

**APS Funds SICAV p.l.c.**

**Interim Report  
and  
Unaudited Financial Statements**  
for the period ended  
30 June 2023

APS Centre,  
Tower Street,  
Birkirkara BKR 4012 - Malta

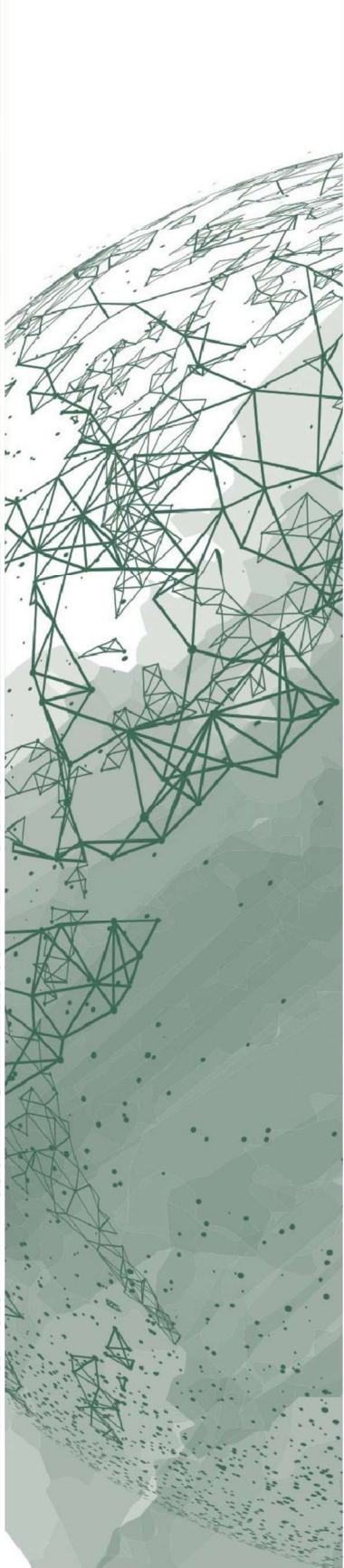
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## MANAGEMENT AND ADMINISTRATION

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**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  
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*Recognised to provide Fund Administration services by the Malta Financial Services Authority*

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## DESCRIPTION

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 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. The Authority had approved the appointment of a new Compliance Officer on 4 October 2022 which nominated person is engaged by APS Bank p.l.c. and seconded to the Company. The Company reimburses APS Bank p.l.c. for this service.

# INVESTMENT MANAGER'S REPORT

## The International Economy and Financial Market

After facing a challenging 2022, global markets witnessed a more favorable trend in the first half of 2023, bringing benefits to investment portfolios. Developed market equities performed strongly, delivering mid-double digit returns. Notably, growth stocks, which experienced sharp declines in 2022, made a strong comeback by rallying 26%, as indicated by the MSCI World Growth Index. In contrast, the MSCI World Value Index lagged, posting a more modest 2.4% increase.

While the first half of 2023 saw positive developments, it also presented its fair share of challenges. Several events weighed on market sentiment during this period. The bankruptcy of multiple U.S. regional banks and one of Europe's largest investment banks, Credit Suisse, raised concerns about financial stability. Additionally, geopolitical uncertainty added to investors' anxiety, with central banks signaling their commitment to tackling inflation, further contributing to market volatility.

Among major equity markets, Japan emerged as the top performer, achieving a 21% increase in the first half of the year, as indicated by the TOPIX Index. The Japanese yen's weakness against major trading partners, attributed to the Bank of Japan's yield curve control policy, provided support to Japanese stocks, especially those with substantial profits earned abroad. However, this currency effect may have moderated gains for unhedged foreign investors.

The U.S. stock market followed closely behind, with the S&P 500 Index returning 15.9% in the first half. The NASDAQ-Composite Index achieved an exceptional 31.7% increase in the first six months of 2023, its best performance since inception in 1985. Large capitalisation and growth stocks significantly outperformed smaller ones and those referred to as value stocks. However, the overall performance was not broad-based, with only six of the eleven sectors in the U.S. finishing higher in the first half. Technology (+42%), Communications (+36%), and Consumer Discretionary (+32%) sectors led the way. Interestingly, markets experienced a clear rotation into cyclical shares during the month of June, which may reflect improving sentiment towards economic activity.

Volatility measures for key stock gauges in Europe and the U.S. closed the period under review at near record lows. As shown in Figure 1, the VIX Index fell to levels as low as 12.9 points in June, highlighting the reduced market volatility during the review period.

