbor ukoll ir-riskju li l-liġijiet tat-taxxa jzidu l-piż tagħhom fuq il-Kumpanija.

## Ingranaġġ

Ir-regolamenti tal-UCITS jippermettu li l-Kumpanija tissellef, akkont ta' xi Fond, sa 10% tal-valur tal-assi ta' dak il-Fond, sakemm is-self ikun fuq bażi temporanja. L-assi ta' dak il-Fond jistgħu jintużaw biex joffru sigurtà kontra dak is-self.

## L-Immaniġġjar tar-Riskju Finanzjarju

Ir-riskju finanzjarju hu l-possibbiltà li l-azzjonisti jistgħu jittflu flushom meta jinvestuom f'xi assi. Hemm diversi riskji finanzjarji li potenzjalment jistgħu jolqtu l-attivitajiet tal-fondi. Dawn li ġejjin huma wħud minnhom, imma mhux kollha: ir-riskju

# RAPPORT TAD-DIRETTURI

tas-suq, ir-riskju taċ-ċaqliq fir-rati tal-imghax, ir-riskju tal-valuta, ir-riskju tal-kreditu, u r-riskju tal-likwidità. Il-mira tal-Kumpanija fl-immaniġġjar ta' dawn ir-riskji hija li tohloq u tippoteġi l-valur għall-azzjonisti. Bil-għan li tikkontrolla u ttaffi dawn ir-riskji, il-Kumpanija, fl-operat tagħha ta' kuljum, tħaddem numru ta' għodod żviluppanti għall-immaniġġjar tar-riskju. Aktar dettalji jidhru fin-nota 14 fuq paġni 47 sa 55.

## Riżultati u Dividendi

Ir-riżultati għas-sena 2021 jinsabu fir-Rapporti tad-Dhul Kompressiv fuq paġna 29. Id-dividendi dikjarati għas-sena li għalget fil-31 ta' Diċembru 2021 għar-rigward tal-klassijiet distributorji tal-ishma tal-APS Income Fund, l-APS Regular Income Ethical Fund, l-APS Diversified Bond Fund u l-APS Global Equity Fund jinsabu taħt Nota 10 f'paġna 44.

## Diretturi

Id-Diretturi tal-Kumpanija li servew matul is-sena li tagħha qed jingħata rendikont huma elenkati f'paġna 6.

## Awdituri

Deloitte Audit Limited indikaw li huma lesti jibqgħu l-awdituri tal-Kumpanija. Għaldaqstant se titressaq riżoluzzjoni fil-Laqqha Ġenerali Annwali biex jergħu jinhatru.

## Negozju Avvjat

Il-pandemija tal-COVID-19 baqgħet magħna tul is-sena kollha 2021 minkejja l-isforzi kbar li saru biex jingħata l-vaċċin mad-dinja kollha, u mhux biss, imma l-għadd tal-każi aċċelera lejn l-aħħar tas-sena meta tfaċċa l-varjant Omicron. Il-virus baqa' kapaċi jixxokkja b'mod negattiv lill-ekonomija globali anke fl-istess ħin li l-programmi tal-vaċċinazzjoni jibqgħu jtellqu biex ilaħħqu miegħu. L-awtoritajiet dinjin qed iħabbtu wiċċhom ma' sitwazzjoni li tevolvi l-ħin kollu, li twassal għal lockdowns 'l hawn u 'l hemm, u tħarbat in-negozju u tiddemotiva l-konsumaturi. Il-valur tal-Fondi u l-prestazzjoni futura tal-investimenti jistgħu jiġu milquta serjament, skont kemm iddum il-kriżi u kemm ikun negattiv l-effett fit-tul fuq l-attività ekonomika. Kif titlob ir-Regola 5.62 tal-Elenku, id-Diretturi ddeliberaw bis-serjetà dwar il-prestazzjoni

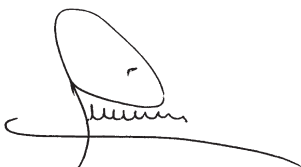
u l-prospettiva tal-Fondi u raġonevolment jaħsbu li l-impatt tal-isfida fl-ambjent ekonomiku attwali mhux se joħloq incertezza materjali li tista' titfa' xi dubju fuq il-kapaċità tal-Kumpanija li tkompli topera bħala negozju avvjat fil-futur prevedibbli.

## Il-kondizzjonijiet standard tal-liċenzja (SLCs) u s-sanzjonijiet regolatorji

Matul is-sena li qed nirrapportaw fuqha, l-APS Global Equity Fund irreġistrat ksur ta' kondizzjoni meta sar investiment b'kontravvenzjoni mas-Suppliment tal-Offerta tal-Fond. Malli ġie aċċertat li l-Istrument ma kienx eliġibbli, il-pożizzjoni ġiet magħluqa minnufih u ħalliet profitt żgħir. B'hekk hadd mill-investituri fl-APS Global Equity Fund ma ntlaqat hażin. Il-pożizzjoni kienet tirrappreżenta 0.80% tal-portafoll kollu fl-APS Global Equity Fund.

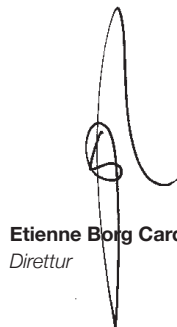
Ma kien hemm ebda ksur ieħor, la ta' kondizzjonijiet standard u lanqas ta' rekwiżiti oħra regolatorji, jew penali amministrattivi, li kienu soġġetti għal sanzjonijiet regolatorji.

F'isem il-Bord

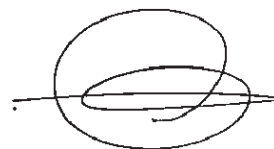


**Tony Meilak**  
Chairman

8 ta' Marzu 2022



**Etienne Borg Cardona**  
Direttur



**Graziella Bray**  
Direttur

# STATEMENT OF DIRECTORS' RESPONSIBILITIES

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The Directors are required by the Companies Act [Cap. 386 of the Laws of Malta] to prepare financial statements which give a true and fair view of the state of affairs of the Company as at the end of each financial period and of the profit or loss for that period.

In preparing the financial statements, the Directors are responsible for:

- (i) ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the European Union;

- (ii) selecting and applying appropriate accounting policies;
- (iii) making accounting estimates that are reasonable in the circumstances;
- (iv) ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business as a going concern.

The Directors are also responsible for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from

material misstatement, whether due to fraud or error and comply with Companies Act [Cap. 386 of the Laws of Malta]. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# INDEPENDENT AUDITOR'S REPORT

**To the Members of APS Funds SICAV p.l.c.**

## **Report on the Audit of the Financial Statements**

### **Opinion**

We have audited the accompanying financial statements of APS Funds SICAV p.l.c. ("the Company"), constituting each of the sub-funds of the Company, set out on pages 26 to 55, which comprise each of the Statements of Financial Position as at 31 December 2021, and the Statements of Comprehensive Income, Statements of Changes in Net Assets Attributable to Shareholders and Statements of Cash Flows for the year then ended, and Notes to the Financial Statements, including significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and its sub-funds as at 31 December 2021, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and have been properly prepared in accordance with the requirements of the Companies Act (Cap. 386).

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive (Maltese Code) that are relevant to our audit of the financial statements in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code and the Maltese Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. In conducting our audit, we have remained independent of the Company and have not provided any of the non-audit services prohibited by article 18A(1) of the Accountancy Profession Act (Cap. 281).

### **Key Audit Matters**

We have determined that there are no key audit matters to communicate in our report.

### **Information Other than the Financial Statements and the Auditor's Report Thereon**

The Directors are responsible for the other information. The other information comprises

management and administration information on page 6, the Investment Manager's Report on pages 8 to 14, the Report of the Directors on pages 15 to 16, the Statement of Directors' Responsibilities on page 19, the Report of the Custodian on pages 24 to 25, Portfolio Statements on pages 56 to 63, the Statement of Changes in the Composition of the Portfolio on page 64 and Information about the Scheme on pages 65 and 66 but does not include the financial statements and our Auditor's Report thereon.

Except for our opinion on the Directors' Report in accordance with the Companies Act (Cap. 386), our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. 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.

With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosure requirements of Article 177 of the Companies Act (Cap. 386), and the statement required by Rule 5.62 of the Capital Market Rules on the Company's ability to continue as a going concern.

In accordance with the requirements of sub-article 179(3) of the Companies Act (Cap. 386) in relation to the Directors' Report on pages 15 to 16, in our opinion, based on the work undertaken in the course of the audit:

- The information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

### **Responsibility of the Directors for the Financial Statements**

As explained more fully in the Statement of Directors' responsibilities on page 19, the Directors are responsible for the preparation of

financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Companies Act (Cap.386), and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company'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 Company or to cease operations, or have no realistic alternative but to do so.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

This report, including the opinions set out herein, has been prepared for the Company's members as a body in accordance with articles 179, 179A and 179B of the Companies Act (Cap. 386).

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions in accordance with articles 179, 179A and 179B of the Companies Act (Cap. 386). Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In terms of article 179A(4) of the Companies Act (Cap. 386), the scope of our audit does not include assurance on the future viability of the Company or that of any of its sub-funds or on the efficiency or effectiveness with which the Directors have conducted or will conduct the affairs of the Company and its sub-funds. The financial position of the Company and/or its sub-funds may improve, deteriorate, or otherwise be subject to change as a consequence of decisions taken, or to be taken, by the management thereof, or may be impacted by events occurring after the date of this opinion, including, but not limited to, events of force majeure.

As such, our audit report on the Company's and its sub-funds' historical financial statements is not intended to facilitate or enable, nor is it suitable for, reliance by any person, in the creation of any projections or predictions, with respect to the future financial health and viability of the Company

and/or any one or more of its sub-funds, and cannot therefore be utilised or relied upon for the purpose of decisions regarding investment in, or otherwise dealing with (including but not limited to the extension of credit), the Company and/or any one or more of its sub-funds. Any decision-making in this respect should be formulated on the basis of a separate analysis, specifically intended to evaluate the prospects of the Company and/or any one or more of its sub-funds, and to identify any facts or circumstances that may be materially relevant thereto.

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

- Identify and assess the risks of material misstatement of the financial statements, 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 Company's and its sub-funds' 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 Company's or any one or more of its sub-funds' 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 financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company and/or

any one or more of its sub-funds to cease to continue as a going concern. Accordingly, in terms of generally accepted auditing standards, the absence of any reference to a material uncertainty about the Company's and/or any one or more of its sub-funds' ability to continue as a going concern in our auditor's report should not be viewed as a guarantee as to the Company's and/or its sub-funds' ability to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

For the avoidance of doubt, any conclusions concerning the formulation of a view as to the manner in which financial risk is distributed between the various stakeholders cannot be reached on the basis of these financial statements alone and must necessarily be based on a broader analysis supported by additional information.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

## Report on Other Legal and Regulatory Requirements

### Matters on which we are required to report by exception under the Companies Act

Under the Companies Act (Cap. 386), we have responsibilities to report to you if in our opinion:

- Proper accounting records have not been kept;
- Proper returns adequate for our audit have not been received from branches not visited by us;
- The financial statements are not in agreement with the accounting records and returns; or
- We have been unable to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.

We have nothing to report to you in respect of these responsibilities.

## Auditor tenure

We were first appointed to act as statutory auditor of the Company by the members of the Company on 13 October 2017 for the financial year ended 31 December 2017. The period of total uninterrupted engagement as statutory auditor of the firm is five financial years.

## Consistency of the audit report with the additional report to the Board of Directors

Our audit opinion is consistent with the additional report to the Board of Directors in accordance with the provisions of Article 11 of the EU Audit Regulation No. 537/2014.

The audit report was drawn up on 8 March 2022 and signed by:



Sarah Curmi as Director  
in the name and on behalf of  
**Deloitte Audit Limited**  
Registered auditor  
Mriehel, Malta.

*Note: If there is any conflict between this document and the Maltese translation thereof, the English text shall prevail.*

*Deloitte Audit Limited is not responsible for the maintenance and integrity of the corporate, financial and non-financial information included on this website.*



# RAPPORT TAL-AWDITURI INDIPENDENTI

## Lill-Membri tal-APS Funds SICAV p.l.c.

### Rapport dwar il-Verifika tar-Rapporti Finanzjarji

#### Opinjoni

I-verifikajna r-rapporti finanzjarji tal-APS Funds SICAV p.l.c. (il-“Kumpanija”), kostitwita minn kull waħda mill-fondi tal-Kumpanija, li jidhru ma’ dan ir-rapport f’paġni 26 sa 55, u li jikkonsistu f’kull wieħed mir-Rapporti tal-Pożizzjoni Finanzjarja fil-31 ta’ Diċembru 2021 u r-Rapporti tad-Dhul Kumplessiv, ir-Rapporti tat-Tibdil fl-Assi Netti Attribwibbli lill-Azzjonisti, u r-Rapporti tal-Flussi tal-Flus għas-sena li għalget f’dik id-data, u n-Noti għar-Rapporti Finanzjarji, inklużi n-noti tal-politika sinifikanti tal-kontabilità.

Fl-opinjoni tagħna, ir-rapporti finanzjarji li hawn ma’ dan ir-rapport jagħtu stampa reali u korretta tal-pożizzjoni finanzjarja tal-Kumpanija u tal-fondi tagħha fil-31 ta’ Diċembru 2021, u tar-riżultati finanzjarji u l-flussi tal-flus tagħha għas-sena li għalget f’dik id-data, skont l-Istandards Internazzjonali tar-Rapport Finanzjarju (IFRSs) kif adottati mill-Unjoni Ewropea (UE), u kienu ppreparati kif meħtieġ skont ir-rekwiżiti tal-Att dwar il-Kumpaniji (Kap. 386 tal-Liġijiet ta’ Malta).

#### Baži għall-opinjoni

Wettaqna l-verifika tagħna skont l-Istandards Internazzjonali tal-Verifika (ISAs). Ir-responsabbiltajiet tagħna skont dawk l-istandards huma spjegati aktar fil-parti ta’ dan ir-rapport intitolata Ir-responsabbiltajiet tal-Awditur għall-Verifika tar-Rapporti Finanzjarji. Ahna indipendenti mill-Kumpanija, skont ma jitolb il-Code of Ethics for Professional Accountants tal-International Ethics Standards Board for Accountants (il-Kodiċi tal-IESBA) flimkien mal-Accountancy Profession (Code of Ethics for Warrant Holders) Directive (il-Kodiċi ta’ Malta) li huma rilevanti għall-verifika tagħna tar-rapporti finanzjarji f’Malta, u ahna onorajna r-responsabbiltajiet etiċi l-oħra tagħna skont dawn ir-rekwiżiti u skont il-Kodiċi tal-IESBA u l-Kodiċi ta’ Malta. Jidhrilna li l-evidenza li għarna għall-iskop tal-verifika tagħna hija adattata u biżżejjed biex ttipprovi baži għall-opinjoni tagħna. Waqt li għamilna l-verifika tagħna, bqajna dejjem indipendenti mill-Kumpanija u ma pprovdjejnilha ebda wieħed mis-servizzi mhux ta’ verifika li huma pprojbiti mill-Artiklu 18A(1) tal-Att dwar il-Professjoni tal-Accountancy (Kap. 281).

#### Materji Kruċjali għall-Verifika

Ma ddeterminajna li hemm ebda materja kruċjali għall-verifika x’nikkomunikaw f’dan ir-rapport.

#### Informazzjoni Oħra Barra r-Rapporti Finanzjarji u r-Rapport tal-Awditur Fuqhom

Id-Diretturi huma responsabbli għall-informazzjoni l-oħra. L-informazzjoni l-oħra tikkonsisti fl-

informazzjoni dwar it-tmxexja u l-amministrazzjoni f’paġna 6, l-Investment Manager’s Report f’paġni 8 sa 14, ir-Rapport tad-Diretturi f’paġni 15 sa 16, l-Statement of Directors’ Responsibilities f’paġna 19, ir-Report of the Custodian f’paġni 24 u 25, il-Portfolio Statements f’paġni 56 sa 63, l-Statement of Changes in the Composition of the Portfolio f’paġna 64 u l-Information about the Scheme f’paġni 65 u 66, imma ma tinkludix ir-rapporti finanzjarji u r-Rapport tal-Verifika tagħna fuqhom.

Hleif għall-opinjoni tagħna fuq ir-Rapport tad-Diretturi mogħti b’konformità mal-Att dwar il-Kumpaniji (Kap. 386), l-opinjoni tagħna fuq ir-rapporti finanzjarji ma tkoprix l-informazzjoni l-oħra, u ahna m’ahna nesprimu ebda forma ta’ konklużjoni assigurattiva dwarha.

Għar-rigward tal-verifika tagħna tar-rapporti finanzjarji, ir-responsabbiltà tagħna hi li naqraw l-informazzjoni l-oħra u fil-process inqisu jekk dik l-informazzjoni l-oħra hijiex materjalment inkonsistenti mar-rapporti finanzjarji jew mat-tagħrif li nkunu ksibna fil-verifika jew jekk tidhix b’xi mod ieħor li hi materjalment żbaljata. Jekk nikkonkludu, abbażi tax-xogħol li nkunu għamilna, li dik l-informazzjoni l-oħra tinkludi xi informazzjoni materjalment żbaljata, ahna obbligati li nirrapportaw dak il-fatt. M’għandna xejn x’nirrapportaw f’dan ir-rigward.

Għar-rigward tar-Rapport tad-Diretturi ahna qisna wkoll jekk ir-Rapport tad-Diretturi jkoprix l-iżvelar ta’ informazzjoni kif rekwiżit mill-Artiklu 177 tal-Att dwar il-Kumpaniji (Kap. 386), kif ukoll id-dikjarazzjoni rekwiżita mir-Regola 5.62 tar-Regoli tas-Suq tal-Kapital dwar il-kapaċità tal-Kumpanija li tibqa’ topera b’bħala negozju avvjat.

B’konformità mar-rekwiżiti tas-subartiklu 179(3) tal-Att dwar il-Kumpaniji (Kap. 386) għar-rigward tar-Rapport tad-Diretturi f’paġni 17 sa 18, fl-opinjoni tagħna, abbażi tax-xogħol li għamilna fil-kors tal-verifika:

- L-informazzjoni mogħtija fir-Rapport tad-Diretturi għas-sena finanzjarja li għaliha ġew ippreparati r-rapporti finanzjarji hija konsistenti mar-rapporti finanzjarji; u
- Ir-Rapport tad-Diretturi ġie ppreparat b’konformità mar-rekwiżiti applikabbli skont il-liġi.

Fid-dawl tat-tagħrif u tal-fehma li ksibna matul il-kors tal-verifika dwar il-kumpanija u l-ambjent tagħha, ma identifikkajna ebda żball materjali fir-Rapport tad-Diretturi.

#### Responsabbiltà tad-Diretturi għar-Rapporti Finanzjarji

Kif hemm spjegat aktar ampjament fid-Dikjarazzjoni tar-Responsabbiltajiet tad-Diretturi f’paġna 19, id-

Diretturi huma responsabbli għall-preparazzjoni ta’ rapporti finanzjarji li jagħtu stampa reali u korretta skont ma jitolbu l-IFRSs kif adottati mill-UE u skont ir-rekwiżiti tal-Att dwar il-Kumpaniji (Kap. 386), u għall-kontroll intern skont ma d-Diretturi jidhrilhom neċessarju biex ir-rapporti finanzjarji jkunu jistgħu jiġu ppreparati hielsa minn kull żball materjali, sew jekk ikun kawża ta’ frodi jew ta’ żbalji.

Fil-preparazzjoni tar-rapporti finanzjarji, id-Diretturi għandhom ir-responsabbiltà li jevalwaw jekk il-Kumpanija għandhiex il-kapaċità li tibqa’ topera b’bħala negozju avvjat, u li tiżvela, skont il-każ, materji relatati man-negozju avvjat, u li tikkontabilizza fuq il-baži ta’ negozju avvjat sakemm id-Diretturi ma jkollhomx hsieb li jillikwidaw il-Kumpanija jew li jtemmu l-operat tagħha jew ma jkollhom ebda alternattiva realistika hleif li jagħmlu hekk.

#### Ir-Responsabbiltajiet tal-Awditur għall-Verifika tar-Rapporti Finanzjarji

Dan ir-rapport, inklużi l-opinjoni li hawn fih, sar għall-membri tal-Kumpanija b’bħala korp skont kif mitlub mill-Artikli 179, 179A u 179B tal-Att dwar il-Kumpaniji (Kap. 386).

Il-mira tagħna hi li jkollna assigurazzjoni raġonevoli dwar jekk ir-rapporti finanzjarji, fit-totalità tagħhom, humiex hielsa minn kwalunkwe dikjarazzjoni li hi materjalment żbaljata, sew jekk kawża ta’ frodi jew ta’ żbalji, u li nohorgu rapport tal-awditur li jkun jagħti l-opinjoni li tagħna skont l-Artikli 179, 179A u 179B tal-Att dwar il-Kumpaniji (Kap. 386). L-assigurazzjoni raġonevoli hija assigurazzjoni ta’ livell għoli, imma mhijex garanzija li verifika li tkun saret skont l-ISAs se tiskopri kull dikjarazzjoni materjalment żbaljata li jista’ jkun hemm. Dikjarazzjonijiet żbaljati jistgħu jkunu kkwazati minn frodi jew minn żbalji ġenwini u jkunu meqjusa materjali jekk, kull waħda waħda jew kollha flimkien, wieħed jista’ raġonevolment jobsor li jistgħu jinfluenzaw id-deċiżjonijiet ekonomiċi li l-utenti jiehdu abbażi ta’ dawn ir-rapporti finanzjarji.

Skont l-Artiklu 179A(4) tal-Att dwar il-Kumpaniji (Kap. 386), l-ambitu tal-verifika li nagħmlu ahna ma jinkludix xi assigurazzjoni dwar il-vijabilità futura tal-Kumpanija jew ta’ xi wieħed jew aktar mill-fondi tagħha, jew dwar l-effiċjenza jew l-effettività li bihom id-Diretturi jkunu mexxew jew se jmxexxu l-operat tal-Kumpanija u tal-fondi tagħha. Il-pożizzjoni finanzjarja tal-Kumpanija u/jew tal-fondi tagħha tista’ tmur għall-aħjar jew għall-agħar jew tista’ b’xi mod ieħor tinbidel b’riżultat tad-deċiżjonijiet meħuda, jew li jkunu se jittiehdu, minn dawk li jmxexxuha, jew tista’ tintlaqat minn grajjet li jseħhu wara d-data ta’ din l-opinjoni, inklużi imma mhux biss avvenimenti ta’ force majeure.

Għaldaqstant ir-rapport tal-awditur li nagħmlu ahna fuq ir-rapporti finanzjarji storici tal-Kumpanija u tal-fondi tagħha la hu intenzjonat u lanqas hu



adattat biex jiffacilita jew jgħin lil xi persuna biex tipprogetta jew tipprevedi x'jistgħu jkun s-saħħa finanzjarja u l-vijabilità fil-futur tal-Kumpanija u/ jew ta' xi wiehed jew aktar mill-fondi tagħha. Għalhekk hadd m'għandu juża r-rapport tal-awditur li nagħmlu ahna jew jorbot fuq biex jiehu xi deċiżjoni jekk jinvestix jew le fil-Kumpanija u/ jew f'xi wiehed jew aktar mill-fondi tagħha, jew jekk b'xi mod ieħor jitrattax magħha u/ jew ma' xi wiehed jew aktar mill-fondi tagħha, inkluż imma mhux biss jekk għandux jestendi xi kreditu lilha u/ jew lilhom. It-teħid ta' kwalunkwe deċiżjoni f'dawn ir-rigwardi għandu jkun ibbażat fuq analiżi separata, maħsuba speċifikament biex tevalwa l-prospetti tal-Kumpanija u/ jew ta' kwalunkwe wiehed jew aktar mill-fondi tagħha, u biex tidentifika kull fatt jew ċirkostanza li jista' jkollha xi rilevanza materjali għal dik id-deċiżjoni.

Meta nagħmlu verifika skont l-ISAs, ahna neżerċitaw ġudizzju professjonali u nżommu xetticiżmu professjonali matul ix-xogħol kollu tal-verifika. Barra minn hekk:

- Nidentifikaw u nevalwaw ir-riskji li jkun hemm xi dikjarazzjonijiet materjalment żbaljati fir-rapporti finanzjarji, sew jekk kawża ta' frodi jew ta' żbalji; infasslu u nħaddmu proċeduri ta' verifika li jwieġbu għal dawk ir-riskji; u niġbru evidenza għall-iskop tal-verifika li tkun adattata u biżżejjed biex tipprovdni bażi għall-opinjoni tagħna. Ir-riskju li dikjarazzjoni materjalment żbaljata ma tingabadx huwa akbar meta din issir bi frodi milli bi żball, għaliex il-frodi jista' jinvolvi kollużjoni, falsifikazzjoni, ommissjonijiet intenzjonati, rappreżentazzjonijiet foloz, jew it-twarib ta' kontrolli interni.
- Nakkwistaw idea ċara tas-sistema ta' kontroll intern, sa fejn ikun rilevanti għall-verifika, biex inkunu nistgħu nfaslu proċeduri ta' verifika li huma adattati għaċ-ċirkostanzi, imma mhux għall-iskop li nesprimu xi opinjoni dwar l-effettività tal-kontroll intern tal-Kumpanija jew tal-fondi tagħha.
- Nevalwaw jekk il-politika użata fil-kontabilità hijiex adattata u jekk l-estimi tal-kontabilità u l-informazzjoni relatata żvelata mid-Diretturi humiex raġonevoli.
- Naslu għal konklużjonijiet dwar jekk huwiex xieraq li d-Diretturi jużaw il-baži tan-negozju avvjat fil-kontabilità u, abbażi tal-evidenza miksuba waqt il-verifika, jekk teżistix xi incertezza materjali marbuta ma' avvenimenti u kondizzjonijiet li jistgħu joħolqu dubju serju jekk il-Kumpanija jew xi wiehed jew aktar mill-fondi tagħha jkunux kapaċi jibqgħu joperaw b'ħala negozju avvjat. Jekk nikkonkludu li teżisti xi incertezza materjali, ahna obbligati li niġbdu l-attenzjoni fir-rapport tal-verifika tagħna

għall-informazzjoni relatata żvelata fir-rapporti finanzjarji jew, jekk ma jkunx hemm biżżejjed informazzjoni żvelata, li nimmodifikaw l-opinjoni tagħna. Il-konklużjonijiet tagħna huma bbażati fuq l-evidenza li ksibna għall-iskop tal-verifika sad-data tar-rapport tal-verifika tagħna. Madankollu, avvenimenti u kondizzjonijiet li jkun sejhew jew li jistgħu jsejhew wara dik id-data jistgħu jgħieglu l-Kumpanija u/ jew lil xi wiehed jew aktar mill-fondi tagħha li jieqfu joperaw b'ħala negozju avvjat. Għaldaqstant, skont it-termini tal-istandards tal-verifika ġeneralment aċċettati, il-fatt li ma jkun hemm ebda referenza fir-rapport tal-awditur li nagħmlu ahna għal xi incertezza materjali dwar il-kapaċità tal-Kumpanija u/ jew ta' xi wiehed jew aktar mill-fondi tagħha li jibqgħu joperaw b'ħala negozju avvjat m'għandux jittiehed b'ħala garanzija li l-Kumpanija u/ jew il-fondi tagħha huma kapaċi jkomplu joperaw b'ħala negozju avvjat.

- Nevalwaw il-preżentazzjoni, l-istruttura u l-kontenut ġenerali tar-rapporti finanzjarji, inkluża l-informazzjoni żvelata, u jekk ir-rapporti finanzjarji jirrapprezentawx it-transazzjonijiet u l-avvenimenti li fuqhom huma msejsa b'tali mod li l-preżentazzjoni tagħhom hija ġusta.

Sabiex jitwarrab kull dubju, kwalunkwe konklużjoni dwar il-formulazzjoni ta' xi opinjoni dwar il-mod ta' kif ir-riskju finanzjarju huwa mqassam bejn il-partijiet varji interessati ma tistax tintlaħaq biss abbażi ta' dawn ir-rapporti finanzjarji imma trid neċessarjament tkun ibbażata fuq analiżi aktar wiesgħa flimkien ma' informazzjoni ulterjuri.

Ahna nikkomunikaw mad-Diretturi dwar materji varji, fosthom il-pjan dwar il-firxa u ż-żmien tal-verifika u dwar is-sejbiet l-aktar importanti tal-verifika, inklużi xi nuqqasijiet serji fil-kontroll intern li nkunu sibna waqt il-verifika.

Ahna nipprovdni wkoll lid-Diretturi dikjarazzjoni biex nikkonfermaw li nkunu osservajna r-rekwiżiti etiċi rilevanti dwar l-indipendenza u biex nikkomunikawlihom kull relazzjoni jew materja oħra li raġonevolment jistgħu jidhru li jinfluenzaw l-indipendenza tagħna, u fejn ikun il-każ, ngħidu x'rimedji relatati nkunu hadna.

#### Rapport dwar Rekwiżiti Oħra Legali u Regolatorji

#### Materji li ahna mistennija nirrapportaw dwarhom b'eċċezzjoni taht l-Att dwar il-Kumpaniji

Taht l-Att dwar il-Kumpaniji (Kap. 386), għandna r-responsabbiltajiet li nirrapportawkom jekk fil-opinjoni tagħna:

- il-kotba tal-kontijiet ma nżammux kif suppost;
- ma rċevjoniex denunzi ta' informazzjoni, kif

suppost u kemm meħtieġ għall-verifika tagħna, mill-fergħat li ma żorniex;

- ir-rapporti finanzjarji ma jaqblux mal-kotba tal-kontijiet u mad-denunzi; jew
- ma stajniex niksbu l-informazzjoni u l-isjegazzjonijiet kollha li, skont l-aħjar tagħrif u twemmin tagħna, kellna bżonn għall-verifika tagħna.

M'għandna xejn x'nirrapportawkom għar-rigward ta' dawn ir-responsabbiltajiet.

#### Il-kariga tagħna bħala awditur

Ahna ġejna appuntati għall-ewwel darba biex nagħxu b'ħala awditur statutorju tal-Kumpanija mill-membri tal-Kumpanija fit-13 ta' Ottubru 2017 għas-sena finanzjarja li għalqet fil-31 ta' Diċembru 2017. Il-perjodu shiħ mingħajr interruzzjoni tal-inkarigu tagħna bħala awditur statutorju tal-kumpanija hu ta' hames snin finanzjarji.

#### Konsistenza bejn ir-rapport tal-awditur u r-rapport addizzjonali lill-Bord tad-Diretturi

L-opinjoni li qed nagħtu b'ħala awdituri hija konsistenti mar-rapport addizzjonali li qed nagħtu lill-Bord tad-Diretturi skont id-dispożizzjonijiet tal-Artiklu 11 tar-Regolament Nru 537/2014 tal-UE dwar il-Verifika.

Dan ir-rapport tal-awditur inkiteb fit-8 ta' Marzu 2022 u ġie ffirmat minn:

Sarah Curmi bħala Direttur f'isem u għan-nom ta' **Deloitte Audit Limited** Awditur reġistrat L-Imriehel, Malta.

*Nota: Jekk hemm xi nuqqas ta' qbil bejn id-dokument originali bl-Ingliš u din it-traduzzjoni bil-Malti, huwa t-test Ingliš li jipprevali.*

# REPORT OF THE CUSTODIAN

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## Swissquote Financial Services (Malta) Ltd

46, Palazzo Spinola  
St Christopher Street  
Valletta VLT 1464  
Malta

T. +356 222 65 100

21st January 2022

### Report of the Custodian to the Shareholders

We have enquired into the conduct of the Manager and **APS FUNDS SICAV p.l.c.** (the "Company"), for the period 1 January 2021 up until 31 December 2021 (the "Period") in our capacity as Custodian to the Company.

This report, including the opinion, has been prepared for and solely for the shareholders in the Company as a body, in accordance with the Malta Financial Services Authority (the "MFSA") Investment Services Act (Chapter 370 of the Laws of Malta), and for no other purpose. We do not, in giving this opinion, accept responsibility for any other purpose or to any other person to whom this report is shown.

### Responsibility of the Custodian

Our duties and responsibilities are outlined in Part BIV to the MFSA Investment Services Rules. One of these duties is to enquire into the conduct of the Company in each annual accounting period and report thereon to the shareholders.

Our report shall state whether in our opinion the Company has been managed, in that period; (i) in accordance with the limitations imposed on the investment and borrowing powers of the Company by the Constitutional Documents and by the MFSA; and (ii) in accordance with its Constitutional Documents and its Licence Conditions. It is the overall responsibility of the Company to comply with these provisions. If the Company has not so complied, the Custodians should outline the steps taken to rectify the situation.

### Basis of the Custodian Opinion

The Custodian conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties outlined in Part BIV of the MFSA's Investment Services Rules and to ensure that in all material respects, the Company has been managed (i) in accordance with the limitations imposed on its investment and borrowing powers by the provisions of its constitutional documentation and the appropriate regulations and (ii) otherwise in accordance with the Company's constitutional documentation and the appropriate regulations.

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## Opinion

In our opinion, the Company has been managed during the Period, in all material aspects:

- i. In accordance with the limitations imposed on the investment and borrowing powers of the Company by the Constitutional Documents and by the MFSA;
- ii. In accordance with the provisions of the Company's Constitutional Documents and the Regulations.

## APS Global Equity Fund

- a. On the 23 July 2021, the Sub-Fund purchased 875 units of ISIN US464287721 (iShares U.S. Technology ETF). The security was deemed non-UCITS eligible. The Investment Manager sold the non-UCITS eligible security on 29 July 2021 at a profit of \$79.30. The impact on investors was deemed minimal.

For and on behalf of Swissquote Financial Services (Malta) Ltd:



Andrew Zarb Mizzi  
Chief Executive Officer



Franciska Hehr  
Custody Operations Manager

# STATEMENTS OF FINANCIAL POSITION

as at 31 December 2021

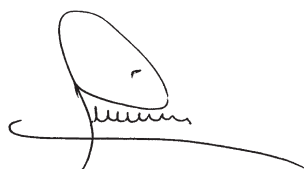
	APS Funds SICAV p.l.c. Combined		APS Income Fund		APS Regular Income Ethical Fund		APS Diversified Bond Fund		APS Global Equity Fund	
	2021 €	2020 €	2021 €	2020 €	2021 €	2020 €	2021 €	2020 €	2021 €	2020 €
<b>Assets</b>										
Financial assets at fair value through profit or loss (note 5a)	186,053,371	166,627,502	83,849,747	82,954,312	40,163,303	33,288,683	51,126,939	45,367,654	10,913,382	5,016,853
Term Deposits at fair value through profit or loss (note 5b)	-	1,050,000	-	1,050,000	-	-	-	-	-	-
Term Deposits at amortised cost (note 5b)	1,300,000	1,500,000	1,300,000	1,500,000	-	-	-	-	-	-
Accrued income	1,844,933	1,492,354	739,224	677,953	412,128	286,333	618,546	525,649	75,035	2,419
Other receivables and prepayments	49,397	-	20,290	-	16,257	-	11,513	-	1,337	-
Cash and cash equivalents (note 13)	7,152,288	10,575,181	2,772,559	2,965,592	2,915,044	2,821,381	755,739	4,061,068	707,746	725,940
<b>Total assets</b>	<b>196,399,989</b>	<b>181,245,037</b>	<b>88,681,820</b>	<b>89,147,857</b>	<b>43,506,732</b>	<b>36,396,397</b>	<b>52,512,737</b>	<b>49,954,371</b>	<b>11,697,500</b>	<b>5,745,212</b>
<b>Liabilities</b>										
Financial liabilities at fair value through profit or loss (note 5a)	227,151	-	-	-	32,071	-	130,285	-	64,795	-
Accrued expenses (note 6)	541,030	399,805	198,582	194,106	169,149	105,440	130,464	85,686	42,835	14,573
Other creditors (note 6)	74,196	52,463	74,196	1,674	-	37,562	-	13,227	-	-
<b>Total liabilities</b>	<b>842,377</b>	<b>452,268</b>	<b>272,778</b>	<b>195,780</b>	<b>201,220</b>	<b>143,002</b>	<b>260,749</b>	<b>98,913</b>	<b>107,630</b>	<b>14,573</b>
	<b>195,557,612</b>	<b>180,792,769</b>	<b>88,409,042</b>	<b>88,952,077</b>	<b>43,305,512</b>	<b>36,253,395</b>	<b>52,251,988</b>	<b>49,855,458</b>	<b>11,589,870</b>	<b>5,730,639</b>
<b>Represented by:</b>										
<b>Net assets attributable to shareholders</b>	<b>195,557,612</b>	<b>180,792,769</b>	<b>88,409,042</b>	<b>88,952,077</b>	<b>43,305,512</b>	<b>36,253,395</b>	<b>52,251,988</b>	<b>49,855,458</b>	<b>11,589,870</b>	<b>5,730,639</b>

# STATEMENTS OF FINANCIAL POSITION

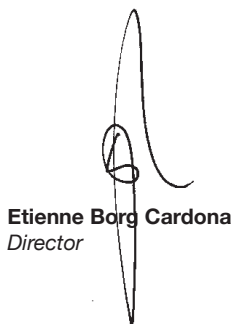
as at 31 December 2021

Salient Statistics	APS Funds SICAV p.l.c. Combined	APS Income Fund	APS Regular Income Ethical Fund	APS Diversified Bond Fund	APS Global Equity Fund
<b>Shares in issue as at 31 December 2021 (note 7)</b>					
<b>Founder Shares</b>	1,200.0000	-	-	-	-
<b>Accumulator</b>	2,185,887.1270	113,676.1580	-	-	2,072,210.9690
<b>Distributor</b>	8,115,894.7180	534,022.2790	-	-	7,581,872.4390
<b>Accumulator - Class A</b>	4,478,853.8230	-	4,173,645.6520	305,208.1710	-
<b>Distributor - Class B</b>	50,207,081.9130	-	8,841,952.0260	41,365,129.8870	-
<b>Accumulator - Class C</b>	9,755,405.9790	-	6,286,850.7540	3,468,555.2250	-
<b>Distributor - Class D</b>	19,248,170.1360	-	13,396,025.3310	5,852,144.8050	-
<b>Distributor - Class G</b>	1,180,602.6770	-	-	1,180,602.6770	-
		€	€	€	€
<b>Net asset value as at 31 December 2021</b>		88,409,042	43,305,512	52,251,988	11,589,870
Net asset value as at 31 December 2020		88,952,077	36,253,395	49,855,458	5,730,639
Net asset value as at 31 December 2019		90,200,909	34,230,992	46,448,989	-
<b>Net asset value per Accumulator share as at 31 December 2021 (note 8)</b>		189.7413	-	-	1.2036
<b>Net asset value per Distributor share as at 31 December 2021 (note 8)</b>		125.1633	-	-	1.1997
<b>Net asset value per Accumulator Class A share as at 31 December 2021 (note 8)</b>		-	1.5665	1.1185	-
<b>Net asset value per Distributor Class B share as at 31 December 2021 (note 8)</b>		-	1.2149	0.9894	-
<b>Net asset value per Accumulator Class C share as at 31 December 2021 (note 8)</b>		-	1.5589	1.0930	-
<b>Net asset value per Distributor Class D share as at 31 December 2021 (note 8)</b>		-	1.2112	0.9893	-
<b>Net asset value per Distributor Class G share as at 31 December 2021 (note 8)</b>		-	-	1.1886	-
Net asset value per Accumulator share as at 31 December 2020 (note 8)		190.2051	-	-	1.0524
Net asset value per Distributor share as at 31 December 2020 (note 8)		128.0337	-	-	1.0525
Net asset value per Accumulator Class A share as at 31 December 2020 (note 8)		-	1.4945	1.1251	-
Net asset value per Distributor Class B share as at 31 December 2020 (note 8)		-	1.1795	1.0177	-
Net asset value per Accumulator Class C share as at 31 December 2020 (note 8)		-	1.4883	1.0996	-
Net asset value per Distributor Class D share as at 31 December 2020 (note 8)		-	1.1766	1.0176	-
Net asset value per Distributor Class G share as at 31 December 2020 (note 8)		-	-	1.0262	-
Net asset value per Accumulator share as at 31 December 2019 (note 8)		193.7937	-	-	-
Net asset value per Distributor share as at 31 December 2019 (note 8)		133.1133	-	-	-
Net asset value per Accumulator Class A share as at 31 December 2019 (note 8)		-	1.4731	1.0982	-
Net asset value per Distributor Class B share as at 31 December 2019 (note 8)		-	1.1834	1.0159	-
Net asset value per Accumulator Class C share as at 31 December 2019 (note 8)		-	1.468	1.0733	-
Net asset value per Distributor Class D share as at 31 December 2019 (note 8)		-	1.1811	1.0158	-
Net asset value per Distributor Class G share as at 31 December 2019 (note 8)		-	-	-	-