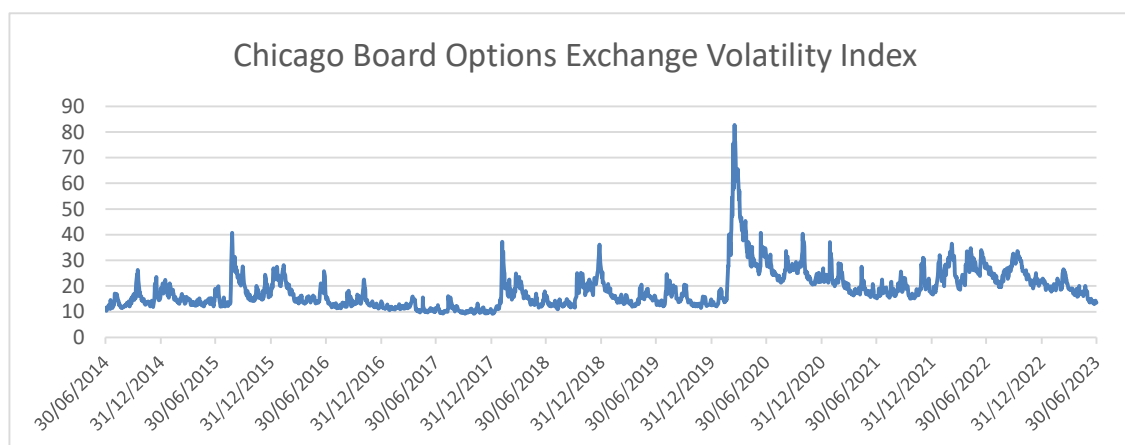


Figure 1 Source: Bloomberg

European stocks displayed steady growth, rising 16% in the first six months of 2023. Despite lower returns compared to the U.S. market, it is noteworthy that eight out of eleven sectors in Europe finished higher in the first half of the year, led by Technology (+26%), Consumer Discretionary (+22%) and Industrials (+15%), indicating a broader-based rally in European markets when compared to their U.S. counterparts.

Emerging Markets (EM) faced headwinds, mainly attributed to diminishing optimism surrounding China's economic reopening momentum. Structural imbalances in the country such as excess capacity and leverage in the large property sector, significantly restrained the performance of EM stocks.

After a robust performance in 2022, commodity markets faced headwinds in the form of weak Chinese economic activity and subdued global manufacturing, resulting in negative returns for this asset class. Notably, the Bloomberg Commodity Index experienced a significant decline of 10% during the review period. However, amidst the downturn, gold stood as a notable exception, appreciating by 5.23% when valued in U.S. dollars.

## INVESTMENT MANAGER'S REPORT (CONTINUED)

Table 1 depicts the performance of equity markets. It shows that the FTSE 100, despite being one of the strongest markets in the previous year, underperformed. This can be mainly attributed to the uncertainty surrounding the UK economy, coupled with the index's relatively high allocation to the commodity sector.

Index	31/12/2022	30/06/2023	Price Change
Dow Jones Industrial Average	33,147.25	34,407.60	3.80%
S&P 500 Index	3,839.50	4,450.38	15.91%
NASDAQ Composite	10,466.48	13,787.92	31.73%
EURO STOXX 50 Index	3,793.62	4,399.09	15.96%
FTSE 100 Index	7,451.74	7,531.53	1.07%
MSCI World Growth Index	3,391.39	4,289.88	26.49%
MSCI World Value Index	3,102.60	3,178.70	2.45%
MSCI World SRI Net Return Index	3,711.79	4,333.47	16.75%
MSCI World Net Total Return Index	383.13	431.34	12.58%

**Table 1** Source: Bloomberg

The strong performance of financial markets in the first half was underpinned by several factors. Notably, the anticipated rise in unemployment in developed countries did not materialise as expected, while optimism persisted regarding a potential moderation in U.S. inflation. Additionally, the positive sentiment surrounding artificial intelligence drove gains in some of the world's largest companies.

On the economic front, U.S. inflation declined from its peak of 9% to 4%, primarily influenced by favourable base effects from fuel and food prices. Core inflation, that is the wider basket excluding the effects of price changes in food and energy, remained relatively stable, though the moderation in shelter inflation, reflecting the slowdown in house price and rent growth, was expected to impact the rate of core inflation positively. Despite this, the Atlanta Fed's median wage growth tracker continued to indicate strong wage growth, remaining at 6%.

While retail sales growth remained positive, concerns arose over declining business investment intentions and weak corporate loan demand, posing risks to the economy's future trajectory. Most notably, risks to small bank lending, linked to potential losses on commercial real estate loans, were closely monitored by investors.