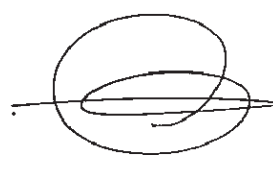
These financial statements on pages 26 to 55, were authorised for issue by the Board of Directors on the 8 March 2022 and were signed on its behalf by:



**Tony Meilak**  
Chairman



**Etienne Borg Cardona**  
Director



**Graziella Bray**  
Director

8 March 2022

# STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

for the year ended 31 December 2021

	APS Funds SICAV p.l.c. Combined		APS Income Fund		APS Regular Income Ethical Fund		APS Diversified Bond Fund		APS Global Equity Fund	
	2021 €	2020 €	2021 €	2020 €	2021 €	2020 €	2021 €	2020 €	2021 €	2020 €
<b>As at 1 January</b>	<b>180,792,769</b>	170,882,090	<b>88,952,077</b>	90,200,909	<b>36,253,395</b>	34,230,992	<b>49,855,458</b>	46,448,989	<b>5,730,639</b>	-
Issue of investor shares	<b>22,656,629</b>	19,318,763	<b>5,489,243</b>	6,803,778	<b>7,840,711</b>	3,322,568	<b>4,433,134</b>	3,737,458	<b>4,893,541</b>	5,454,959
Redemption of investor shares	<b>(7,439,790)</b>	(6,848,132)	<b>(4,467,400)</b>	(4,918,542)	<b>(2,176,561)</b>	(1,394,942)	<b>(744,584)</b>	(534,648)	<b>(51,245)</b>	-
Net equalisation	<b>60,515</b>	26,454	<b>7,699</b>	1,258	<b>24,684</b>	10,165	<b>21,409</b>	15,031	<b>6,723</b>	-
Net (decrease)/increase in net assets during the year	<b>(512,511)</b>	(2,586,406)	<b>(1,572,577)</b>	(3,135,326)	<b>1,363,283</b>	84,612	<b>(1,313,429)</b>	188,628	<b>1,010,212</b>	275,680
<b>As at 31 December</b>	<b>195,557,612</b>	180,792,769	<b>88,409,042</b>	88,952,077	<b>43,305,512</b>	36,253,395	<b>52,251,988</b>	49,855,458	<b>11,589,870</b>	5,730,639

# STATEMENTS OF COMPREHENSIVE INCOME

for the year ended 31 December 2021

	APS Funds SICAV p.l.c. Combined		APS Income Fund		APS Regular Income Ethical Fund		APS Diversified Bond Fund		APS Global Equity Fund	
	2021 €	2020 €	2021 €	2020 €	2021 €	2020 €	2021 €	2020 €	2021 €	2020 €
<b>Income</b>										
Net (loss)/gain on financial assets at fair value through profit or loss (note 5a)	(693,477)	1,381,607	(1,568,764)	(991,971)	1,267,560	718,374	(1,337,338)	1,371,302	945,065	283,902
Interest income	4,223,131	123,178	2,114,640	108,383	613,424	8,384	1,490,931	6,411	4,136	-
Dividend income	1,264,682	656,736	450,221	229,238	502,260	246,911	27,355	167,079	284,846	13,508
Other income	5,798	-	-	-	5,708	-	90	-	-	-
	<b>4,800,134</b>	<b>2,161,521</b>	<b>996,097</b>	<b>(654,350)</b>	<b>2,388,952</b>	<b>973,669</b>	<b>181,038</b>	<b>1,544,792</b>	<b>1,234,047</b>	<b>297,410</b>
<b>Expenses</b>										
Management fee (note 9a)	1,420,505	1,236,222	662,860	654,438	382,379	334,757	285,789	237,476	89,477	9,551
Administration fee (note 9b)	132,643	123,159	34,892	42,115	37,561	38,104	41,276	39,734	18,914	3,206
Custodian fee (note 9c)	84,381	71,383	36,961	36,214	15,714	13,796	19,593	19,236	12,113	2,137
Transaction costs	6,786	97,513	424	31,417	1,197	24,433	3,679	32,881	1,486	8,782
Legal and professional fees	28,933	12,114	9,809	6,413	5,810	2,282	5,650	3,207	7,664	212
Directors' remuneration	28,440	28,013	14,220	14,551	5,947	5,646	7,442	7,672	831	144
Audit fee (note 9d)	20,000	20,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000	5,000
Publicity, printing and publishing costs	55,089	31,494	22,156	15,273	12,185	6,310	15,960	9,911	4,788	-
Compliance fees	16,895	18,424	8,532	9,423	3,112	3,735	4,504	5,152	747	114
General administrative costs	109,506	61,846	47,717	30,891	21,159	14,295	33,135	26,497	7,495	(9,837)
	<b>1,903,178</b>	<b>1,700,168</b>	<b>842,571</b>	<b>845,735</b>	<b>490,064</b>	<b>448,358</b>	<b>422,028</b>	<b>386,766</b>	<b>148,515</b>	<b>19,309</b>
<b>Net income/(loss)</b>	<b>2,896,956</b>	<b>461,353</b>	<b>153,526</b>	<b>(1,500,085)</b>	<b>1,898,888</b>	<b>525,311</b>	<b>(240,990)</b>	<b>1,158,026</b>	<b>1,085,532</b>	<b>278,101</b>
Finance costs - distributions to shareholders (note 10)	(2,928,800)	(2,706,372)	(1,354,470)	(1,357,070)	(441,330)	(383,183)	(1,059,140)	(966,119)	(73,860)	-
Tax expense on income (note 11)	(480,667)	(341,387)	(371,633)	(278,171)	(94,275)	(57,516)	(13,299)	(3,279)	(1,460)	(2,421)
<b>Net (decrease)/increase in net assets during the year</b>	<b>(512,511)</b>	<b>(2,586,406)</b>	<b>(1,572,577)</b>	<b>(3,135,326)</b>	<b>1,363,283</b>	<b>84,612</b>	<b>(1,313,429)</b>	<b>188,628</b>	<b>1,010,212</b>	<b>275,680</b>



# STATEMENTS OF CASH FLOWS

for the year ended 31 December 2021

	APS Funds SICAV p.l.c. Combined		APS Income Fund		APS Regular Income Ethical Fund		APS Diversified Bond Fund		APS Global Equity Fund	
	2021 €	2020 €	2021 €	2020 €	2021 €	2020 €	2021 €	2020 €	2021 €	2020 €
<b>Cash flows (used in)/from operating activities</b>										
Interest received	4,039,739	3,649,450	2,040,102	2,011,722	597,468	505,603	1,398,033	1,132,125	4,136	-
Dividend income received	1,095,494	641,255	463,488	213,566	392,421	249,521	27,355	167,079	212,230	11,089
Operating expenses paid	(1,805,551)	(1,583,690)	(858,385)	(823,214)	(436,904)	(418,449)	(388,672)	(346,073)	(121,590)	4,046
Tax paid	(451,478)	(341,387)	(297,437)	(278,171)	(94,275)	(57,516)	(13,299)	(3,279)	(46,467)	(2,421)
Net movement in financial investments	(18,642,195)	(10,166,979)	(1,214,199)	(392,313)	(5,574,989)	(1,885,052)	(6,966,338)	(3,147,881)	(4,886,669)	(4,741,733)
<b>Net cash (used in)/generated from operating activities</b>	<b>(15,763,991)</b>	<b>(7,801,351)</b>	<b>133,569</b>	<b>731,590</b>	<b>(5,116,279)</b>	<b>(1,605,893)</b>	<b>(5,942,921)</b>	<b>(2,198,029)</b>	<b>(4,838,360)</b>	<b>(4,729,019)</b>
<b>Cash flows from financing activities</b>										
Amounts received on creation shares	22,665,166	13,890,258	5,489,243	6,805,036	7,823,085	3,332,733	4,452,574	3,752,489	4,900,264	-
Amounts paid on redemption of shares	(7,387,812)	(1,393,173)	(4,459,701)	(4,918,542)	(2,134,251)	(1,394,942)	(742,615)	(534,648)	(51,245)	5,454,959
Distribution paid	(2,936,256)	(2,706,173)	(1,356,144)	(1,355,396)	(478,892)	(389,850)	(1,072,367)	(960,927)	(28,853)	-
<b>Net cash generated from/(used in) financing activities</b>	<b>12,341,098</b>	<b>9,790,912</b>	<b>(326,602)</b>	<b>531,098</b>	<b>5,209,942</b>	<b>1,547,941</b>	<b>2,637,592</b>	<b>2,256,914</b>	<b>4,820,166</b>	<b>5,454,959</b>
Movements in cash and cash equivalents	(3,422,893)	1,989,561	(193,033)	1,262,688	93,663	(57,952)	(3,305,329)	58,885	(18,194)	725,940
Cash and cash equivalents at beginning of year	10,575,181	8,585,620	2,965,592	1,702,904	2,821,381	2,879,333	4,061,068	4,002,183	725,940	-
Cash and cash equivalents at end of year (note 13)	7,152,288	10,575,181	2,772,559	2,965,592	2,915,044	2,821,381	755,739	4,061,068	707,746	725,940

# NOTES TO THE FINANCIAL STATEMENTS

## 1. CORPORATE INFORMATION

APS Funds SICAV p.l.c. ("the Company" or "the Fund") is an open-ended investment company and was incorporated as a public company with limited liability in Malta on 24 January 2008 with registration number SV 78. The registered address of the Company is APS Centre, Tower Street, Birkirkara, BKR4012, Malta. The Company consists of four Sub-Funds, the APS Income Fund, the APS Regular Income Ethical Fund, the APS Diversified Bond Fund and the APS Global Equity Fund ("the Sub-Funds") licensed by the Malta Financial Services Authority as a Collective Investment Scheme under the Investment Services Act [Cap. 370 of the Laws of Malta]. The APS Income Fund was launched on 22 April 2008, the APS Regular Income Ethical Fund was launched on 24 May 2012, the APS Diversified Bond Fund was launched on 23 October 2017 and the APS Global Equity Fund was launched on the 28 September 2020. Only the shares of the APS Income Fund are listed on the Official List of the Malta Stock Exchange.

## 2. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as adopted for use in the European Union, and comply with the Companies Act, [Cap. 386 of the Laws of Malta]. They have also been prepared in accordance with the requirements of the Malta Financial Services Authority's Investment Services Rules for Retail Collective Investment Schemes. These financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, comprising financial investments and certain term deposits, which are stated at their fair values.

In line with International Financial Reporting Standards, the Company presents its Statement of Financial Position in liquidity order rather than split between current and non-current, since this presentation is reliable and more relevant to this Company.

Financial investments at fair value through profit or loss are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or in accordance to the Investment Manager's recommendations. All other assets and liabilities are expected to be realised within one year, except as specifically disclosed.

The Company has constituted segregated Sub-Funds which are segregated patrimonies represented by different classes of shares.

The Company maintains a separate account for each Sub-Fund, to which proceeds are credited, and against which expenses are charged. Upon redemption, shareholders are entitled only to their proportion of the net assets held in the account relating to the Sub-Funds in which their participating shares are designated. Separate Statements of Financial Position, Statements of Changes in Net Assets attributable to Shareholders of Redeemable Shares, Statements of Comprehensive Income and Statements of Cash Flows have accordingly been prepared for each Sub-Fund. All references to net assets throughout this document refer to net assets attributable to holders of redeemable shares.

### Effects of COVID-19 on the year-end financial statements

In March 2020, the World Health Organization declared the outbreak of COVID-19 to be a Pandemic. Although progress has been made towards the end of 2021 in managing this Pandemic, including through the continuing development of vaccines, it remains uncertain for how long and how severe the Pandemic will continue to globally and regionally impact the economy.

The Sub-Funds entered the period of turmoil with high cash balances and responded by taking a further defensive stance by increasing portfolio duration through purchase of high quality government bonds and reducing exposure to risky assets. This defensive stance was eased from the second quarter and thereafter as a return to a risk-on environment, supported by high levels of monetary and fiscal stimulus by central banks and governments around the world, leading to a recovery in global financial markets. The Sub-Funds experienced a reduction in duration, additions to corporate bonds across the credit quality spectrum and, where possible, additions in cyclical equity holdings.

Throughout the period under review the Sub-Funds did not experience abnormal investor activity. As a result, at no point were the Sub-Funds at a risk of not being able to meet client requests for a return of their investment. Liquidity at the Sub-Fund level was also proactively managed by allocations in cash, bank deposits and liquid international instruments. More detail on the strategy employed by the Investment Manager is found in the Manager's Report.

After taking into consideration the performance and outlook for the Sub-Funds, the Board of Directors is of the view that the impact of the current challenging economic environment does not create a material uncertainty that casts doubt upon the Company's ability to continue operating as a going concern for the foreseeable future.

## 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Interest income

Interest income for all interest bearing financial instruments not classified as at fair value through profit or loss is recognised in the Statement of Comprehensive Income using the effective interest method. Interest income is recognised to the extent that it is probable that future economic benefits will flow to the company and these can be measured reliably.

### Dividend income

Dividend income is recognised when the Company's right to receive the payment is established. Dividend revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the Statement of Comprehensive Income. Dividend income is recognised to the extent that it is probable that future economic benefits will flow to the company and these can be measured reliably.

### Net gain or loss on financial assets at fair value through profit or loss

This item includes changes in the fair value of financial assets measured as at fair value through profit or loss, comprising financial investments and certain term deposits, and interest income thereon.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period.

Realised gains and losses on disposal of financial instruments classified as at fair value through profit or loss are calculated using the AVCO method. They represent the difference between an instrument's initial carrying amount and disposal amount.

### Expenses

Expenses are recognised on an accrual basis.

### Foreign exchange translation

The Company's and the Sub-Funds' functional currency is the Euro, which is the currency of the primary economic environment in which they operate. Transactions carried out during the year, including purchases and sales of financial assets, in currencies other than the functional currency, are translated at the rate of exchange ruling at the transaction dates.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

# NOTES TO THE FINANCIAL STATEMENTS

Foreign currency transaction gains and losses on financial assets classified as at fair value through profit or loss are included in the Statement of Comprehensive Income as part of the "net gains or losses on financial assets at fair value through profit or loss".

## Distribution policy

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 bi-annual basis and after the deduction of expenses, part or all of the net income available for distribution by the APS Income Fund, the APS Regular Income Ethical Fund, the APS Diversified Bond Fund and the APS Global Equity Fund Distributable Classes. Any undistributed income will be reflected in the net asset value per share of the Sub-Funds. Distributions are classified as finance costs in the Statement of Comprehensive Income and are recognised in the accounting year in which they are paid.

## Equalisation

In the case of distributor shares, the Company operates an equalisation account to ensure that the amount distributed in respect of each share will be the same for all shares notwithstanding different dates of issue of those shares. Accordingly, a sum equal to that part of the issue/redemption price of a share, which reflects income (if any) accrued up to the date of issue/redemption, will be deemed to be an equalisation payment/charge and credited (in the case of share issues)/debited (in the case of share redemptions) by the Directors to the equalisation account.

Part of the first distribution to holders of shares in respect of which equalisation payments are made, will be paid out of the equalisation account.

## Financial Instruments

### (a) Financial Assets

The Company classifies its financial assets as subsequently measured at amortised cost or measured at Fair Value through Profit or Loss ('FVTPL') on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

### Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the

principal amount outstanding. Financial assets measured at amortised cost include certain term deposits, other receivables (representing amounts receivable for transactions contracted for but not yet delivered by the end of the period) and cash and cash equivalents.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

For financial assets at amortised cost, appropriate allowances for Expected Credit Losses ('ECLs') are recognised in profit or loss in accordance with the Company's accounting policy on ECLs.

### Financial assets at FVTPL

A financial asset is measured at FVTPL if it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell or its contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition, the Company may irrevocably designate a financial asset as measured at FVTPL when doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company includes in this category, derivative contracts in an asset position, financial assets classified as held for trading, financial assets managed, evaluated and reported on a fair value basis in accordance with the Funds' documented investment strategy, and those financial investments and term deposits whose contractual cash flows do not solely represent payments of principal and interest, which are mandatorily measured at FVTPL.

### (b) Financial liabilities

Financial liabilities measured at amortised cost  
Financial liabilities that are not classified at FVTPL are classified at amortised cost. Financial liabilities measured at amortised cost include other payables (representing amounts payable for transactions contracted for but not yet delivered by the end of the period) and overdrawn bank balances.

### Financial liabilities measured at FVTPL

A financial liability is measured at FVTPL if it meets the definition of held for trading. The Company includes in this category, derivative financial liabilities.

## Recognition, derecognition and measurement

Regular purchases and sales of financial assets are recognised on trade date, the date on which the Company commits to purchase or sell the asset. Financial assets or financial liabilities are initially recognised at fair value, and transaction costs for all financial instruments carried at FVTPL are expensed as incurred. Financial assets are derecognised when the rights to receive cash flows expire or when the entity transfers the financial asset and the transfer qualifies for derecognition. Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets and financial liabilities are off set and the net amount presented in the Statement of Financial Position when the company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities at FVTPL category are included in the Statement of Comprehensive Income in the period in which they arise. Interest and dividends earned or paid on these instruments are recorded in 'other net gains/ (losses) on financial assets and financial liabilities at fair value through profit or loss' and 'dividend income' in the Statement of Comprehensive Income.

Financial assets, other than those classified as at FVTPL, are measured at amortised cost using the effective interest method less any allowance for impairment. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of Comprehensive Income. Any gain or loss on derecognition is recognised in the Statement of Comprehensive Income.

Financial liabilities, other than those classified as at FVTPL, are measured at amortised cost using the effective interest method.

The fair value of financial instruments listed or dealt on a regulated market, is based on the latest available dealing price, appearing to the Directors. The fair values of unquoted investments are established by using valuation techniques. These include reference to recent financial statements and similar financial instruments as well as option pricing models.

### Impairment

The Company recognises a loss allowance for ECLs on the following – financial assets at amortised cost.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- Financial assets that are determined to have a low credit risk at the reporting date; and
- Other financial assets for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

A financial instrument is determined to have low credit risk if:

- i) the financial instrument has a low risk of default,
- ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions. To the extent applicable, the Company has applied the low credit risk assumption for the following classes of financial assets – cash at bank and term deposits.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. In this regard, the Company has an internal credit scoring system in place that analyses the credit quality of the counterparties accordingly. Such credit scoring system takes into consideration both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, and also considers the counterparties' macroeconomic context.

The Company has elected the rebuttable presumption from IFRS 9 by assuming that the credit risk on a financial asset has increased significantly if the financial asset is more than 30 days past due.

Moreover, unless the low credit risk assumption is applied, if the counterparty becomes downgraded by two notches (or more) based on the credit score assessment, the Company deems the financial asset's credit risk to have increased significantly.

Moreover, the Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- The financial asset is more than 90 days past due.

The maximum period considered when estimated ECLs is the maximum contractual period over which the Company is exposed to credit risk.

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events: significant financial difficulty; a breach of contract, such as a default or past due event; the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or the disappearance of an active market for that financial asset because of financial difficulties.

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

For financial assets, the credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate. ECLs represent the weighted average of credit losses with the respective risks of a default occurring as the weights.

Under IFRS 9, the Company has incorporated forward-looking information, where applicable. A third party provider has been engaged to provide forward-looking PDs and LGDs.

### Share capital

The share capital of the Sub-Funds is redeemable at the shareholders' option and is classified as a financial liability. The shares can be put back to the Sub-Funds at any dealing day for cash equal to a proportionate share of the Sub-Funds' net asset value. The share capital is carried at the redemption amount that is payable at the balance sheet date if the shareholder exercised its right to put the share back to the Fund. Such net asset value per share would be payable in the case where the balance sheet date is a dealing day.

### Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise only deposits held at call with banks, that are readily convertible to the known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the Statement of Cash Flows, cash and cash equivalents are presented net of outstanding bank overdraft, when applicable.

### Significant accounting judgements, estimates and assumptions

The preparation of these financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods. Judgements, estimates and assumptions are continually evaluated and based on experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the process of applying the Fund's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements:

### Functional currency

The primary objective of the Fund is to generate returns in euro, its capital-raising currency. The liquidity of the Fund is managed on a day-to-day basis in euros in order to handle the issue, acquisition and resale of the Fund's redeemable shares. The Fund's performance is evaluated in euro. Therefore, the management considers the euro as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

# NOTES TO THE FINANCIAL STATEMENTS

In the opinion of the Directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of International Accounting Standard ("IAS") 1 (revised).

## 4. INITIAL APPLICATION OF AN INTERNATIONAL FINANCIAL REPORTING STANDARD AND INTERNATIONAL FINANCIAL REPORTING STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

### Initial application of an International Financial Reporting Standard

At the date of authorisation of the financial statements, there were a number of standards and interpretations which were in issue but not yet effective. The Fund is assessing the impact of these standards and anticipates that the adoption of these standards and interpretations in future periods will not have a significant impact on its financial statements.

#### Description

Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)  
Amendments to IFRS 4 Insurance Contracts – deferral of IFRS 9

#### Effective Date

1 January 2021  
1 January 2021

In the opinion of the Directors of the Fund, these standards, amendments to standards and interpretations will clearly not impact the Fund as the Fund has no application to the above-mentioned standards.

### International Financial Reporting Standards in issued but not yet effective

The following standards, amendments to standards and interpretations are not yet effective and neither expected to have a significant impact on the Fund's financial statements:

#### Standards / amendments to standards / interpretations

Reference to the Conceptual Framework (Amendments to IFRS 3)  
Amendments to IAS 16 – Property, Plant and Equipment – proceed before intended use  
Amendments to IFRS 9 (as part of the 2018 - 2020 Annual Improvements Cycle) - Financial Instruments

#### Effective date

1 January 2022  
1 January 2022  
1 January 2022

In the opinion of the Board of Directors of the Fund, these standards, amendments to standards and interpretations will clearly not impact the Fund. The Fund intends to adopt these standards, if applicable, when they become effective.

## 5. (a). FINANCIAL INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

### APS Income Fund

	Fair value 31.12.2021 €	% of net assets	% of total assets	Fair value 31.12.2020 €	% of net assets	% of total assets
Quoted Local Equities	20,110,966	22.75	22.68	20,005,557	22.49	22.44
Quoted Foreign Equities	1,180,955	1.34	1.33	-	-	-
Quoted Local Corporate Bonds	30,036,601	33.97	33.87	29,432,799	33.09	33.02
Quoted Malta Government Stocks	22,054,679	24.95	24.87	22,969,794	25.82	25.77
Foreign Government Bonds	1,850,806	2.09	2.09	-	-	-
Quoted Foreign Bonds	8,615,740	9.75	9.72	10,546,162	11.86	11.83
	<b>83,849,747</b>	<b>94.85</b>	<b>94.56</b>	<b>82,954,312</b>	<b>93.26</b>	<b>93.06</b>

### APS Regular Income Ethical Fund

	Fair value 31.12.2021 €	% of Net assets	% of Total Assets	Fair value 31.12.2020 €	% of net assets	% of total assets
Quoted Foreign Equities	12,964,780	29.94	29.80	8,789,035	24.24	24.15
Exchange Traded Funds	-	-	-	2,950,127	8.14	8.11
Quoted Malta Government Stocks	-	-	-	500,000	1.38	1.37
Foreign Government Bonds	11,972,167	27.65	27.52	-	-	-
Quoted Foreign Bonds	15,210,586	35.12	34.96	21,037,027	58.03	57.80
Quoted Collective Investment Scheme	15,770	0.04	0.04	12,494	0.03	0.03
Derivatives - Forward foreign exchange contracts	(32,071)	(0.07)	(0.07)	-	-	-
	<b>40,131,232</b>	<b>92.68</b>	<b>92.25</b>	<b>33,288,683</b>	<b>91.82</b>	<b>91.46</b>

#### APS Diversified Bond Fund

	Fair Value 31.12.2021 €	% of net assets	% of total Assets	Fair value 31.12.2020 €	% of net assets	% of total assets
Exchange Traded Funds	1,250,243	2.39	2.38	4,596,403	9.22	9.20
Quoted Malta Government Bonds	380,424	0.73	0.72	640,588	1.28	1.28
Quoted Local Corporate Bonds	1,929,785	3.69	3.67	1,907,463	3.83	3.82
Foreign Government Bonds	16,263,727	31.13	30.97	-	-	-
Quoted Foreign Bonds	31,302,761	59.91	59.61	38,105,762	76.43	76.28
Derivatives – Forward foreign exchange contracts	(130,286)	(0.25)	(0.25)	117,438	0.24	0.24
	<b>50,996,654</b>	<b>97.60</b>	<b>97.10</b>	<b>45,367,654</b>	<b>91.00</b>	<b>90.82</b>

#### APS Global Equity Fund

	Fair value 31.12.2021 €	% of net assets	% of Total Assets	Fair value 31.12.2020 €	% of net assets	% of Total Assets
Quoted Foreign Equities	10,913,382	94.16	93.30	4,938,860	86.18	85.96
Derivatives – Forward foreign exchange contracts	(64,795)	(0.56)	(0.55)	77,993	1.36	1.36
	<b>10,848,587</b>	<b>93.60</b>	<b>93.75</b>	<b>5,016,853</b>	<b>87.54</b>	<b>87.32</b>

#### Derivatives - Forward foreign exchange contracts

##### APS Regular Income Ethical Fund

	Details	Notional Amount €	Fair value of the forward contract as at 31 December 2021 €
Wednesday, 23 February 22	Forex Fwd EUR/AUD	1,501,037	(3,363)
Wednesday, 23 February 22	Forex Fwd EUR/SEK	194,124	6,022
Wednesday, 23 February 22	Forex Fwd EUR/USD	3,417,044	(34,730)

##### APS Diversified Bond Fund

	Details	Notional Amount €	Fair value of the forward contract as at 31 December 2021 €
Wednesday, 23 February 22	Forex Fwd EUR/AUD	2,446,370	(5,325)
Friday, 28 January 22	Forex Fwd EUR/USD	522,914	(12,417)
Wednesday, 23 February 22	Forex Fwd EUR/USD	6,113,786	(121,535)
Wednesday, 23 February 22	Forex Fwd EUR/USD	430,425	2,935
Wednesday, 26 January 22	Forex Fwd GBP/EUR	1,375,712	6,056

	Details	Notional Amount €	Fair value of the forward contract as at 31 December 2020 €
Friday, 29 January 21	Forex Fwd GBP/EUR	42,230	544
Friday, 29 January 21	Forex Fwd GBP/EUR	732,261	6,057
Tuesday, 23 February 21	Forex Fwd USD/EUR	4,225,000	110,838



# NOTES TO THE FINANCIAL STATEMENTS

## APS Global Equity Fund

	<i>Details</i>	<i>Notional Amount</i> €	<i>Fair value of the forward contract as at 31 December 2021</i> €
Wednesday, 23 February 22	Forex Fwd EUR/CHF	284,791	(5,633)
Wednesday, 23 February 22	Forex Fwd EUR/GBP	83,266	(140)
Wednesday, 23 February 22	Forex Fwd EUR/GBP	523,384	(10,145)
Wednesday, 23 February 22	Forex Fwd EUR/HKD	23,663	(216)
Wednesday, 23 February 22	Forex Fwd EUR/SEK	81,532	2,491
Wednesday, 23 February 22	Forex Fwd EUR/USD	4,901,570	(48,552)
Wednesday, 23 February 22	Forex Fwd EUR/USD	122,978	(2,600)

	<i>Details</i>	<i>Notional Amount</i> €	<i>Fair value of the forward contract as at 31 December 2020</i> €
Friday, 5 February 21	Forex Fwd USD/EUR	160,000	4,134
Friday, 5 February 21	Forex Fwd USD/EUR	450,000	14,812
Friday, 5 February 21	Forex Fwd USD/EUR	330,000	7,172
Friday, 5 February 21	Forex Fwd USD/EUR	575,000	15,629
Friday, 5 February 21	Forex Fwd USD/EUR	660,000	19,715
Friday, 5 February 21	Forex Fwd USD/EUR	180,000	4,267
Friday, 5 February 21	Forex Fwd USD/EUR	400,000	9,426
Friday, 5 February 21	Forex Fwd USD/EUR	100,000	2,127
Friday, 5 February 21	Forex Fwd USD/EUR	140,000	4,195
Friday, 5 February 21	Forex Fwd GBP/EUR	75,000	(1,405)
Friday, 5 February 21	Forex Fwd USD/EUR	250,000	(2,079)

The reconciliation of fair value measurements of financial assets is disclosed below:

## APS Income Fund

	<b>Fair value</b> <b>31.12.2021</b> €	<b>Fair value</b> <b>31.12.2020</b> €
Opening balance	82,954,312	79,225,556
Net acquisitions/disposals	2,464,199	6,956,683
Movement recognised in profit or loss	(1,568,764)	(3,227,927)
Closing balance	83,849,747	82,954,312

## APS Regular Income Ethical Fund

	<b>Fair Value</b> <b>31.12.2021</b> €	<b>Fair value</b> <b>31.12.2020</b> €
Opening balance	33,288,683	30,266,898
Net acquisitions/disposals	5,574,989	3,533,937
Movement recognised in profit or loss	1,267,560	(512,152)
Closing balance	40,131,232	33,288,683

## APS Diversified Bond Fund

	<b>Fair Value</b> <b>31.12.2021</b> €	<b>Fair value</b> <b>31.12.2020</b> €
Opening balance	45,367,654	41,013,917
Net acquisitions/disposals	6,999,338	4,454,412
Movement recognized in profit or loss	(1,337,338)	(100,675)
Closing balance	50,996,654	45,367,654



## APS Global Equity Fund

	<b>Fair Value</b>	<b>Fair Value</b>
	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>€</b>	<b>€</b>
Opening balance	<b>5,016,853</b>	-
Net acquisitions/disposals	<b>4,886,669</b>	4,727,132
Movement recognized in profit or loss	<b>945,065</b>	289,721
Closing balance	<b>10,848,587</b>	5,016,853

## Fair Value hierarchy

### Fair Value Measurement

Fair value is the price that would be received to sell an asset, or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial instruments traded at in active markets at the reporting date is based on their quoted price.

All financial assets and liabilities for which fair value is measured and disclosed in financial statements are categorised within the fair value hierarchy, described as follows, based on lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (Unadjusted) market prices in active market for identical assets and liabilities;
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

IFRS 13 requires disclosures relating to fair value measurements using the three-level fair value hierarchy. The level within the fair value measurement is categorised in its entirety and is determined on the basis of the lowest level input that is significant to the fair value measurement.

When fair values of publicly traded financial assets are based on quoted market prices the instruments are included within Level 1 of the hierarchy. As at 31 December 2021 and 2020 all financial assets of the Company, which are classified as at fair value through profit or loss, are classified as Level 1, except for derivative forward foreign exchange contracts, which are classified as Level 2.

The net gain/(loss) in fair value of financial assets at fair value through profit or loss is made up of:

	<b>APS Income Fund</b>		<b>APS Regular Income Ethical Fund</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
Realised gain	<b>1,027,918</b>	2,392,098	<b>230,526</b>	1,462,380
Unrealised (loss)/gain	<b>(2,590,150)</b>	(3,194,577)	<b>625,254</b>	(487,235)
Foreign exchange (loss)/gain	<b>(6,532)</b>	(189,492)	<b>411,780</b>	(256,771)
	<b>(1,568,764)</b>	(991,971)	<b>1,267,560</b>	718,374

The net gain/(loss) in fair value of financial assets at fair value through profit or loss is made up of:

	<b>APS Diversified Bond Fund</b>		<b>APS Global Equity Fund</b>	
	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>31.12.2021</b>	<b>31.12.2020</b>
	<b>€</b>	<b>€</b>	<b>€</b>	<b>€</b>
Realised gain/ (loss)	<b>236,452</b>	1,668,864	<b>(219,161)</b>	(8,777)
Unrealised (loss)/gain	<b>(1,322,478)</b>	(74,394)	<b>937,704</b>	298,503
Foreign exchange gain/(loss)	<b>(251,312)</b>	(223,168)	<b>226,522</b>	(5,824)
	<b>(1,337,338)</b>	1,371,302	<b>945,065</b>	283,902

# NOTES TO THE FINANCIAL STATEMENTS

The following industry concentrations in connection with financial assets at fair value through profit or loss are considered significant:

## APS Income Fund

	31.12.2021 %	31.12.2020 %
	of net assets	of net assets
Energy	4.02	2.49
Consumer Discretionary	1.07	2.95
Non financial corporations	0.35	1.01
Industrials	8.14	6.79
Financial	29.82	23.19
Real Estate	1.20	11.66
Government	27.04	28.74
Other	23.21	16.43
	<b>94.85</b>	<b>93.26</b>

## APS Regular Income Ethical Fund

	31.12.2021 %	31.12.2020 %
	of net assets	of net assets
Health Care	1.00	3.75
Communications	3.97	6.92
Industrial	3.05	8.97
Energy	5.01	3.38
Government	27.65	20.89
Information Technology	0.95	2.94
Non financial corporations	4.05	7.80
Financial	13.28	8.42
Other	33.79	28.76
	<b>92.75</b>	<b>91.82</b>

## APS Diversified Bond Fund

	31.12.2021 %	31.12.2020 %
	of net assets	of net assets
Consumer Discretionary	3.06	8.10
Technology	1.60	0.52
Communications	7.00	5.00
Energy	8.04	8.48
Industrial	4.27	4.33
Financial	13.64	9.10
Non financial corporations	-	2.88
Information Technology	-	1.19
Government	32.74	23.55
Debt Fund	-	9.22
Other	27.50	18.39
	<b>97.85</b>	<b>90.76</b>

## APS Global Equity Fund

	2021 %	2020 %
	of net assets	of net assets
Industrial	10.07	12.60
Energy	2.47	7.33
Financial	9.10	11.96
Health Care	0.55	7.33
Real estate	-	2.71
Technology	15.97	21.82
Materials	2.34	6.00
Other	53.66	16.43
	<b>94.16</b>	<b>86.18</b>

## 5. (b). OTHER INVESTMENTS - TERM DEPOSITS

### APS Income Fund

	31.12.2021 €	% of net assets	% of total assets	31.12.2020 €	% of net assets	% of total assets
Term Deposits maturing within 1 year:						
Measured at amortised cost	1,300,000	1.47	1.47	1,500,000	1.69	1.68
Measured at fair value through profit or loss	-	-	-	1,050,000	1.18	1.18
	<b>1,300,000</b>	<b>1.47</b>	<b>1.47</b>	<b>2,550,000</b>	<b>2.87</b>	<b>2.86</b>

As at year-end, the APS Income Fund had Nil (2020: three) structured term deposit accounts where the interest rate payable was wholly or partially linked to the performance of a combination of a number of indices or direct equities. These financial assets are measured at fair value through profit or loss.

At 31 December 2021 and 2020, the fair value of the remaining term deposits which are measured at amortised cost approximated their contracted amount plus accrued unpaid interest due to their short term maturities or the fact that they carried an interest rate which at the year-end is representative of an arm's length rate.

The fair value of term deposits has been determined using discounted cash flows using relevant interest rates applicable at year end.

These financial assets are classified as Level 2 within the fair value hierarchy.

The reconciliation of measurements of Term Deposits is disclosed below:

### APS Income Fund

	31.12.2021 €	31.12.2020 €
Opening balance	2,550,000	7,740,885
Net acquisitions/disposals	(1,250,000)	(5,192,817)
Movement recognised in profit or loss	-	1,932
Closing balance	<b>1,300,000</b>	<b>2,550,000</b>

### APS Regular Income Ethical Fund

	31.12.2021 €	31.12.2020 €
Opening balance	-	922,721
Net acquisitions/disposals	-	(923,204)
Movement recognised in profit or loss	-	483
Closing balance	<b>-</b>	<b>-</b>

# NOTES TO THE FINANCIAL STATEMENTS

## APS Diversified Bond Fund

	31.12.2021	31.12.2020
	€	€
Opening balance	-	1,000,000
Net acquisitions/disposals	-	(1,000,000)
Movement recognised in profit or loss	-	-
Closing balance	-	-

## 6. ACCRUED EXPENSES AND OTHER CREDITORS

	APS Income Fund		APS Regular Income Ethical Fund	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	€	€	€	€
Management fees payable	166,191	163,547	105,538	87,533
Administration fees payable	5,199	10,586	2,917	9,682
Custody fees payable	7,798	8,116	1,463	1,292
Other unpaid expenses	19,394	11,857	59,231	6,933
<b>Accrued expenses</b>	<b>198,582</b>	<b>194,106</b>	<b>169,149</b>	<b>105,440</b>
Withholding tax on distributions	74,196	1,674	-	37,562
<b>Other creditors</b>	<b>74,196</b>	<b>1,674</b>	<b>-</b>	<b>37,562</b>

	APS Diversified Bond Fund		APS Global Equity Fund	
	31.12.2021	31.12.2020	31.12.2021	31.12.2020
	€	€	€	€
Management fees payable	87,253	62,289	28,500	9,551
Administration fees payable	3,500	10,574	2,603	3,206
Custody fees payable	1,775	2,935	1,100	1,216
Other unpaid expenses	37,936	9,888	10,632	600
<b>Accrued expenses</b>	<b>130,464</b>	<b>85,686</b>	<b>42,835</b>	<b>14,573</b>
Withholding tax on distributions	-	13,227	-	-
<b>Other creditors</b>	<b>-</b>	<b>13,227</b>	<b>-</b>	<b>-</b>

## 7. SHARE CAPITAL

The Sub-Funds' capital is represented by the redeemable shares of the unit holders with no par value and with each carrying one vote.