The U.K. witnessed substantial wage growth, with a remarkable 7% year-on-year increase in wages. This prompted swift action from the Bank of England, which responded by raising its policy interest rates to 5%. While the immediate effects of these higher rates were not yet evident for numerous households benefiting from fixed-rate mortgage agreements, it was anticipated that around 2.4 million additional households would encounter the end of their favourable fixed-rate deals within the upcoming 18 months.

Global bonds, which struggled in 2022 had a mixed first half. Global government bonds registered only a modest uptick of only 2%, while U.K. government bonds experienced a decline of 4%. On the corporate bonds side, both global investment-grade and global high-yield markets registered positive performance, with the latter emerging as the better performer, delivering a 5% return. Table 2 shows the yield changes of ten-year bonds issued by selected developed countries' governments.

Generic 10-Year Yields as at the end of			
Country	31/12/2022	30/06/2023	Change
Germany	2.57%	2.39%	-0.18%
Japan	0.42%	0.40%	-0.02%
UK	3.67%	4.39%	0.72%
US	3.87%	3.84%	-0.04%

**Table 2** Source: Bloomberg



## INVESTMENT MANAGER'S REPORT (CONTINUED)

On the foreign exchange front, the value of the euro weakened by 3% against the British pound. Conversely, by the end of the first half of 2023, the euro appreciated by 4% against the Australian dollar and close to 2% against the U.S. dollar. Finally, the euro appreciated sharply against the Japanese yen, driven by the divergence in monetary policy pursued by both central banks.

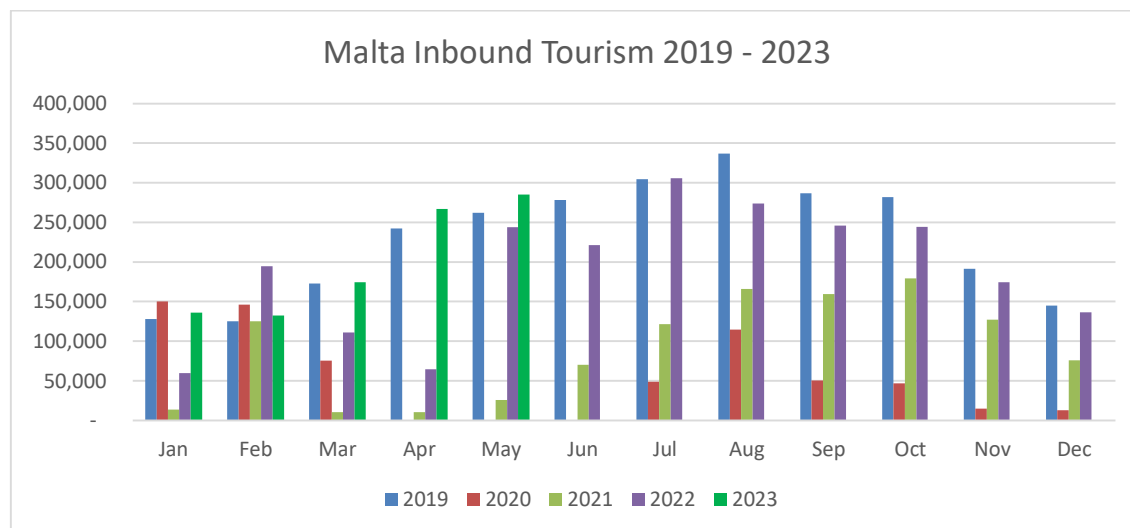
Currency	31/12/2022	30/06/2023	Price Change
EUR per 1 AUD	0.6366	0.6109	-4.04%
EUR per 1 GBP	1.1295	1.1637	3.03%
EUR per 100 JPY	0.7123	0.6351	-10.84%
EUR per 1 USD	0.9341	0.9167	-1.86%

**Table 3** Source: Bloomberg

In conclusion, investors experienced a more positive start to 2023 in contrast to the challenges faced in 2022. However, market sentiment, price volatility, and performance remained susceptible to the influence of diverse global events and economic data.

### The Maltese Economy and Financial Market

Economic growth during the first quarter was of 3.1% when compared to the same quarter in 2022. Data from the National Statistics Office (NSO) shows that growth was primarily driven by domestic demand, as private final consumption and government expenditure jointly contributed 1.5 percentage points to overall growth. The tourism sector continued its recovery, with total expenditure by inbound tourists surging by almost 48% compared to 2022. Data reveals that 2023 is proving to be a robust year for tourism, surpassing even the record-breaking year of 2019. Figure 2 illustrates a comparison of inbound tourist numbers for the first five months of the current year with the same period in the past four years. Despite this growth, it is worth noting that the per capita expenditure of inbound tourists has only seen a slight increase over the figures from 2019.