The authorised share capital of the Company is 500,001,200 shares. Each participating share which the Company issues is allocated to a class representing a particular Fund, with the exception of the initial issued share capital, (Founder shares) of €1,200 divided into 1,200 ordinary shares with no nominal value. These shares constitute a separate class of ordinary shares, being the founder shares, but do not constitute a distinct fund of the Company. All shares in issue of the APS Income Fund, APS Regular Income Ethical Fund, APS Diversified Bond Fund and APS Global Equity Fund are fully paid.

Distributor shareholders are entitled to distributions in accordance with the distribution policy. The determination of the net asset value per accumulator and distributor share is explained in note 8. Other differences in the fee structure related to the respective share classes is explained in note 9.

All shares may be issued and redeemed at prices based on the value of the Sub-Funds' net assets in accordance with its Articles of Association.

## APS Income Fund

	2021 Shares	2020 Shares
<b>Shares in issue at the beginning of the year</b>		
<b>Accumulator shares</b>	<b>113,516.500</b>	111,067.361
<b>Distributor shares</b>	<b>526,116.361</b>	515,926.855
Creation of Accumulator shares	8,426.795	11,627.612
Creation of Distributor shares	30,981.568	36,165.346
Redemption of Accumulator shares	(8,267.137)	(9,178.473)
Redemption of Distributor shares	(23,075.650)	(25,975.840)
<b>Shares in issue at the end of the year</b>		
<b>Accumulator shares</b>	<b>113,676.158</b>	113,516.500
<b>Distributor shares</b>	<b>534,022.279</b>	526,116.361

## APS Regular Income Ethical Fund

	2021 Shares	2020 Shares
<b>Shares in issue at the beginning of the year</b>		
<b>Class A Accumulator</b>	<b>3,591,979.505</b>	3,571,526.369
<b>Class B Distributor</b>	<b>8,496,954.400</b>	8,301,367.635
<b>Class C Accumulator</b>	<b>5,085,848.123</b>	4,404,472.199
<b>Class D Distributor</b>	<b>11,296,914.507</b>	10,734,699.685
Creation of A Accumulator shares	644,634.266	20,453.136
Creation of B Distributor shares	1,217,891.627	408,648.817
Creation of C Accumulator shares	1,474,569.246	1,097,888.026
Creation of D Distributor shares	2,605,461.271	1,065,707.621
Redemption of Class A Accumulator shares	(62,968.119)	-
Redemption of Class B Distributor shares	(872,894.001)	(213,062.052)
Redemption of Class C Accumulator shares	(273,566.615)	(416,512.102)
Redemption of Class D Distributor shares	(506,350.447)	(503,492.799)
<b>Shares in issue at the end of the year</b>		
<b>Class A Accumulator</b>	<b>4,173,645.652</b>	3,591,979.505
<b>Class B Distributor</b>	<b>8,841,952.026</b>	8,496,954.400
<b>Class C Accumulator</b>	<b>6,286,850.754</b>	5,085,848.123
<b>Class D Distributor</b>	<b>13,396,025.331</b>	11,296,914.507

## APS Diversified Bond Fund

	2021 Shares	2020 Shares
<b>Shares in issue at the beginning of the year</b>		
<b>Class A Accumulator</b>	<b>517,172.331</b>	517,172.331
<b>Class B Distributor</b>	<b>40,413,551.323</b>	40,313,916.872
<b>Class C Accumulator</b>	<b>2,559,242.265</b>	1,677,153.601
<b>Class D Distributor</b>	<b>4,348,195.160</b>	3,074,081.760
<b>Class G Distributor</b>	<b>786,400.602</b>	-
Creation of A Accumulator shares	-	-
Creation of B Distributor shares	951,578.564	348,575.663
Creation of C Accumulator shares	1,022,246.767	1,050,452.486
Creation of D Distributor shares	1,874,472.341	1,390,564.698
Creation of G Distributor shares	394,202.075	786,400.602
Redemption of Class A Accumulator shares	(211,964.160)	-
Redemption of Class B Distributor shares	-	(248,941.212)
Redemption of Class C Accumulator shares	(112,933.807)	(168,363.822)
Redemption of Class D Distributor shares	(370,522.696)	(116,451.298)
Redemption of Class G Distributor shares	-	-

# NOTES TO THE FINANCIAL STATEMENTS

## Shares in issue at the end of the year

<b>Class A Accumulator</b>	<b>305,208.171</b>	517,172.331
<b>Class B Distributor</b>	<b>41,365,129.887</b>	40,413,551.323
<b>Class C Accumulator</b>	<b>3,468,555.225</b>	2,559,242.265
<b>Class D Distributor</b>	<b>5,852,144.805</b>	4,348,195.160
<b>Class G Distributor</b>	<b>1,180,602.677</b>	786,400.602

## APS Global Equity Fund

	2021 Shares	2020 Shares
<b>Shares in issue at the beginning of the year</b>		
<b>Class A Accumulator shares</b>	<b>312,244.267</b>	-
<b>Class B Distributor shares</b>	<b>5,127,920.876</b>	-
Creation of Class A Accumulator shares	<b>1,790,039.146</b>	312,244.267
Creation of Class B Distributor shares	<b>2,467,451.700</b>	5,127,920.876
Redemption of Class A of Accumulator shares	<b>(30,072.444)</b>	-
Redemption of Class B Distributor shares	<b>(13,500.137)</b>	-
<b>Shares in issue at the end of the year</b>		
<b>Class A Accumulator shares</b>	<b>2,072,210.969</b>	312,244.267
<b>Class B Distributor shares</b>	<b>7,581,872.439</b>	5,127,920.876

For any restrictions of the Sub-Funds or specific capital requirements on the subscriptions and redemptions of shares, kindly refer to the Company's Offering Memorandum and the Sub-Funds' Offering Supplements.

The relevant monetary movements are shown in the Statement of Changes in Net Assets attributable to Shareholders and in the Statement of Cash Flows.

## 8. NET ASSET VALUE PER SHARE

The net asset value per share of the APS Income Fund, the APS Regular Income Ethical Fund, the APS Diversified Bond Fund and the APS Global Equity Fund is determined by dividing net assets attributable to a class by the number of shares in issue for the same class irrespective of the class being either an accumulation class or a distributor class.

The NAV per Redeemable Share Class is based on the net assets attributable to holders of each Class and on the number of shares in issue for each Class at the balance sheet date.

## 9. FEES

### a) Management fee

On the 7th April 2017 ReAPS Asset Management Limited, an APS Bank fully-owned subsidiary, was licensed by the MFSA as the fund manager of APS Funds SICAV p.l.c. On the same day APS Funds SICAV p.l.c. entered into an Investment Management Agreement with ReAPS Asset Management Limited.

The Manager receives a management fee of 0.75% per annum of the net asset value of the APS Income Fund.

In the case of APS Regular Income Ethical Fund, the Manager receives a management fee of up to 1.0% per annum of the net asset value for Class A and Class B shares, and up to 1.3% per annum of the net asset value for Class C and Class D shares.

In the case of APS Diversified Bond Fund the Manager receives a management fee of up to 1.0% per annum of the net asset value for Class A and Class B shares, and up to 1.25% per annum of the net asset value for Class C, Class D and Class G shares.

In the case of APS Global Equity Fund the Manager receives a management fee of up to 1.5% per annum of the net asset value for Class A and Class B shares.

### b) Administration fee

As from 25 November 2021 onwards, the Company appointed Apex Fund Services (Malta) Limited as Administrator to provide administration services, under an agreement dated 25 August 2021.

The Sub-Fund accounting fee amount to:

€0 Million to €50 Million	6.5 basis points per annum of NAV
€50 Million to €100 Million	5 basis points per annum of NAV
Any amount over €100 Million	4 basis points per annum of NAV

Subject to minimum and maximum capping of fees as follows:

#### **APS Income Fund - Daily NAV**

This fee is subject to a minimum fee of €30,000 per annum and a maximum fee of €48,000 per annum.

#### **APS Regular Income Ethical Fund - Weekly NAV**

This fee is subject to a minimum fee of €25,000 per annum and a maximum fee of €38,000 per annum.

#### **APS Diversified Bond Fund - Weekly NAV**

This fee is subject to a minimum fee of €25,000 per annum and a maximum fee of €40,000 per annum.

#### **APS Global Equity Fund - Weekly NAV**

This fee is subject to a minimum fee of €25,000 per annum and a maximum fee of €40,000, which fee shall be discounted to €20,000 until the Sub-Fund reaches a NAV of €10 Million.

Until 24 November 2021, the BOV Fund Services Limited provided administration services, under an agreement dated 1 February 2008 and revised on 28 May 2012. Upon the conversion to UCITS, an agreement was signed on 7 April 2017 and revised on 23 October 2017, 25 May 2018, 23 January 2020 and 16 April 2020.

The Administrator, BOV Fund Services Limited, received for its services, a fee calculated as 0.13% per annum of the net asset value of the APS Income Fund. This fee was subject to a minimum fee of €25,000 (2020: €25,000) per annum and a maximum fee of €42,000 (2020: €42,000) per annum.

In respect of the APS Regular Income Ethical Fund, the Administrator received for its services a fee calculated as 0.13% per annum of the net asset value. This fee was subject to a minimum fee of €21,000 (2020: €21,000) per annum and a maximum fee of €38,000 (2020: €38,000) per annum.

In respect of the APS Diversified Bond Fund, the Administrator received a fixed fee of €16,500 per annum for the first two years from the date of the launch of the sub-fund. Thereafter, the Administrator received for its services a fee calculated as 0.125% for the first €25 million of NAV, 0.10% to be applied between €25 million and €50 million of NAV, 0.08% will be applied between €50 million and €75 million of NAV and 0.03% on NAV in excess of €75 million. This fee was subject to a minimum fee of €21,000 (2020: €21,000) per annum and a maximum fee of €41,500 (2020: €41,500) per annum.

In the case of APS Global Equity Fund the Administrator received a fixed fee of €18,000 per annum for the first two years from the date of the launch of the sub-fund. Thereafter, the Administrator received for its services a fee calculated as 0.125% for the first €25 million of NAV, 0.10% to be applied between €25 million and €50 million of NAV, 0.08% will be applied between €50 million and €75 million of NAV and 0.03% on NAV in excess of €75 million. This fee was subject to a minimum fee of €20,000 per annum with an additional €1,500 per annum for the Class B Distributor Share Class.

#### **c) Custodian fee**

The Company appointed Swissquote Financial Services (Malta) Limited to act as Custodian of the Company.

In the case of the APS Income Fund, Swissquote Financial Services (Malta) Limited receives a custody fee of 0.040% for the first €100 million of NAV and 0.035% for a NAV above €100 million, subject to a minimum of €1,000 per month.

In the case of the APS Regular Income Ethical Fund, Swissquote Financial Services (Malta) Limited receives a custody fee of 0.040% for the first €100 million of NAV and 0.035% for a NAV above €100 million, subject to a minimum of €1,000 per month.

In the case of the APS Diversified Bond Fund, Swissquote Financial Services (Malta) Limited receives a custody fee of 0.040% for the first €100 million of NAV and 0.035% for a NAV above €100 million, subject to a minimum of €1,000 per month.

In the case of APS Global Equity Fund, Swissquote Financial Services (Malta) Limited receives a custody fee of 0.040% for the first €100 million of NAV and 0.035% for a NAV above €100 million, subject to a minimum of €1,000 per month.

#### **d) Auditor's remuneration**

Fees charged by the auditor for services rendered during the financial year ended 31 December, relate to:

	2021	2020
	€	€
Annual statutory fee	20,000	20,000
Other audit services	2,100	-
Tax compliance services	1,250	1,250
	<b>23,350</b>	<b>21,250</b>



# NOTES TO THE FINANCIAL STATEMENTS

## 10. DIVIDEND DISTRIBUTION

Distributions reflected in the Statement of Comprehensive Income for the year ended 31 December 2021:

APS Income Fund - Distributor Shares	Ex-dividend date	Rate per share	Distribution paid
	30 December 2020	€1.2464	€655,725
	28 June 2021	€1.3124	€698,745
APS Regular Income Ethical - Fund Distributor Shares	Ex-dividend date	Rate per share	Distribution paid
B Class	24 March 2021	€0.0079	€69,167
D Class	24 March 2021	€0.0078	€90,372
B Class	29 September 2021	€0.0130	€114,942
D Class	29 September 2021	€0.0129	€166,849
APS Diversified Bond Fund - Distributor Shares	Ex-dividend date	Rate per share	Distribution paid
B Class	24 March 2021	€0.0104	€421,096
D Class	24 March 2021	€0.0104	€48,029
G Class	24 March 2021	£0.0101	€11,572
B Class	29 September 2021	€0.0120	€495,907
D Class	29 September 2021	€0.0120	€66,927
G Class	29 September 2021	£0.0121	€15,609
APS Global Equity Fund- Distributor Shares	Ex-dividend date	Rate per share	Distribution paid
B Class	29 September 2021	€0.0039	€28,853

Distributions reflected in the Statement of Comprehensive Income for the year ended 31 December 2020:

APS Income Fund - Distributor Shares	Ex-dividend date	Rate per share	Distribution paid
	30 December 2019	€1.3965	€720,532
	26 June 2020	€1.2189	€636,538
APS Regular Income Ethical - Fund Distributor Shares	Ex-dividend date	Rate per share	Distribution paid
B Class	24 March 2020	€0.0092	€76,372
D Class	24 March 2020	€0.0091	€98,918
B Class	29 September 2020	€0.0106	€90,408
D Class	29 September 2020	€0.0105	€117,485
APS Diversified Bond Fund - Distributor Shares	Ex-dividend date	Rate per share	Distribution paid
B Class	24 March 2020	€0.0123	€495,861
D Class	24 March 2020	€0.0123	€46,441
B Class	29 September 2020	€0.0094	€381,504
D Class	29 September 2020	€0.0095	€39,535
G Class	29 September 2020	£0.0036	€2,778

A final dividend of €1.3949 per share which amounted to a distribution of was €744,882 declared by the Directors on 30 December 2021 with respect to the distributor shares of the APS Income Fund (30 December 2020 €1.2464 per share which amounted to a distribution of €655,725). This distribution will be reflected in the Statement of Comprehensive Income for the year ending 31 December 2022.

## 11. TAX EXPENSE

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 as amended. 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 85% of the value of the total assets of the fund.

The APS Income Fund which is classified as a prescribed fund for income tax purposes, and would be subject to Maltese tax on its investment income as defined in the Income Tax Act, at a rate of 10% or 15% depending on the nature of the income. No tax on capital gains should be incurred by resident investors upon the disposal of units in such a fund.

The APS Regular Income Ethical Fund, the APS Diversified Bond Fund and the APS Global Equity Fund are classified as non-prescribed funds for Maltese income tax purposes and should not be subject to tax on their income or gains, but Maltese resident investors therein may be subject to a 15% withholding tax on capital gains realised on redemptions of units. However, the Maltese resident investor may 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 of tax. Gains or profits derived on the transfer or redemption of units in any fund by investors who are not resident in Malta should not be chargeable to Maltese income tax, subject to the satisfaction of certain conditions.

In respect of distributions by the Company to the shareholders, dividends paid from 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 not be subject to a withholding tax or to a 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).

In case of the Company's foreign investments, any capital gains, dividends, interest and other gains or profits may be subject to tax imposed by the country of origin concerned and such taxes may not be recoverable by the Company or by its shareholders.

## 12. RELATED PARTIES

### (i) Shareholding

APS Bank p.l.c., whose ultimate parent is Arom Holdings Limited with registered address at Archbishop's Curia, St. Calcedonius Square, Floriana, Malta, has an investment in APS Funds SICAV p.l.c. as follows:

	<b>APS Funds SICAV p.l.c. Founder Shares 31.12.2021</b>	<b>APS Income Fund Distributor Shares 31.12.2021</b>	<b>APS Regular Income Ethical Fund Distributor Shares Class B 31.12.2021</b>	<b>APS Funds SICAV p.l.c. Founder Shares 31.12.2020</b>	<b>APS Income Fund Distributor Shares 31.12.2020</b>	<b>APS Regular Income Ethical Fund Distributor Shares Class B 31.12.2020</b>
Number of Shares	1,199,000	98,853,140	5,000,000,000	1,199,000	98,853,140	5,000,000,000
Dividend Income	-	€129,739	€43,297	-	€258,540	€99,000
	<b>APS Diversified Bond Fund Distributor Shares Class B 31.12.2021</b>	<b>APS Diversified Bond Fund Distributor Shares Class B 31.12.2020</b>	<b>APS Global Equity Fund Distributor Shares Class B 31.12.2021</b>	<b>APS Global Equity Fund Distributor Shares Class B 31.12.2020</b>		
Number of Shares	40,000,000,000	40,000,000,000	5,000,000,000	5,000,000,000		
Dividend Income	€895,200	€868,000	€39,100	-		

# NOTES TO THE FINANCIAL STATEMENTS

The Directors consider the ultimate controlling party to be the Archdiocese of Malta. Copies of the consolidated financial statements of APS Bank p.l.c. may be obtained from the Registry of Companies.

The APS Income Fund and the APS Regular Income Ethical Fund are associates of APS Bank p.l.c., since the latter holds a 15.26% and 15.29% equity interest in the Funds respectively (2020: 15.45% and 17.56% respectively).

The APS Diversified Bond Fund is a subsidiary of APS Bank p.l.c. since the latter holds an 76.67% equity interest in the Fund (2020: 82.26%). The APS Global Equity Fund is also a subsidiary of APS Bank p.l.c. since the latter holds 51.79% (2020: 91.91%) equity interest in the Fund.

As at 31 December 2021, the APS Funds SICAV ("The Company") held net bank balances at APS Bank p.l.c. amounting to €1,964,756 (2020: €1,527,925) and term deposits of €1,300,000 (2020: €1,550,000).

As at 31 December 2021, the APS Income Fund held bank balances at APS Bank p.l.c. amounting to €1,964,756 (2020: €1,527,925) and term deposits of €1,300,000 (2020: €1,550,000). These amounts are unsecured and will be settled by way of cash. The interest income recognised in profit or loss in relation to these balances amounted to €119,403 in 2021 (2020: €69,657).

As at 31 December 2021, the APS Regular Income Ethical Fund hold bank balances at APS Bank p.l.c. €1,361 (2020: €Nil) and no term deposits (2020: €Nil). These amounts are unsecured and will be settled by way of cash. The interest income recognised in profit or loss in relation to APS term deposits held during the year amounted to €18 in 2021 (2020: €3,948).

As at 31 December 2021, the APS Diversified Bond Fund did not hold bank balances at APS Bank p.l.c. (2020: €Nil) and no term deposits (2020: €Nil). These amounts are unsecured and will be settled by way of cash. The interest income recognised in profit or loss in relation to these balances amounted to €2,979 in 2021 (2020: €Nil).

As at 31 December 2021, the APS Global Equity Fund held bank balances of €Nil (2020: €Nil) and no term deposits (2020: €Nil) at APS Bank p.l.c.

The interest received on such bank and term deposits are equivalent to those that prevail in arm's length transactions.

## (ii) Management agreement

ReAPS Asset Management Limited, a subsidiary of APS Bank p.l.c., acting as the Investment Manager of APS Income Fund, APS Regular Income Ethical Fund, APS Diversified Bond Fund and APS Global Equity Fund. Management fees due to ReAPS Asset Management Limited for the period are disclosed in the Statement of Comprehensive Income (note 9) and the outstanding management fee is detailed in note 6.

## (iii) Key management personnel

The Directors are entitled to remuneration for their services at rates determined by the annual general meeting of the shareholders. For the years ended 31 December 2021 and 31 December 2020, the Company remunerated its Directors the amount of €28,440 and €28,013 respectively for each reporting year as disclosed separately in the Statement of Comprehensive Income. There were no other payments to key management personnel. These amounts represent short-term employee benefits.

All related party transactions, including the management services provided by ReAPS Asset Management Limited to APS Funds SICAV p.l.c. were made at arm's length on normal commercial terms and conditions.

## 13. CASH AND CASH EQUIVALENTS

For purpose of the Statement of Cash Flows, the year-end cash and cash equivalents comprise bank balances held at call as follows:

	2021 €	% of net assets	2020 €	% of net assets
APS Funds SICAV p.l.c.	7,152,288	3.66	10,575,181	5.85
APS Income Fund	2,772,559	3.14	2,965,592	3.33
APS Regular Income Ethical Fund	2,915,044	6.73	2,821,381	7.78
APS Diversified Bond Fund	755,739	1.45	4,061,068	8.15
APS Global Equity Fund	707,746	6.11	725,940	12.67

Interest rates on cash at Bank held by the Sub-Funds, are fixed but subject to changes whenever such interest rates are revised by the respective Banks.

The APS Income Fund has a Lombard loan facility with Swissquote Bank Limited. The facility is provided in Euro for an amount equivalent to CHF 2,000,000 and is covered by a general pledge on the assets of the Sub-Fund.

The APS Diversified Bond Fund has a Lombard loan facility with Swissquote Bank Limited. The facility is provided in Euro for an amount equivalent to CHF 2,000,000 and is covered by a general pledge on the assets of the Sub-Fund.

The APS Global Equity Fund has a Lombard loan facility with Swissquote Bank Limited. The facility is provided in Euro for an amount equivalent to CHF 1,000,000 and is covered by a general pledge on the assets of the Sub-Fund.

The Company will pledge assets held by the Sub-Funds as a guarantee for the repayment of all sums of money which might become due to the bank, by way of capital and interest, in relation to the respective aforesaid loan and other banking facilities.

#### 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Sub-Funds' activities expose it to a variety of financial risks: market risk (including price risk, fair value interest rate risk, cash flow interest rate risk and currency risk), credit risk and liquidity risk.

The Company's objective in managing risk is the creation and protection of shareholders' value. Risk is measured through a process of ongoing identification, measurement and monitoring. The company does not make use of any derivative instruments. The risk management policies employed by the Company are disclosed below.

##### Risk Management Structure

The Company's Investment manager is responsible for identifying and controlling risks. The Board of Directors supervises the investment manager and is ultimately responsible for the overall risk management of the Company.

##### Market Price Risk

###### APS Income Fund

The equity securities are generally selected from the Malta Stock Exchange Equity Price Index (the "MSE Index"). If equities held by the Fund as at 31 December 2021 had increased by 15% (2020: 15%) with all other variables held constant, this would have increased net assets attributable to holders of redeemable shares by approximately €3,016,645 (2020: €3,000,833). Conversely, if the MSE Index had decreased by 15% (2020: 15%), this would have had an equal but opposite effect.

###### APS Regular Income Ethical Fund

The equity securities are selected from recognised stock exchanges across the world. If equities and holdings in collective investment schemes and Exchange Traded Funds at 31 December 2021 had increased by 15% (2020: 15%) with all other variables held constant, this would have increased net assets attributable to holders of redeemable shares by approximately €1,947,083 (2020: €1,762,748). Conversely, if equities and holdings in collective investment schemes and Exchange Traded Funds had decreased by 15% (2020: 15%), this would have had an equal but opposite effect.

###### APS Diversified Bond Fund

The APS Diversified Bond Fund does not invest in equity securities. Nevertheless, it holds investments in Exchange Traded Funds. If holdings in Exchange Traded Funds at 31 December 2021 had increased by 15% (2020: 15%) with all other variables held constant, this would have increased net assets attributable to holders of redeemable shares by approximately €187,536 (2020: €689,461). Conversely, if holdings in Exchange Traded Funds had decreased by 15% (2020: 15%), this would have had an equal but opposite effect.

###### APS Global Equity Fund

The equity securities are selected from recognised stock exchanges across the world. If equities at 31 December 2021 had increased by 15% (2020: 15%) with all other variables held constant, this would have increased net assets attributable to holders of redeemable shares by approximately €1,637,007 (2020: €740,829). Conversely, if holdings in equity securities had decreased by 15% (2020: 15%), this would have had an equal but opposite effect.

##### Interest Rate Risk

The Sub-Funds are exposed to interest rate risk through directly holding interest-bearing financial assets. Assets earning interest at variable rates expose the Sub-Funds to cash flow interest rate risk, whereas assets earning interest at fixed rates expose the Sub-Funds to fair value interest rate risk to the extent that such assets are measured at fair value. The Sub-Funds' exposure to interest rate risk is summarised in the table below:

	Financial assets held at fixed rates (as a % of NAV)		Financial assets held at variable rates (as a % of NAV)	
	2021	2020	2021	2020
APS Income Fund	70.67	64.41	2.4	6.36
APS Regular Income Ethical Fund	61.48	39.00	1.95	20.41
APS Diversified Bond Fund	93.29	60.19	3.35	21.35

##### APS Income Fund

At 31 December 2021, should interest rates have lowered / increased by 50 (2020: 50) basis points with all other variables remaining constant, the increase / decrease in net assets attributable to holders of redeemable shares (gross of expenses) would amount to approximately €312,789 (2020: €2,140,972), arising from the change in market values of these corporate and government bonds.

##### APS Regular Income Ethical Fund

At 31 December 2021, should interest rates have lowered / increased by 50 (2020: 50) basis points with all other variables remaining constant, the increase / decrease in net assets attributable to holders of redeemable shares (gross of expenses) would amount to approximately €135,914 (2020: €606,649), arising from the change in market values of these corporate and government bonds.

# NOTES TO THE FINANCIAL STATEMENTS

## APS Diversified Bond Fund

At 31 December 2021, should interest rates have lowered / increased by 50 (2020: 50) basis points with all other variables remaining constant, the increase / decrease in net assets attributable to holders of redeemable shares (gross of expenses) would amount to approximately €249,383 (2020: €934,203), arising from the change in market values of these corporate and government bonds.

## APS Global Equity Fund

The APS Global Equity Bond Fund does not invest in corporate and government bonds.

Such movements in the NAV of the Funds would be dependent on the duration of the Funds. Duration, in turn, is dependent on the maturity date, coupon and 'yield to maturity' of every underlying bond held. Duration measures a bond's sensitivity to a change in interest rates. Usually, the higher the duration, the more is the volatility in the prices.

For the purposes of measuring the interest rate risk of each Sub-Fund, the duration of each individual debt security held within a Sub-Fund is calculated. This applies to all debt securities, including those that pay zero interest or pay a variable rate of interest. Other assets, such as equity securities, exchange traded funds, term deposits, and cash balances are assumed to have zero interest rate risk. The duration of each Sub-Fund is calculated as the sum of the weighted average duration of the underlying assets within the Sub-Fund. The weights reflect each asset's share of market value out of the Sub-Fund's total value.

Any excess cash and cash equivalents held at call as disclosed in note 13 are exposed to variable interest rates.

## Maturity analysis of debt securities

The table below shows an analysis of assets according to when they are expected to be recovered:

### APS Income Fund

	Quoted Local Corporate Bonds 31.12.2021 €	Quoted Malta Government Bonds 31.12.2021 €	Foreign Government Bonds 31.12.2021 €	Quoted Foreign Bonds 31.12.2021 €
Up to 1 year	286,643	-	-	-
1 to 5 years	11,035,811	-	1,850,806	3,356,167
5 to 15 years	18,714,147	14,111,211	-	2,612,623
Over 15 years	-	7,943,468	-	2,646,950
	<b>30,036,601</b>	<b>22,054,679</b>	<b>1,850,806</b>	<b>8,615,740</b>

	Quoted Local Corporate Bonds 31.12.2020 €	Quoted Malta Government Bonds 31.12.2020 €	Quoted Foreign Bonds 31.12.2020 €
Up to 1 year	526,568	-	-
1 to 5 years	6,294,128	-	1,859,371
5 to 15 years	22,612,103	16,592,404	3,461,230
Over 15 years	-	6,377,390	5,225,561
	<b>29,432,799</b>	<b>22,969,794</b>	<b>10,546,162</b>

The table below shows an analysis of assets according to when they are expected to be recovered:

### APS Regular Income Ethical Fund

	Foreign Government Bonds 31.12.2021 €	Quoted Foreign Bonds 31.12.2021 €	Quoted Malta Government Bonds 31.12.2021 €	Quoted Malta Government Bonds 31.12.2020 €	Quoted Foreign Bonds 31.12.2020 €
Up to 1 year	-	-	-	-	-
1 to 5 years	3,821,446	3,894,119	-	-	4,940,723
5 to 15 years	3,227,222	5,145,920	-	500,000	8,692,242
Over 15 years	4,923,499	6,170,547	-	-	7,404,062
	<b>11,972,167</b>	<b>15,210,586</b>	<b>-</b>	<b>500,000</b>	<b>21,037,027</b>

## APS Diversified Bond Fund

	Quoted Local Corporate Bonds 31.12.2021 €	Quoted Malta Government Bonds 31.12.2021 €	Quoted Foreign Bonds 31.12.2021 €	Foreign Government Bonds 31.12.2021 €
Up to 1 year	-	-	-	612,362
1 to 5 years	544,580	-	4,230,490	7,637,205
5 to 15 years	1,385,205	380,424	8,037,441	13,148,135
Over 15 years	-	-	3,995,796	9,905,059
	<b>1,929,785</b>	<b>380,424</b>	<b>16,263,727</b>	<b>31,302,761</b>
	Quoted Local Corporate Bonds 31.12.2020 €	Quoted Malta Government Bonds 31.12.2020 €	Quoted Foreign Bonds 31.12.2020 €	Foreign Government Bonds 31.12.2020 €
Up to 1 year	-	-	431,632	-
1 to 5 years	194,000	-	11,675,465	-
5 to 15 years	1,713,463	640,588	16,689,178	-
Over 15 years	-	-	9,309,487	-
	<b>1,907,463</b>	<b>640,588</b>	<b>38,105,762</b>	<b>-</b>

## Currency Risk

Currency risk is the risk that the value of the financial instrument will fluctuate due to changes in foreign exchange rates. The Company invests in securities that are denominated in currencies other than the euro. Accordingly the value of the Company's assets may be affected favourably or unfavourably by fluctuations in currency rates. Therefore, the Company will necessarily be subject to foreign exchange risks.

The Directors are under no obligation (although they may do so at their discretion) to hedge currency risks. There is no current intention to hedge currency risk although the directors of the Company will continue to monitor the foreign currency risk.

The majority of APS Income Fund's transactions, as well as its assets and liabilities were denominated in euro, as at 31 December 2021. The Fund had 4.64% (2020: 0%) of its underlying net assets denominated in foreign currencies.

The APS Regular Income Ethical Fund is exposed to considerable foreign currency risk. As at 31 December 2021, the Fund had 38.06% (2020: 15.78%) of its underlying net assets denominated in foreign currencies.

The APS Diversified Bond Fund is exposed to foreign currency risk. As at 31 December 2021, the Fund had 35.50% (2020: 12.80%) of its underlying net assets denominated in foreign currencies. One of the share classes in APS Diversified Bond Fund is denominated in GBP (Class G). As of 31 December 2021 the NAV stood at GBP1,178,221, with 98.52% being hedged by forward exchange contract.

The APS Global Equity Fund is exposed to considerable foreign currency risk. As at 31 December 2021, the Fund had 71.46% (2020: 21.35%) of its underlying net assets denominated in foreign currencies.

The table overleaf indicates the currencies to which the Fund had significant exposure at 31 December 2021 and 31 December 2020 on its monetary financial assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the currency rate against the Euro on the net assets attributable to shareholders with all other variables held constant.

# NOTES TO THE FINANCIAL STATEMENTS

## APS Income Fund 2021 2020

	Change in currency rate	Effect on the net assets Attributable to shareholders	Effect on the net assets Attributable to shareholders
Currency	%		
Australian Dollar	+10	€13	€13
British Pound	+10	€8,641	-
Norwegian Krona	+10	€9	€8
Hungarian Forint	+10	€3,583	-
Polish Zloty	+10	€137	-
US Dollar	+10	€6,055	€26

## APS Regular Income Ethical Fund 2021 2020

	Change in currency rate	Effect on the net assets Attributable to shareholders	Effect on the net assets Attributable to shareholders
Currency	%		
Australian Dollar	+10	€1,271	€60
British Pound	+10	€7,229	€88,922
Indian Rupee	+10	-	€47,495
Norwegian Krona	+10	€3,372	€23,457
Polish Zloty	+10	€366	-
Swedish Krona	+10	-	€55,063
Swiss Franc	+10	€10	€25,300
Canadian dollar	+10	€407	-
Japanese yen	+10	€19	-
US Dollar	+10	€20,295	€331,804

## APS Diversified Bond Fund 2021 2020

	Change in currency rate	Effect on the net assets Attributable to shareholders	Effect on the net assets Attributable to shareholders
Currency	%		
Australian Dollar	+10	€4,175	€317
British Pound	+10	€13,373	€227,234
Canadian Dollar	+10	€1,998	€96,528
Hungarian Forint	+10	€3,212	-
Indonesian Rupiah	+10	-	€86,881
Mexican Peso	+10	€8,193	€89,054
Norwegian Krona	+10	€1,784	-
Swedish Krona	+10	€1,071	€82,508
Turkish Lira	+10	-	€48,115
Japanese Yen	+10	€47	-
Polish Zloty	+10	€454	-
US Dollar	+10	€10,615	€7,143



**APS Global Equity Fund**
**2021**
**2020**

Currency	Change in currency rate	Effect on the net assets Attributable to shareholders	Effect on the net assets Attributable to shareholders
	%		
British Pound	+10	€384	€19,815
Hong Kong Dollar	+10	-	€6,221
Japanese Yen	+10	€72	€5,707
Norwegian Krone	+10	€1,017	€8,292
Swiss Franc	+10	€10	€24,457
Swedish Krona	+10	-	€5,722
Polish Zloty	+10	€10,918	-
US Dollars	+10	€8,666	€52,040

An equivalent decrease in each of the aforementioned currencies against the euro would have resulted in the equivalent but opposite effect.

The following table indicates the currencies to which the Company has significant exposure as at 31 December 2021 and 31 December 2020 on its monetary financial assets.

**APS Income Fund**

	As at 31 December 2021 €	% of net assets	As at 31 December 2020 €	% of net assets
Australian Dollar	127	-	125	-
British Pound	86,405	0.10	-	-
Hungarian Forint	35,828	0.04	-	-
Norwegian Krona	89	-	85	-
Polish Zloty	1,372	-	-	-
US Dollar	60,553	0.07	(264)	-
	<b>184,374</b>	<b>0.21</b>	<b>(54)</b>	<b>-</b>

**APS Regular Income Ethical Fund**

	As at 31 December 2021 €	% of net assets	As at 31 December 2020 €	% of net assets
British Pound	72,294	0.17	889,223	2.45
Polish Zloty	3,658	0.01	-	-
US Dollar	202,953	0.47	3,318,041	9.15
Canadian dollar	4,074	0.01	-	-
Norwegian Krona	33,719	0.08	234,574	0.65
Australian Dollar	12,712	0.03	605	-
Swedish Krona	-	-	550,628	1.52
Indonesian Rupiah	-	-	474,948	1.31
Japanese yen	192	-	-	-
Swiss Franc	97	-	252,999	0.70
	<b>329,699</b>	<b>0.77</b>	<b>5,721,018</b>	<b>15.78</b>

# NOTES TO THE FINANCIAL STATEMENTS

## APS Diversified Bond Fund

	As at 31 December 2021 €	% of net assets	As at 31 December 2020 €	% of net assets
Australian Dollar	41,747	0.08	3,172	0.01
Canadian Dollar	19,980	0.04	965,282	1.94
British Pound	133,725	0.26	2,272,337	4.56
Hungarian Forint	32,122	0.06	-	-
US Dollars	106,150	0.20	71,426	0.14
Mexican Pesos	81,931	0.16	890,539	1.79
Indonesian Rupiah	-	-	868,809	1.74
Turkish Lira	(3)	-	481,146	0.97
South African Rand	(1)	-	-	-
Polish Zloty	4,536	0.01	-	-
Norwegian Krona	17,844	0.03	-	-
Japanese Yen	470	-	-	-
Swedish Krona	10,714	0.02	825,078	1.65
	<b>449,215</b>	<b>0.86</b>	<b>6,377,789</b>	<b>12.80</b>

## APS Global Equity Fund

	As at 31 December 2021 €	% of net assets	As at 31 December 2020 €	% of net assets
British Pound	3,841	0.03	198,150	3.46
Hong Kong Dollar	-	-	62,209	1.09
Japanese Yen	724	0.01	57,069	1.00
Norwegian Krona	10,173	0.09	82,922	1.45
Swedish Krona	-	-	57,216	1.00
US Dollars	86,663	0.75	520,397	9.08
Polish Zloty	109,177	0.94	-	-
Swiss Franc	97	-	244,572	4.27
	<b>210,675</b>	<b>1.82</b>	<b>1,222,535</b>	<b>21.35</b>

## Credit Risk

Credit risk is the risk that an issuer or counter party will be unable or unwilling to meet a commitment that it has entered into with the Company. Financial assets, which potentially subject the Sub-Fund to credit risk, consist principally of debt securities, term deposits and cash.

The carrying amounts of each financial asset represents the maximum exposure to credit risk.

Financial assets at amortised cost are presented net of an allowance for doubtful debts, where applicable. Up to the end of the previous financial year, an allowance for doubtful debts is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. As further disclosed in the remaining notes to the financial statements, in terms of IFRS 9 the Company applies an ECL model as opposed to an incurred credit loss model under IAS 39.

The following table provides information regarding the Sub-Funds' aggregated credit risk exposure with external credit ratings. The credit rating analysis below takes into account the rating of the respective financial assets which as categorised by a reputable external rating agency.

#### APS Income Fund

	Aa	A	Baa	Ba	Not Rated	Fair Value 31.12.2021 €
<b>Debt securities classified as fair value through profit or loss</b>	-	26.30%	2.64%	6.50%	39.16%	62,557,826
	Aa	A	Baa	Ba	Not Rated	Fair Value 31.12.2020 €
Debt securities classified as fair value through profit or loss	-	27.29%	10.64%	3.67%	29.17%	62,948,755

#### APS Regular Income Ethical Fund

	Aaa	Aa	A	Baa	Ba	B	Not Rated	Fair Value 31.12.2021 €
<b>Debt securities classified as fair value through profit or loss</b>	15.91%	-	2.50%	19.23%	11.32%	2.60%	16.18%	27,182,753
	Aaa	Aa	A	Baa	Ba	B	Not Rated	Fair Value 31.12.2020 €
Debt securities classified as fair value through profit or loss	5.85%	2.44%	8.57%	30.13%	11.68%	0.74%	-	21,537,027

#### APS Diversified Bond Fund

	Aaa	Aa	A	Baa	Ba	B	Not Rated	Fair Value 31.12.2021 €
<b>Debt securities classified as fair value through profit or loss</b>	7.98%	-	9.07%	34.07%	18.13%	4.92%	23.62%	49,876,697
	Aaa	Aa	A	Baa	Ba	B	Not Rated	Fair Value 31.12.2020 €
Debt securities classified as fair value through profit or loss	2.96%	1.92%	7.44%	40.71%	21.77%	2.57%	4.18%	40,653,813

The carrying amounts disclosed above represent the exposure to credit risk with respect to debt securities. The percentages above are calculated as a percentage of the net assets.

All transactions in listed debt securities are settled for upon delivery through clearing houses. The risk of default is considered minimal, as delivery of securities sold is only made once the clearing house has received payment. Payment is made on a purchase once the securities have been received by the clearing house. The trade will fail if either party fails to meet its obligation.

The Company has policies that limit the amount of credit exposure to any single issuer. Accordingly, the Investment Manager monitors the Sub-Funds' credit position on a regular basis.

None of the Sub-Funds' financial assets were considered to be past due or impaired in both 2021 and 2020.