**Figure 2** Source: National Statistics Office – Malta

In May, the seasonally adjusted unemployment rate remained stable at 2.8%, the same rate recorded at the end of 2022. Encouraging data from the NSO reveals that in February, the total number of employed individuals reached nearly 267,000, representing an increase of 8.41% compared to twelve months earlier.



## INVESTMENT MANAGER'S REPORT (CONTINUED)

Moving on to inflation, in June 2023, the annual rate of inflation, as measured by the Harmonised Index of Consumer Prices, declined to 6.2% from the 7.3% rate recorded in December 2022. Compared to the Euro Area, inflation in Malta was slow to kick in and peaked at a lower rate, partly due to government energy subsidies. Having said this, it is worth noting that inflation in Malta appears to be relatively more persistent than in the Euro Area.

Regarding public finances, data released from the NSO shows that during the first six months of the year, the public deficit stood at €258.5 million. This represents a substantial 44% reduction from the deficit recorded during the same period in 2022, as total expenditure increased at a slower rate than recurrent revenue. Notably, receipts from income tax were the main driver of higher revenue, representing over 46% of the increase in total recurrent revenue over the comparable period in the previous year. On the expenditure side, interest costs and capital expenditure increased by 16.8% and 16.4% respectively. In contrast, recurrent expenditure grew at a pace of 3.4%. By the end of June, the stock of public debt exceeded €9.17 billion, indicating a 9% increase compared to the same period in the previous year.

Looking ahead, the Spring 2023 economic outlook by the European Commission projects Malta's GDP to grow by 3.9% in 2023 and 4.1% in 2024. Inflation is anticipated to decline to 5.4% for the current year and further decrease to 2.8% in 2024. The projected public deficit for 2023 amounts to 5.1% of GDP, while government debt as a percentage of GDP is expected to reach 56.1 % by 2024.

During the first half of 2023, the Malta Stock Exchange Malta Government Stocks Total Return Index experienced a decline of 0.97%. Table 4 shows that the sovereign yield curve flattened during the review period. Yields at the short end of curve increased, while yields on longer tenors declined.

Yields on Maltese Sovereign Debt as at the end of			
Tenor	31/12/2022	30/06/2023	Change
2 Years	3.09%	3.60%	0.51%
3 Years	3.25%	3.62%	0.37%
4 Years	3.42%	3.66%	0.24%
5 Years	3.53%	3.68%	0.15%
7 Years	3.66%	3.70%	0.04%
10 Years	3.92%	3.76%	-0.16%
15 Years	4.05%	3.94%	-0.11%
20 Years	4.10%	4.02%	-0.08%

**Table 4** Source: Bloomberg

Table 5 illustrates the yield spread between 10-year Maltese sovereign debt and that of selected Eurozone member countries. The data shows that Maltese ten-year debt had become relatively cheaper at the end of June.

Additional Yield from Owning 10-Year Malta Sovereign Debt as at end			
Country	31/12/2022	30/06/2023	Change
France	0.81%	0.83%	0.02%
Germany	1.35%	1.37%	0.02%
Ireland	0.79%	0.95%	0.16%
Italy	-0.80%	-0.31%	0.49%
Spain	0.26%	0.38%	0.12%

**Table 5** Source: Bloomberg

## INVESTMENT MANAGER'S REPORT (CONTINUED)

In the Regulated Main Market of the Malta Stock Exchange, corporate bond activity saw substantial growth during the first half of 2023, with over €135 million worth of trades executed. This amount more than doubled compared to the same period in 2022. Meanwhile, the Malta Stock Exchange Corporate Bonds Total Return Index, which captures both price and interest return, experienced a positive gain of 1.97% during the same period. Table 6 provides details on the yield changes of corporate bonds issued by major companies on the Regulated Main Market of the Malta Stock Exchange during the review period.

Yields on Selected Corporate Bonds Listed on the Malta Stock Exchange as at end			
Security	31/12/2022	30/06/2023	Change
3.25% APS Bank plc 2025-2030	4.04%	3.56%	-0.48%
3.50% Bank of Valletta plc 2030	5.78%	4.67%	-1.12%
3.50% GO plc 2031	4.51%	4.61%	0.10%
3.85% Hili Finance Company 2028	4.68%	5.47%	0.79%
3.65% IHI plc 2031	5.07%	5.14%	0.07%
4.25% IZI Finance plc 2029	4.43%	4.25%	-0.18%
5% MedservRegis plc 2029	4.38%	4.81%	0.44%
4.00% MIDI PLC 2026	3.99%	4.07%	0.08%
5.25% Qawra Palace plc 2033	N/A*	5.05%	N/A*
3.5% Simonds Farsons Cisk plc 2027	3.47%	3.83%	0.35%

\*Security was not yet listed on 31/12/2022

**Table 6** Source: Bloomberg and ReAPS Asset Management Ltd

Meanwhile, the Malta Stock Exchange Equity Total Return Index advanced by 6.93% in the first half of 2023. Table 7 presents detailed data on the performance of the ten largest companies traded on the Malta Stock Exchange.

Index / Security	31/12/2022	30/06/2023	Price Change*
MSE Equity Total Return Index	7404.79	7917.91	6.93%
MSE Equity Price Index	3554.18	3749.55	5.50%
APS Bank plc	0.62	0.61	-0.81%
Bank of Valletta plc	0.81	1.20	48.15%
GO plc	2.86	3.00	4.90%
HSBC Bank Malta plc	0.71	1.20	69.01%
International Hotel Investments plc	0.68	0.53	-21.48%
Malta International Airport plc	5.80	5.50	-5.17%
Mapfre Middlesea plc	1.60	1.51	-5.63%
PG plc	2.08	1.94	-6.73%
RS2 Software plc	1.19	1.35	13.45%
Simonds Farsons Cisk plc	6.85	7.00	2.19%

\*Price change does not capture any returns in the form of dividends

**Table 7** Source: Malta Stock Exchange

## INVESTMENT MANAGER'S REPORT (CONTINUED)

### Portfolio Activity Review

#### APS Income Fund

##### *Investment Objective*

The investment objective of the Sub-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.

##### *Sub-Fund Performance*

###### *Class A – Accumulator Share Class*

During the period from 31 December 2022 to 30 June 2023, the price of the APS Income Fund Accumulator Shares decreased by 0.73% from €172.1394 to € 170.8842.

###### *Class B – Distributor Share Class*

During the period from 31 December 2022 to 30 June 2023, the price of the APS Income Fund Distributor Shares decreased by 1.94% from €110.9545 to €108.8058. This resulted from a combination of negative investment returns and the distribution of a dividend amounting to €1.34947 per share during the six-month period ending 30 June 2023.

##### *Sub-Fund Overview*

The net asset value of the Sub-Fund decreased from €69.56 million to €64.91 million during the first six months of 2023.

During the period under review, the Investment Manager held the view that local credit was relatively expensive. Consequently, portfolio cashflows were generally managed via the sale of Maltese corporate bonds. However, the Investment Manager identified pockets of attractively priced opportunities in international credit markets, which led to the redirection of proceeds from the sale of Malta-listed corporate bonds into international credit. In terms of interest rate risk, the Investment Manager sold Malta Government Stocks as sovereign yields declined in March, with proceeds reinvested in short-dated high-quality international government bonds. Additionally, the Investment Manager occasionally adjusted the Fund's equity exposure to ensure that it continued to operate within its regulatory limits. This was achieved by capitalising on available market liquidity to reduce exposure to selected equity instruments when deemed advantageous.

At the end of 30 June 2023, the Fund's assets were allocated as follows –

- Local Government Bonds – 24.84%
- Local Corporate Bonds – 39.48%
- Local Equities – 24.96%
- International Government Bonds – 1.44%
- International Corporate Bonds – 7.03%
- Term Deposits – 1.24%
- Cash and foreign exchange forward contracts – 1.01%

#### APS Regular Income Ethical Fund

##### *Investment Objective*

The investment objective of the Sub-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 Sub-Fund seeks to achieve this objective by investing primarily in international government and corporate bonds, and in direct equities. The Sub-Fund may also hold collective investment schemes, deposits, and cash.

# INVESTMENT MANAGER'S REPORT (CONTINUED)

## **Sub-Fund Performance**

### *Class A – Accumulator Share Class*

During the period from 31 December 2022 to 30 June 2023, the share price of the APS Regular Income Ethical Fund Class A Shares increased by 3.62% from €1.3191 to €1.3668.

### *Class B – Distributor Share Class*

During the period from 31 December 2022 to 30 June 2023, the share price of the APS Regular Income Ethical Fund Class B Shares increased by 2.58% from €0.9924 to €1.0180. The Share Class distributed a dividend of €0.0103 per share during the six-month period ending 30 June 2023.

### *Class C – Accumulator Share Class*

During the period from 31 December 2022 to 30 June 2023, the share price of the APS Regular Income Ethical Fund Class C Shares increased by 3.58% from €1.3117 to €1.3587.

### *Class D – Distributor Share Class*

During the period from 31 December 2022 to 30 June 2023, the share price of the APS Regular Income Ethical Fund Class D Shares increased by 2.55% from €0.989 to €1.0142. The Share Class distributed a dividend of €0.0102 per share during the six-month period ending 30 June 2023.