The table below details, by credit risk rating grades, the gross carrying amount of cash at bank.

# NOTES TO THE FINANCIAL STATEMENTS

## APS Income Fund

	2021 € Stage 1	2020 € Stage 1
Performing	2,772,559	2,965,592
<b>Gross / net carrying amount at 31 December</b>	<b>2,772,559</b>	<b>2,965,592</b>

## APS Regular Income Ethical Fund

	2021 € Stage 1	2020 € Stage 1
Performing	2,915,044	2,821,381
<b>Gross / net carrying amount at 31 December</b>	<b>2,915,044</b>	<b>2,821,381</b>

## APS Diversified Bond Fund

	2021 € Stage 1	2020 € Stage 1
Performing	755,739	4,061,068
<b>Gross / net carrying amount at 31 December</b>	<b>755,739</b>	<b>4,061,068</b>

## APS Global Equity Fund

	2021 € Stage 1	2020 € Stage 1
Performing	707,746	725,940
<b>Gross / net carrying amount at 31 December</b>	<b>707,746</b>	<b>725,940</b>

The table below details, by credit risk rating grades, the gross carrying amount of term deposits measured at amortised cost;

## APS Income Fund

	2021 € Stage 1	2020 € Stage 1
Performing	1,300,000	1,500,000
<b>Gross / net carrying amount at 31 December</b>	<b>1,300,000</b>	<b>1,500,000</b>

## Liquidity Risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering of cash or another financial assets.

The Sub-Funds are exposed to daily cash redemptions on their redeemable shares on a regular basis. Shares are redeemable at the holder's option based on the Sub-Funds NAV per share at the time of redemption, calculated in accordance with the Sub-Funds Offering memorandum. Sub-Funds manage its obligations to repurchase shares when required to do so and its overall liquidity risk by requiring a notice period before redemption.

The Company invests only in marketable securities, which under normal market conditions are readily convertible to cash. In addition, the Company's policy is to maintain sufficient cash and cash equivalents to meet normal operating requirements and expected redemption requests.

It is the Company's policy that the Investment Manager monitors Sub-Funds' liquidity position on a daily basis for APS Income Fund and on a weekly basis for APS Regular Income Ethical Fund, for the APS Diversified Bond Fund and for the APS Global Equity Fund. The Investment Manager may limit the total number of shares to be redeemed on any Dealing Day and may also temporarily suspend determination of the Sub-Fund's Net Asset Value together with the sale and repurchase of shares.

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During the period under the review, the liquidity position of the Sub-Funds was monitored as further disclosed in note 2 under the section Effects of COVID-19 on the year-end financial statements.

Investor Shares can be redeemed at the prevailing Redemption Price, by submission to the Company at the office of the Administrator of the relevant and properly completed Redemption Notice before the Redemption Notice Deadline.

In terms of the Memorandum and Articles, redemption requests and/or exchange requests are, once made, irrevocable. A Redemption Notice if accepted by the Company will be effective as at the applicable Redemption Day. Investor Shares shall be cancelled on the relevant Redemption Day and redemption requests will generally be settled within fourteen (14) Business Days from the relevant Redemption Day.

#### **Capital risk management**

The capital of the Funds is represented by the net assets attributable to holders of redeemable shares as disclosed in the Statement of Financial Position. The amount of net assets attributable to holders of redeemable shares can change significantly on a daily basis in the case of the APS Income Fund and on a weekly basis in the case of the APS Regular Income Ethical Fund, APS Diversified Bond Fund and APS Global Equity Fund, as the Funds are subject to subscriptions and redemptions at the discretion of the shareholders. The Funds' objective when managing capital is to safeguard the Funds' ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Funds.

### **15. COMPARATIVE FINANCIAL INFORMATION**

Comparative figures disclosed in the main components of these financial statements have been reclassified to conform with the current year's presentation for the purpose of fairer presentation.

### **16. EVENTS AFTER THE REPORTING PERIOD**

There were no events after the reporting event which affect the financial statements as at 31 December 2021.

As further disclosed in note 2, the impact of the current economic environment does not create a material uncertainty that casts doubt upon the company's ability to continue operating as a going concern for the foreseeable future.

Following recent developments, the Company is following closely the evolving conflict in Ukraine and the geopolitical and economic repercussions that this is causing on a global scale. While the Company's exposure in the region is immaterial, it is nonetheless increasing its monitoring and taking all necessary measures to ensure that any unforeseen risks, including those arising from the imposition of sanctions and similar restrictive actions, are adequately managed.

# PORTFOLIO STATEMENTS

	Market Value 31.12.2021 €	% of net assets
<b>APS INCOME FUND</b>		
<b>Quoted Foreign Bonds</b>		
3.37% Aroundtown Sa	515,940	0.58
2.87% At&T Inc	400,468	0.45
0.00% Banca Popolare Sondrio 2029	430,500	0.49
3.25% Bp Capital Markets P.l.c. 2049	528,750	0.60
3.75% Cpi Property Group Sa	398,931	0.45
2.87% Mrkgr Due 2079	431,228	0.49
5.13% Petroleos Mexicanos 2023	570,334	0.65
0.00% Repsol Intl Finance 2075	482,063	0.55
4.63% Rolls-Royce P.l.c. 2026	497,637	0.56
3.63% Sappi Papier Holding Gmbh 2028	404,328	0.46
5.65% Ses Sa	427,688	0.48
2.63% Spie Sa 2026	518,100	0.59
0.00% Volkswagen Intl Fin Nv	426,000	0.48
3.00% Zf Europe Finance Bv 2029	515,785	0.58
0.00% Ngg Finance P.l.c. 2073	452,297	0.51
5.00% Virgin Media Secured Fin 2027	428,899	0.49
4.88% Vodafone Group P.l.c. 2078	439,816	0.50
3.42% Ccci Treasury	312,796	0.35
5.75% Melco Resorts Finance 2028	434,180	0.49
<b>Foreign Government Bonds</b>		
3.00% Hungary Government Bond 2024	766,843	0.87
2.25% Poland Government Bond 2024	315,521	0.36
4.75% Russia 2026	768,442	0.87
<b>Quoted Local Corporate Bonds</b>		
4.00% Cablenet Communication Sys Unsecured Bonds 2030	1,066,000	1.21
3.25% Aps Bank P.l.c. Unsecured Subordinated Bonds	1,358,125	1.54
3.75% Ax Investments 2029	442,595	0.50
6.00% Ax Investments 2024	921,026	1.04
3.50% Bank Of Valletta P.l.c. 2030	2,494,143	2.82
3.50% Bank Of Valletta P.l.c. 2030	1,231,464	1.39
3.75% Bank Of Valletta P.l.c. 2031	900,450	1.02
4.25% Corinthia Finance 2026	86,613	0.10
4.00% Eden Finance 2027	1,924,322	2.18
3.50% Go P.l.c. - Jun 2031	982,826	1.11
5.00% Halmann Vella Group 2024	930,384	1.05
4.50% Hili Properties P.l.c. 2025	252,170	0.29
4.00% Ihi P.l.c. 2026	468,700	0.53
4.00% International Hotel Inve 2026	418,098	0.47
5.75% International Hotel Inve 2025	198,833	0.22
5.80% International Hotel Inve 2023	351,848	0.40
6.00% Island Hotels Grp Hldg 2024	1,125,243	1.27
4.50% Izola Bank P.l.c. 2025	1,206,748	1.36
5.30% Mariner Finance 2024	444,960	0.50
4.00% Medirect Bank Malta P.l.c. 2029	622,120	0.70
5.00% Mediterranean Bank P.l.c. 2027	1,039,168	1.18
5.00% Mediterranean Investment 2022	286,643	0.32
5.50% Mediterranean Investment 2023	250,000	0.28
4.50% Medserv P.l.c. 2026	533,709	0.60
6.00% Medserv P.l.c. 2023	327,286	0.37
4.00% Midi Malta P.l.c. 2026	191,426	0.22
3.65% Mizzi 2031	512,000	0.58
4.15% Phoenicia Fin Co P.l.c. 2028	1,363,700	1.54
3.90% Plaza Centres P.l.c. 2026	209,000	0.24
3.75% Premier Capital P.l.c. 2026	2,525,566	2.86
5.10% Ptl Holdings P.l.c. 2024	371,892	0.42
4.35% Sd Finance P.l.c.	2,237,438	2.53
3.50% Simonds Farsons Cisk 2027	644,805	0.73

	Market Value 31.12.2021 €	% of net assets
3.65% Stivala Gr Finance P.I.c. 2029	94,462	0.11
4.00% Stivala Gr Finance P.I.c. 2027	543,065	0.61
3.75% Tum Invest P.I.c. 2029	711,949	0.81
5.00% Tumas Investments 2024	222,310	0.25
3.75% Tumas Investments P.I.c. 2027	545,514	0.62
<b>Quoted Local Equities</b>		
Bank Of Valletta P.I.c.	741,027	0.84
Bmit Technologies P.I.c.	240,240	0.27
Go P.I.c.	1,881,150	2.13
Hill Properties P.I.c.	439,992	0.50
Hsbc Bank Malta P.I.c.	780,743	0.88
Malita Investments P.I.c.-B Shs	1,008,570	1.14
Malta Intl Airport-A Shares	4,934,172	5.58
Mapfre Middlesea P.I.c.	317,188	0.36
Medserv P.I.c.	650,000	0.74
Pg P.I.c.	2,031,120	2.30
Plaza Centres P.I.c.	619,552	0.70
Rs2 Software P.I.c.	2,266,788	2.56
Simonds Farsons Cisk	2,443,679	2.76
Tigne Mall P.I.c.	1,332,299	1.51
Trident Estates P.I.c.	424,446	0.48
<b>Quoted MGS Bonds (5 to 15 years)</b>		
1.00% Malta Government 2031	4,487,480	5.08
1.00% Malta Government 2035	989,000	1.12
2.30% Malta Government 2029	2,103,151	2.38
0.90% Malta Government 2031	1,527,300	1.73
1.50% Malta Government 2027	4,370,000	4.94
5.10% Malta Government 2029	533,852	0.60
2.10% Malta Government 2039	4,925,518	5.57
1.80% Malta Government 2051	519,500	0.59
2.40% Malta Government 2041	328,080	0.37
3.00% Malta Government 2040	113,770	0.13
1.20% Malta Government 2037	2,056,600	2.33
2.50% Malta Government 2036	100,428	0.11
<b>Term Deposits</b>		
Aps Bank P.I.c.	1,300,000	0.57
<b>Quoted Foreign Equities</b>		
Enel SPA	305,796	0.35
Industria De Diseno Textil	413,685	0.47
Total Se T	461,474	0.52
<b>APS REGULAR INCOME ETHICAL FUND</b>		
<b>Foreign Collective Investment Schemes</b>		
Etica Azionario-I	15,770	0.04
<b>Foreign Government Bonds</b>		
1.50% Australian Government 2031	1,573,303	3.63
1.25% Canadian Government 2030	552,182	1.28
2.75% Romani 2026	354,542	0.82
2.25% Poland Government Bond 2024	841,389	1.94
2.50% Us Treasury N/B 2045	679,794	1.57
2.75% Us Treasury N/B 2047	482,781	1.11
1.63% Us Treasury N/B 2026	908,302	2.10



# PORTFOLIO STATEMENTS

	Market Value 31.12.2021 €	% of net assets
<b>Foreign Government Bonds</b>		
2.38% Us Treasury N/B 2051	2,097,985	4.84
50.00% Bundesrepub. Deutschland 2050	428,616	0.99
1.25% Buoni Poliennali Del Tes 2026	1,717,213	3.97
2.75% Croatia 2030	679,812	1.57
0.10% Japan (10 Year Issue) Jun 31 0.1%	421,926	0.97
1.63% Us Treasury N/B Nov 50 1.625%	1,234,322	2.85
<b>Quoted Foreign Bonds</b>		
4.37% Accor Sa	202,386	0.47
0.00% Ageas 2051	298,875	0.69
0.00% Allianz Se 2047	333,591	0.77
3.37% Arountown Sa	309,564	0.71
0.00% Asr Nederland Nv 2049	349,800	0.81
0.00% At&T Inc	300,351	0.69
0.00% Banca Popolare Sondrio 2029	322,875	0.75
2.50% Banco Santander Sa 2025	318,810	0.74
2.00% Barclays P.l.c. 2028	203,482	0.47
10.13% Carnival Corp 10.2026	350,223	0.81
1.75% Cellnex Telecom Sa 2030	288,165	0.67
2.50% Citycon Treasury Bv 2024	368,158	0.85
5.38% Elec De France Edf 2049	328,875	0.76
1.88% Enbw 2080	204,250	0.47
0.00% Enel Spa 2021	243,750	0.56
0.00% Eni Spa 2020	331,200	0.76
3.75% Faurecia Jun 28 3.75%	260,873	0.60
0.00% Ferrovial NI Bv	298,926	0.69
1.00% Goldman Sachs Group Inc 2033	289,829	0.67
2.25% Grifols Sa 2027	299,364	0.69
1.83% Iberdrola Intl Bv 2099	297,375	0.69
1.00% Imerys Sa 2031	292,608	0.68
3.63% Infineon Technologies Ag 2049	326,625	0.75
1.25% Informa P.l.c. 2028	350,735	0.81
1.50% Intl Consolidated Airlin 2027	354,944	0.82
0.00% Lanxess Ag 2077	325,113	0.75
0.00% Mapfre Sa 2047	340,314	0.79
2.88% Merck Kgaa 2079	431,228	1.00
0.75% Mondelez International2033	288,327	0.67
2.65% Nissan Motor Co Euro 2026	195,064	0.45
0.00% Nn Group Nv 2048	280,200	0.65
2.50% Omv Ag 2099	207,250	0.48
1.75% Orsted A/S 2019	296,163	0.68
1.38% Raiffeisen Bank Intl 2033	297,375	0.69
1.63% Rci Banque Sa 2025	144,589	0.33
4.25% Repsol Intl Finance 2049	162,000	0.37
0.00% Repsol Intl Finance 2075	289,238	0.67
3.63% Sappi Papier Holding Gmbh 2028	363,895	0.84
3.38% Schaeffler Ag 2028	333,858	0.77
4.25% Solvay Sa	210,000	0.48
0.00% Sse P.l.c. 2020	406,125	0.94
2.50% Stora Enso Oyj 2028	366,841	0.85
1.88% Storebrand Livsforsikrin 2051	193,250	0.45
2.50% Thyssenkrupp Ag 2025	337,275	0.78
1.63% Total Se 2099	247,500	0.57
2.13% Unibail Rodamco Se	296,085	0.68
0.00% Unipolsai Assicurazioni Spa	233,813	0.54
5.62% Ngg Finance P.l.c. 2073	355,376	0.82
4.88% Vodafone Group P.l.c. 2078	251,324	0.58
4.75% Kfc Hld/Pizza Hut/Taco 2027	182,686	0.42
2.38% Sk Hynix Inc 2031	381,401	0.88
4.13% Verizon Communications 2027	268,662	0.62

	<b>Market Value 31.12.2021 €</b>	<b>% of net assets</b>
<b>Quoted Foreign Equities</b>		
Abb Ltd	370,503	0.86
Adidas Ag	259,530	0.60
Allianz Ag Holding	191,038	0.44
Asml Holding Nv	226,144	0.52
Axa Eur	445,145	1.03
Banco Bilbao Vizcaya Argenta	294,000	0.68
Bayerische Motoren Werke Ag	495,544	1.14
Covestro Ag	184,280	0.43
Daimler Ag	270,360	0.62
Danone	253,844	0.59
Deutsche Post Ag	367,510	0.85
Endesa Sa	202,000	0.47
Enel Spa	218,426	0.50
Euronext	355,875	0.82
Industria De Diseno Textil	194,004	0.45
Ing Groep N.V.	418,689	0.97
Intesa Sanpaolo	354,168	0.82
Kbc Groep Nv (Bb)	377,300	0.87
Sam: Sanofi Sa	354,320	0.82
Sap Se	412,170	0.95
Schaeffler Ag	262,440	0.61
Telefonica Sa	260,010	0.60
Total Se T	645,260	1.49
Barratt Developments P.L.c.	267,269	0.62
Glaxosmithkline P.L.c.	310,163	0.72
Taylor Wimpey P.L.c.	229,930	0.53
Nissan Motor Co Ltd Cmn	169,769	0.39
Yara International Asa	288,437	0.67
Boliden Ab-Aps	339,937	0.78
Abbvie Inc	324,927	0.75
Bristol-Myers Squibb Co	292,122	0.67
Cisco Systems Inc	278,623	0.64
Citi Group Inc	164,623	0.38
Delta Air Lines Inc	178,698	0.41
Manpowergroup Inc	179,734	0.42
Microsoft Corp	975,955	2.25
Nextera Energy Inc	246,289	0.57
Samsung Electr-Gdr	172,556	0.40
Sk Telecom Co Ltd-Spon Adr	192,286	0.44
Sony Group Corp - Sp Adr	255,645	0.59
Southwest Airlines Co	188,357	0.43
The Walt Disney Co	354,128	0.82
Viatis Inc	142,772	0.33

#### **Derivatives - Forward Forex Contracts**

	<b>Notional Amount</b>	<b>Fair value</b>	<b>% of net assets</b>
Sale Of Euro Against Australian Dollar Maturing On 23 February 2022	1,501,037	(3,363)	(0.01)
Sale Of Euro Against Swedish Krona Maturing On 23 February 2022	194,124	6,022	0.01
Sale Of Euro Against United States Dollar Maturing On 23 February 2022	3,417,044	(34,730)	(0.08)

#### **APS DIVERSIFIED BOND FUND**

##### **Exchange Traded Funds**

Ishares Jpm Em Lcl Gov Bndeur	753,390	1.44
Ishares Jpm Usd Em Bnd Eur-H	496,853	0.95

##### **Foreign Government Bonds**

1.50% Australian Government 2031	2,454,354	4.70
1.25% Buoni Poliennali Del Tes 2026	1,186,438	2.27
2.75% Croatia 2030	906,416	1.73

# PORTFOLIO STATEMENTS

	Market Value 31.12.2021 €	% of net assets
3.38% Republic Of Indonesia 2025	400,740	0.77
0.70% Republic Of Philippines 2029	493,700	0.94
4.38% Republic Of Turkey 2027	1,212,848	2.32
2.75% Romani 2026	483,467	0.93
2.88% Russian Federation 2025	429,008	0.82
3.00% Hungary Government Bond 2024	687,514	1.32
0.10% Japan 2031	1,035,636	1.98
7.75% Mex Bonos Desarr Fix Rt.	1,468,166	2.81
1.38% Norwegian Government 2030	923,240	1.77
2.25% Poland Government Bond 2024	1,043,323	2.00
7.60% Egypt 2029	391,756	0.75
1.50% Us Treasury N/B 2030	619,490	1.19
2.38% Us Treasury N/B 2051	1,951,614	3.74
1.63% Us Treasury N/B 2050	576,017	1.10
<b>Quoted Foreign Bonds</b>		
2.03% 2.031% Prosus Nv Sr 2032	445,919	0.85
4.37% Accor Sa	303,579	0.58
2.88% Altareit Sca 2025	318,558	0.61
2.20% Altria Group Inc 2027	425,760	0.81
2.75% Anheuser-Busch Inbev Sa/ 2036	413,354	0.79
2.00% Ardagh Metal Packaging 2028	247,098	0.47
0.00% Aroundtown Sa	412,752	0.79
2.87% At&T Inc	300,351	0.57
0.00% Banca Popolare Sondrio 2029	215,250	0.41
0.00% Banco Bilbao Vizcaya Arg 2030	499,225	0.96
3.13% Bat Intl Finance P.l.c. 2029	443,092	0.85
0.00% Bertelsmann Se & Co Kgaa 2075	319,785	0.61
2.25% Bnp Paribas 2027	107,231	0.21
3.25% Bp Capital Markets P.l.c. 2049	423,000	0.81
10.13% Carnival Corp 2026	225,950	0.43
1.75% Cellnex Telecom Sa 2030	288,165	0.55
3.13% Contourglobal Power Hldg 2028	245,282	0.47
0.00% Cooperatieve Rabobank Ua 2027	440,000	0.84
3.75% Cpi Property Group Sa	305,065	0.58
5.38% Elec De France Edf 2049	438,500	0.84
1.88% Enbw Jun 2080	510,625	0.98
0.00% Enel Spa 2021	487,500	0.93
0.00% Eni Spa 2020	414,000	0.79
0.00% Eurofins Scientific Se	252,215	0.48
3.75% Faurecia 2028	260,873	0.50
0.00% Ferrovial Nl Bv	249,105	0.48
3.13% Gazprom (Gaz Capital Sa) 2023	208,048	0.40
1.50% Grand City Properties Sa 2099	290,763	0.56
2.25% Grifols Sa 2027	299,364	0.57
0.00% Hsbc Holdings P.l.c. 2022	360,146	0.69
1.83% Iberdrola Intl Bv 2099	396,500	0.76
2.13% Imperial Brands Fin P.l.c. 2027	419,608	0.80
3.63% Infineon Technologies Ag 2049	326,625	0.63
1.25% Informa P.l.c. 1.250% 2028	450,945	0.86
3.75% Intesa Sanpaolo Spa 2049	295,875	0.57
1.13% Jde Peet'S Nv 2033	388,364	0.74
0.00% Lanxess Ag 2077	419,500	0.80
0.00% Mapfre Sa 2047	453,752	0.87
4.00% Matterhorn Telecom Sa 2027	254,898	0.49
2.88% Merck Kgaa 2079	431,228	0.83
0.75% Mondelez International 2033	384,436	0.74
2.65% Nissan Motor Co 2026	482,301	0.92
0.00% Nn Group Nv 2048	350,250	0.67
5.63% North Macedonia 2023	463,310	0.89

	Market Value 31.12.2021 €	% of net assets
2.75% Ntpc Ltd 2027	472,833	0.90
2.50% Omv Ag 2099	518,125	0.99
1.75% Orsted A/S - 2019	306,375	0.59
1.88% Perusahaan Listrik Negar 2031	382,824	0.73
5.13% Petroleos Mexicanos 2023	259,243	0.50
1.45% Philip Morris Intl Inc 2039	462,180	0.88
4.25% Playtech Pl.c. 2026	255,413	0.49
0.00% Repsol Intl Finance 2075	391,006	0.75
4.63% Rolls-Royce Pl.c. 2026	276,465	0.53
2.20% Russian Rail 2027	413,264	0.79
3.63% Sappi Papier Holding Gmbh 2028	252,705	0.48
3.38% Schaeffler Ag Oct 2028	333,858	0.64
5.62% Ses Sa	267,305	0.51
4.25% Solvay Sa	210,000	0.40
2.63% Spie Sa 2026	310,860	0.59
0.00% Sse Pl.c. 2020	320,625	0.61
2.25% Styrolution 2027	243,230	0.47
2.50% Thyssenkrupp Ag 2025	259,443	0.50
1.63% Total Se 2099	495,000	0.95
2.13% Unibail Rodamco Se	394,780	0.76
5.38% Unicredit Spa 2025	371,000	0.71
0.00% Unipolsai Assicurazioni Spa	271,875	0.52
0.00% Vattenfall Ab Tv	479,250	0.92
3.50% Volkswagen Intl Fin Nv	426,000	0.82
3.00% Zf Europe Finance Bv 2029	309,471	0.59
0.30% Cybg Pl.c. Floating Perp	308,842	0.59
5.62% Ngg Finance Pl.c. 2073	355,376	0.68
0.00% Phoenix Grp Hld Pl.c.	544,750	1.04
5.00% Virgin Media Secured Fin 2027	245,085	0.47
4.88% Vodafone Group Pl.c. 2078	251,324	0.48
3.25% Adnic_ Indian Rai 2021	445,879	0.85
0.00% Ccci Treasure	446,852	0.86
3.75% Cdel 2031	467,156	0.89
0.00% Clp Power	450,699	0.86
1.35% Cnpc Global Capital 2025	477,028	0.91
4.75% Kfc Hld/Pizza Hut/Taco 2027	228,357	0.44
5.75% Melco Resorts Finance 28	260,508	0.50
4.00% Oil India International Ltd 2027	277,009	0.53
5.13% Service Corp Intl 2029	236,876	0.45
2.30% Sinopec Grp Dev 2031	433,792	0.83
2.38% Sk Hynix Inc 2031	254,267	0.49
4.75% Softbank Group Corp 2024	225,059	0.43
5.25% Stellantis 2023	230,281	0.44
6.50% Studio City Finance Ltd 2028	253,913	0.49
4.13% Verizon Communications 2027	390,781	0.75
5.50% Ziggo Bv 2027	167,649	0.32
<b>Quoted Local Corporate Bonds</b>		
4.00% 4% Cablenet Communication Sys Unsecured Bonds 2030	235,750	0.45
3.50% Bank Of Valletta Pl.c. 2030	310,500	0.59
3.50% Go Pl.c. 2031	100,940	0.19
4.00% IHI Pl.c. 2026	241,600	0.46
4.00% Medirect Bank Malta Pl.c. 2029	106,090	0.20
4.50% Medserv Pl.c. 2026	99,000	0.19
6.00% Medserv Pl.c. 2023	203,980	0.39
4.15% Phoenicia Fin Co Pl.c. 2028	278,700	0.53
4.35% Sd Finance Pl.c.	252,225	0.48
3.75% Tum Invest Pl.c. 2029	101,000	0.19

# PORTFOLIO STATEMENTS

	Market Value 31.12.2021 €	% of net assets	
<b>Quoted Malta Government Bonds</b>			
4.50% Malta Government 2028	380,424	0.73	
<b>Derivatives - Forward Forex Contracts</b>			
	<b>Notional Amount</b>	<b>Fair value</b>	<b>% of net assets</b>
Sale Of Euro Against Australian Dollar Maturing On 23 February 2022	2,446,370	(5,325)	(0.01)
Sale Of Euro Against United States Dollar Maturing On 28 February 2022	522,914	(12,417)	(0.02)
Sale Of Euro Against United States Dollar Maturing On 23 February 2022	6,113,786	(121,535)	(0.23)
Sale Of Euro Against United States Dollar Maturing On 23 February 2022	430,425	2,935	0.01
Purchase Of Sterling Against Euro Maturing Maturing On 26 February 2022 (class GBP G)	1,375,712	6,056	0.01
<b>APS GLOBAL EQUITY FUND</b>			
<b>Quoted Foreign Equities</b>			
Abb Ltd	116,203	1.00	
Dr Roche Holding Ltd (Rog)	86,711	0.75	
Dufn Sw	138,566	1.20	
Nestle Sa-Reg	125,083	1.08	
Airbus Group Se (Fp)	106,630	0.92	
Asml Holding Nv	190,102	1.64	
Axa Eur	144,882	1.25	
Banco Bilbao Vizcaya Argenta	63,761	0.55	
Bayerische Motoren Werke Ag	119,462	1.03	
Covestro Ag	126,828	1.09	
Danone	101,210	0.87	
Deutsche Post Ag	144,460	1.25	
Enel Spa	107,649	0.93	
Euronext	266,359	2.30	
Industria De Diseno Textil	117,715	1.02	
Ing Groep N.V.	229,207	1.98	
Intesa Sanpaolo	96,020	0.83	
Sam: Sanofi Sa	107,625	0.93	
Sap Se Equity	106,665	0.92	
Siemens Ag	109,166	0.94	
Spie Sa - W/I	156,768	1.35	
Telefonica Sa	182,011	1.57	
Total Se T	181,599	1.57	
Traton Se	59,778	0.52	
Unilever Nv-Aps	123,943	1.07	
Bae Systems P.I.c.	129,703	1.12	
Barratt Developments P.I.c.	94,417	0.81	
British American Tobacco P.I.c.	87,709	0.76	
Glaxosmithkline P.I.c.	162,382	1.40	
Intl Consolidated Airline-Di	98,527	0.85	
Lloyds Banking Group P.I.c.	128,465	1.11	
Phoenix Group Holdings P.I.c.	137,501	1.19	
Rolls-Royce Holding P.I.c.	171,206	1.48	
Taylor Wimpey P.I.c.	92,564	0.80	
Tencent Holdings Ltd	36,066	0.31	
Nissan Motor Co Ltd Cmn	32,681	0.28	
Sony Corp	77,374	0.67	
Thk Co Ltd	95,289	0.82	
Yara International Asa	104,326	0.90	
Boliden Ab-Aps	136,587	1.18	
Aapl Us Equity	364,759	3.15	
Abbott Laboratories	115,097	0.99	
Air Products &	135,114	1.17	
Alibaba Group Holding Ltd_	106,756	0.92	
Alphabet Inc - Class A	313,345	2.70	
Amazon.Com Inc	222,837	1.92	
American Tower Corp	158,699	1.37	
At&T Inc	79,606	0.69	

	<b>Market Value 31.12.2021 €</b>	<b>% of net assets</b>
Booking Holdings Inc (Us)	80,171	0.69
Bristol-Myers Squibb Co	132,628	1.14
Broadcom Inc	301,927	2.61
Cisco Systems Inc	154,246	1.33
Citi Group Inc	168,340	1.45
Coca-Cola Co/The	95,646	0.83
Delta Air Lines Inc	119,969	1.04
Digital Realty Trust Inc	161,908	1.40
Exxon Mobil Corp	274,957	2.37
Fedex Corp	207,649	1.79
General Electric Co	102,179	0.88
Goldman Sachs Group	226,058	1.95
Hilton Worldwide Holdings In	148,007	1.28
Innovative Industrial Properties	112,590	0.97
Johnson & Johnson	93,718	0.81
Manpowergroup Inc	95,687	0.83
Microsoft Corp	347,203	3.00
Newmont Corp	126,745	1.09
Nextera Energy Inc	160,909	1.39
Nvidia Corp	195,004	1.68
Pulmonx Corp	63,762	0.55
Samsung Electr-Gdr	139,205	1.20
Sk Telecom Co Ltd-Spon Adr	110,695	0.96
Sony Corp-Sponsored Adr	31,122	0.27
Southwest Airlines Co	138,932	1.20
Taiwan Semi Adr	159,221	1.37
The Walt Disney Co	103,514	0.89
Viatis Inc	124,045	1.07
Visa Inc	154,357	1.33
Walmart Inc	105,858	0.91
Wynn Resorts Ltd	87,717	0.76

**Derivatives - Forward Forex Contracts**

	<b>Notional Amount</b>	<b>Fair value</b>	<b>% of net assets</b>
Sale Of United States Dollar Against Euro Maturing On 23 February 2022	295,000	(5,633)	(0.05)
Sale Of United States Dollar Against Euro Maturing On 23 February 2022	70,000	(140)	-
Sale Of United States Dollar Against Euro Maturing On 23 February 2022	440,000	(10,145)	(0.09)
Sale Of United States Dollar Against Euro Maturing On 23 February 2022	210,000	(216)	-
Sale Of United States Dollar Against Euro Maturing On 23 February 2022	840,000	2,491	0.02
Sale Of United States Dollar Against Euro Maturing On 23 February 2022	5,580,000	(48,552)	(0.42)
Sale Of United States Dollar Against Euro Maturing On 23 February 2022	140,000	(2,600)	(0.02)

# STATEMENT OF CHANGES IN THE COMPOSITION OF THE PORTFOLIO

The composition of the portfolio, detailed in the Portfolio Statement on pages 56 to 63, in comparison with the Portfolio Statement as at 31 December 2021 stood as follows:

	% of net assets 31.12.2021	% of net assets 31.12.2020
<b>APS Income Fund</b>		
Quoted Local Equities	22.75	22.50
Quoted Local Corporate Bonds	34.50	33.10
Foreign Government Bonds	2.11	2.92
Quoted Malta Government Bonds	25.04	25.83
Term deposit	1.47	2.87
Quoted Foreign Bonds	9.94	8.99
Quoted Foreign Equities	1.34	-
<b>APS Regular Income Ethical Fund</b>		
Quoted Foreign Equities	29.94	24.24
Quoted Foreign Bonds	35.66	38.52
Quoted Malta Government Bonds	-	1.38
Foreign Government Bonds	27.77	19.51
Foreign Collective Investment Schemes	0.04	0.03
Exchange Traded Funds	-	8.14
Forwards	(0.07)	-
<b>APS Diversified Bond Fund</b>		
Quoted Local Corporate Bonds	3.74	3.83
Quoted Foreign Bonds	60.81	56.08
Quoted Malta Government Bonds	0.73	1.28
Foreign Government Bonds	31.35	20.35
Exchange Traded Funds	2.39	9.22
Forwards	(0.24)	0.24
<b>APS Global Equity Fund</b>		
Quoted Foreign Equities	94.16	86.18
Forwards	(0.56)	1.36



# INFORMATION ABOUT THE SCHEME

## 1. AUTHORISATION

The Company is authorised by the Malta Financial Services Authority as a Collective Investment Scheme pursuant to Section 6 of the Investment Services Act, [Cap. 370 of the Laws of Malta].

## 2. INCOME

In the case of the distributor class of shares, the Company operates an equalisation account to ensure that the amount distributed in respect of each share will be the same for all shares notwithstanding different dates of issue of those shares. In the case of the accumulator class of shares, all income is accumulated within the price of the shares, and therefore, no equalisation is required.

## 3. UP-FRONT CHARGE AND OTHER FEES

### **APS Income Fund Initial Charge**

An initial charge of up to 1.5% on the amount invested.

### **APS Regular Income Ethical Fund Initial Charge**

An initial charge of up to 2.0% of the amount invested in Class A - Accumulator/Class B - Distributor shares.

An initial charge of up to 3.5% of the amount invested in Class C - Accumulator/Class D - Distributor shares.

### **APS Diversified Bond Fund Initial Charge**

An initial charge of up to 2.0% of the amount invested in Class A - Accumulator/Class B - Distributor shares.

An initial charge of up to 3.5% of the amount invested in Class C - Accumulator/Class D - Distributor /Class G - Distributor shares.

### **APS Global Equity Fund Initial Charge**

An initial charge of up to 3.5% on the amount invested.

Details on the Management, Custody and Administration fees can be found under note 9 on page 48.

## 4. RISK WARNINGS

### **Market Fluctuations**

Investment in the Sub-Funds should be regarded as a long-term investment. The Sub-Funds' investments are subject to normal market fluctuations and to the risks inherent in all investments. There are no assurances that capital appreciation will occur.

The price of shares and the income derived from them (if any) can, from time to time, go down

as well as up and investors may not realise the amount of their initial investment.

Past performance is no guarantee of future performance.

The value of the Sub-Funds, including the currency in which they are determined, may fall as well as rise.

### **Erosion of Capital**

Redemptions from any of the Sub-Funds are serviced from the respective Sub-Funds' assets. There may be instances where the servicing of redemptions may require the liquidation of securities owned by the Sub-Funds. Such forced liquidations may result in an erosion of capital.

In addition, deduction of the initial charge (where applicable) means that if an investor withdraws from the investment in the short-term he/she may not get back the amount invested. Hence, investment in the Sub-Funds should be regarded as a long-term investment.

### **Currency Fluctuations**

Currency fluctuations between the base currency of the Fund, and

- (i) the investor's currency of reference, and,
- (ii) the currency of the underlying investments of the Sub-Funds, may adversely affect the value of investments and the income (if any) derived therefrom.

### **Investment on the Malta Stock Exchange**

By virtue of its investment policy, the APS Income Fund invests in equity and debt securities listed on the Malta Stock Exchange. Since this exchange is considered as relatively new, it offers limited investments. This may lead to an exposure to a particular security or industry sector which is higher than that normally associated with a diversified portfolio and therefore may expose the Sub-Funds to higher levels of volatility and possibly, having an adverse impact on its performance.

Some Maltese companies that are listed on the Malta Stock Exchange may impose, through their constitutional documents, a limit on the equity holding that any one particular investor may, directly or indirectly hold in such companies. Hence, the investor should be aware that the Sub-Funds might be restricted in implementing its investment policy due to such impositions.

Despite the fact that such securities are listed, the market may be illiquid. The trading volumes on emerging stock exchanges such as the Malta Stock Exchange are considerably lower than other principal stock markets. Therefore, buying and selling of securities may be time consuming and may need to be transacted at unfavourable prices due to this illiquidity element. Although it is not anticipated that this should create

any complications in valuing the Sub-Funds' investments, lower secondary market liquidity may have a negative effect on the market price of such securities and the Sub-Fund's ability to sell particular securities to meet its liquidity requirements.

### **Exposure to a Single Market**

The APS Income Fund invests its assets predominately in the Maltese market and thus the degree of market diversification is limited to such market. Therefore, the performance of the Sub-Funds is closely linked to the performance of the Maltese market.

### **Investments in Small Companies**

The Sub-Funds may invest in securities issued by small companies, which can involve greater risk than is customarily associated with investment in larger, more established companies. In particular, smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a small number of key individuals. This may result in such investments having a higher degree of price volatility.

### **Investments in Unlisted Companies**

The Sub-Funds may invest in unlisted companies. Investing in unlisted companies (particularly start-ups and early stage businesses) is a high reward / high risk investment strategy. It should be noted that unlisted companies are generally not regulated by investor protection norms and disclosures that typically apply to listed companies. Furthermore, as the securities are not traded on the open market, unlisted investments are generally highly illiquid. Sub-Funds investing in such securities may only be able to sell their shares when the investee company achieves a successful exit via a sale or flotation, which could occur many years after making the initial investment.

### **Different Class Denominations**

The Sub-Funds' reference currency, being the base currency used for performance measurement and accounting purposes as well as the currency in which most investments are maintained in, is the euro. In this regard, shareholders investing in share classes of the Sub-Funds that are denominated in currencies other than the euro should be aware that currency fluctuations between the euro and base currency of the respective share class may adversely affect the value of their investment. This risk may also be present where a currency hedging strategy has been implemented.

### **Hedging Strategy at Share Class Level**

The currency risk arising from the exchange rate movements between the reference currency of the APS Diversified Bond Fund and the base currency of the same Sub-Funds' Class G Distributor Shares is intended to be minimized via a hedging strategy at the share class level.

# INFORMATION ABOUT THE SCHEME

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Notwithstanding the successful execution of the hedging strategy, there may be instances when the currency exposure will not be fully hedged and as a result there may be a mismatch between the net asset value per share in the base currency of the Sub-Funds and the net asset value per share of the Sub-Funds' Class G Distributor Shares. Any material passive over-or-under-hedging position that may arise is generally rectified, with any costs incurred being charged to the net asset value of the Sub-Fund's Class G Distributor Shares.

## **5. SCHEME PARTICULARS**

The above details are principally extracted from the APS Funds SICAV p.l.c. Prospectus, the APS Global Equity Fund Supplement, the APS Income Fund Supplement, the APS Regular Income Ethical Fund Supplement and the APS Diversified Bond Fund Supplement, all dated 21 January 2022. The said documents are available upon request from the Investment Manager, and were current at the date of publishing of this Annual Report and Financial Statements. Persons wishing to invest in the APS Income Fund, APS Regular Income Ethical Fund, the APS Diversified Bond Fund, and/ or the APS Global Equity Fund should do so on the basis of the full information contained in the Prospectus and relative Supplement.

## **6. MANAGER'S STATEMENT**

In the opinion of the Manager, this Annual Report and Financial Statements contains all the information necessary to enable the investors to make an informed judgment of the results and activities of the Company for the year ended 31 December 2021 and does not omit any matter or development of significance.