## **Sub-Fund Overview**

The Sub-Fund's investment process applies rigorous ethical screening over and above the traditional investment selection process. The Investment Manager adopts a two-tiered approach to ethical screening. The Investment Manager first excludes companies operating in certain industries which are not permitted as per the Ethical Policy. 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 process is also applied to Sovereign issuers.

The Net Asset Value of the Sub-Fund increased from €34.25 million to €35.95 million during the six-month period under review.

Aligned with the Investment Manager's top-down perspective and in response to the more stringent monetary policies of global central banks, a defensive strategy was embraced during the assessed period. The primary focus was on leveraging relative value prospects within and across various asset classes, harnessing market volatility, and judiciously elevating portfolio risk during favourable entry points.

In the early stages of the first half, the Investment Manager decreased duration as high-quality sovereign bonds rallied amid the turbulence in the banking sector. Duration was incrementally extended later in the quarter, capitalising on spikes in yield when the Investment Manager perceived that market interest rate expectations were more congruent with its outlook on the probable monetary policy trajectory.

Allocation to short-term government debt was augmented, yielding attractive returns, and cash balances were reduced. While upholding a cautious position in credit, the Investment Manager executed multiple credit swaps to amplify portfolio yield and improve risk-return characteristics. Flexibility remained in place to augment allocations to high-quality credits based on market-induced spread adjustments.

The fixed income strategy was consistently supplemented with foreign exchange trades. As the period concluded, the Fund exhibited exposure to the U.S. Dollar, Japanese Yen, Norwegian Krone, Indonesian Rupiah, and Swiss Franc.

Regarding equities, the Investment Manager persistently pursued appealing avenues for capital deployment. Gains were realised from long-standing positions, capitalising on the upswing in equity markets. Noteworthy was the initiation of exposure to Japanese equities, complemented by the incorporation of various new single-name securities into the portfolio. A prevailing cautious stance was upheld, with a leaning towards well-established European blue-chip equities, in adherence to the stringent Ethical Policy.

## INVESTMENT MANAGER'S REPORT (CONTINUED)

At the end of June 2023, the Sub-Fund's assets were allocated as follows –

- Corporate bonds – 24.61%
- Government and supranational bonds – 49.10%
- Equities – 22.29%
- Cash and foreign exchange forwards – 4.00%

### APS Diversified Bond Fund

#### *Investment Objective*

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

#### *Sub-Fund Performance*

##### *Class A – Accumulator Share Class*

During the period from 31 December 2022 to 30 June 2023, the share price of the APS Diversified Bond Fund Class A Shares increased by 1.63% from €0.9459 to €0.9613.

##### *Class B – Distributor Share Class*

During the period from 31 December 2022 to 30 June 2023, the share price of the APS Diversified Bond Fund Class B Shares increased by 0.18% from €0.8115 to €0.8130. The Fund also distributed a dividend amounting to €0.01170 per share during the six-month period ending 30 June 2023.

##### *Class C – Accumulator Share Class*

During the period from 31 December 2022 to 30 June 2023, the share price of the APS Diversified Bond Fund Class C Shares increased by 1.62% from €0.9244 to €0.9394.

##### *Class D – Distributor Share Class*

During the period from 31 December 2022 to 30 June 2023, the share price of the APS Diversified Bond Fund Class D Shares increased by 0.20% from €0.8113 to €0.8129. The Fund also distributed a dividend amounting to €0.01170 per share during the six-month period ending 30 June 2023.

##### *Class G – Distributor Share Class*

During the period from 31 December 2022 to 30 June 2023, the share price of the APS Diversified Bond Fund Class G Shares decreased by 0.59% from £0.8297 to £0.8346. The Fund also distributed a dividend amounting to £0.01198 per share during the six-month period ending 30 June 2023.

#### *Sub-Fund Overview*

The Net Asset Value of the Sub-Fund increased from €43.28 million to €45.59 million during the first half of 2023.

In light of persistent inflation and central banks' commitment to tighten policy to address it, the Investment Manager adopted a relatively defensive strategy during the period under review. The focus was on allocating capital in attractive relative value investment opportunities. The Investment Manager also capitalised on market volatility, incrementally increasing portfolio risk at favourable entry points.

During the first quarter, the Investment Manager reduced portfolio duration as high-quality sovereign bonds rallied in response to turmoil in the banking sector. Later, in the second half of the review period, portfolio duration was gradually increased opportunistically during market weakness. Regarding the allocation to sovereign debt, the Investment Manager sought to allocate capital to issuers offering value in terms of yield pick-up for equivalent credit risk or historical relative value. At the end of the period under review, the Fund held substantial investments in short-dated government bonds that provided attractive carry return, and which can easily be rotated into riskier investments when opportune.

## INVESTMENT MANAGER'S REPORT (CONTINUED)

Turning to the allocation to credit, stress in the debt market for bank bonds resulted in credit spread widening, presenting an opportunity for the Investment Manager to allocate capital selectively to bonds issued by banks with robust balance sheets and business models. Investments in bonds issued by China-based corporations were sold due to increased geopolitical risk, reflecting the Investment Manager's commitment to managing risk and protecting capital. Overall, credit allocation remained conservative, with the Investment Manager waiting for wider credit spread levels before increasing the allocation to this asset class.

The Investment Manager continued to overlay its fixed income strategy with foreign exchange trades. During the review period, the Fund held substantial exposure to the US Dollar, reflecting the positive view of the Investment Manager on the American currency. Additionally, positions were initiated in the Japanese yen, Norwegian krone, Indonesian rupiah, and the South African rand. The investment in the South African rand was exited during the review period.

At the end of the period under review, the Fund's assets were allocated as follows –

- Government and supranational bonds – 58.66%
- Corporate bonds – 38.70%
- Cash and foreign exchange forward contracts – 2.64%

### APS Global Equity Fund

#### *Investment Objective*

The investment objective of the Sub-Fund is to achieve long-term capital appreciation through investment, primarily, in a diversified portfolio of equity securities. The Sub-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. The Sub-Fund may also hold deposits and cash, and selected Collective Investment Schemes (CISs) that are UCITS CIS and/or UCITS eligible CISs and Exchange Trade Funds as provided in the Prospectus, insofar as these would contribute to the Sub-Fund achieving its overall investment objective.

#### *Sub-Fund Performance*

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

During the period from 31 December 2022 to 30 June 2023, the share price of the APS Global Equity Fund Accumulator Shares increased by 11.40% from €0.9999 to €1.1139.

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

During the period from 31 December 2022 to 30 June 2023, the share price of the APS Global Equity Fund Distributor Shares increased by 10.70% from €0.969 to €1.0727. The share class distributed a dividend of €0.0065 during the period ending 30 June 2023.

#### *Sub-Fund Overview*

The Net Asset Value of the Sub-Fund increased from €11.14 million to €12.87 million during the period under review.

The Investment Manager continued to opportunistically seek out attractive equity opportunities across sectors and geographies. Over the period under review, asset and sector allocations reflected the Investment Managers' cautious top-down view where the Fund continued to hold above average cash and lower exposures to consumer cyclical sectors. The interest rate environment enabled the Investment Manager to be more efficient with cash holdings, allocating some cash exposures to short term U.S. Treasuries reaping attractive yields.

Despite the positive equity market performance, the first half was characterised by very significant global events including the failure of regional U.S. banks, Credit Suisse Group and heightened geo-political tension. The Investment Manager swiftly reacted to the environment by reducing Chinese equity exposures and implementing strict risk controls. This also led to volatility in certain sectors such as commodities and banks which the Investment Manager sought to take advantage of.

At the end of the period under review, the Sub-Fund's assets were allocated as follows –

- Equity & equity CISs – 88.19%
- Cash and foreign exchange forward contracts – 9.83%
- Short term government bonds – 1.98%

**UNAUDITED STATEMENT OF FINANCIAL POSITION**  
**As at 30 June 2023**

	APS Funds SICAV p.l.c. Combined		APS Income Fund		APS Ethical Fund		APS Diversified Bond Fund		APS Global Equity Fund	
	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022	30.06.2023	31.12.2022
	€	€	€	€	€	€	€	€	€	€
<b>Assets</b>										
Financial assets at fair value through profit or loss	152,296,037	150,927,646	62,663,351	67,240,251	34,202,723	32,305,026	43,823,410	41,045,795	11,606,553	10,336,574
Term Deposits at amortised cost	800,000	800,000	800,000	800,000	-	-	-	-	-	-
Due from broker	165,281	6,250	165,281	-	-	-	-	6,250	-	-
Accrued income	2,021,712	1,359,072	828,076	639,562	615,760	254,736	564,740	454,777	13,136	9,997
Other receivables and prepayments	179,364	75,648	5,502	13,844	26,350	32,162	111,567	16,446	35,945	13,196
Cash and cash equivalents (note 7)	4,693,452	5,517,502	717,599	1,091,529	1,397,214	1,760,674	1,250,240	1,846,779	1,327,199	817,320
<b>Total assets</b>	<b>160,155,846</b>	<b>158,686,118</b>	<b>65,179,809</b>	<b>69,785,186</b>	<b>36,242,047</b>	<b>34,352,598</b>	<b>45,749,957</b>	<b>43,370,047</b>	<b>12,982,833</b>	<b>11,177,087</b>
<b>Liabilities</b>										
Financial liabilities at fair value through profit or loss	219,849	1,310	7,169	1,310	103,846	-	48,971	-	59,863	-
Redemptions payable	74,514	-	7,394	-	67,120	-	-	-	-	-
Accrued expenses	460,023	402,323	178,883	163,483	122,424	104,214	110,100	93,184	48,616	41,442
Other creditors	84,849	62,563	84,849	62,563	-	-	-	-	-	-
<b>Total liabilities</b>	<b>839,235</b>	<b>466,196</b>	<b>278,295</b>	<b>227,356</b>	<b>293,390</b>	<b>104,214</b>	<b>159,071</b>	<b>93,184</b>	<b>108,479</b>	<b>41,442</b>
	<b>159,316,611</b>	<b>158,219,922</b>	<b>64,901,514</b>	<b>69,557,830</b>	<b>35,948,657</b>	<b>34,248,384</b>	<b>45,590,886</b>	<b>43,276,863</b>	<b>12,874,354</b>	<b>11,135,645</b>
<b>Represented by:</b>										
<b>Net assets attributable to shareholders</b>	<b>159,316,611</b>	<b>158,219,922</b>	<b>64,901,514</b>	<b>69,557,830</b>	<b>35,948,657</b>	<b>34,248,384</b>	<b>45,590,886</b>	<b>43,276,863</b>	<b>12,874,354</b>	<b>11,135,645</b>



Salient Statistics	APS Funds SICAV p.l.c. Combined	APS Income Fund	APS Ethical Fund	APS Diversified Bond Fund	APS Global Equity Fund
Shares in issue as at 30 June 2023					
Founder Shares	1,200.0000	-	-	-	-
Accumulator	4,094,846.9170	96,009.7620	-	-	3,998,837.1550
Distributor	8,294,926.3880	445,702.1580	-	-	7,849,224.2300
Accumulator - Class A	4,841,282.4700	-	4,536,074.2990	305,208.1710	-
Distributor - Class B	47,465,931.4490	-	5,965,703.8010	41,500,227.6480	-
Accumulator - Class C	11,653,700.6540	-	6,710,674.9400	4,943,025.7140	-
Distributor - Class D	21,329,347.0070	-	14,353,274.1610	6,976,072.8460	-
Distributor - Class G	1,276,403.3570	-	-	1,276,403.3570	-
		€	€	€	€
Net asset value as at 30 June 2023		64,901,514	35,948,657	45,590,886	12,874,354
Net asset value as at 31 December 2022		69,557,830	34,248,384	43,276,863	11,135,645
Net asset value as at 31 December 2021		88,409,042	43,305,512	52,251,988	11,589,870
Net asset value per Accumulator share as at 30 June 2023		€170.8842	-	-	€1.0986
Net asset value per Distributor share as at 30 June 2023		€108.8058	-	-	€1.0581
Net asset value per Accumulator Class A share as at 30 June 2023		-	€1.3668	€0.9613	-
Net asset value per Distributor Class B share as at 30 June 2023		-	€1.0180	€0.8130	-
Net asset value per Accumulator Class C share as at 30 June 2023		-	€1.3587	€0.9394	-
Net asset value per Distributor Class D share as at 30 June 2023		-	€1.0142	€0.8129	-
Net asset value per Distributor Class G share as at 30 June 2023		-	-	€0.9726	-
Net asset value per Accumulator share as at 31 December 2022		€172.1394	-	-	€0.9999
Net asset value per Distributor share as at 31 December 2022		€110.9545	-	-	€0.9690
Net asset value per Accumulator Class A share as at 31 December 2022		-	€1.3191	€0.9459	-
Net asset value per Distributor Class B share as at 31 December 2022		-	€0.9924	€0.8115	-
Net asset value per Accumulator Class C share as at 31 December 2022		-	€1.3117	€0.9244	-
Net asset value per Distributor Class D share as at 31 December 2022		-	€0.9890	€0.8113	-
Net asset value per Distributor Class G share as at 31 December 2022		-	-	€0.9352	-

Salient Statistics (continued)	APS Funds SICAV p.l.c. Combined	APS Income Fund	APS Ethical Fund	APS Diversified Bond Fund	APS Global Equity Fund
Net asset value per Accumulator share as at 31 December 2021		€189.7413	-	-	€1.2036
Net asset value per Distributor share as at 31 December 2021		€125.1633	-	-	€1.1997
Net asset value per Accumulator Class A share as at 31 December 2021		-	€1.5665	€1.1185	-
Net asset value per Distributor Class B share as at 31 December 2021		-	€1.2149	€0.9894	-
Net asset value per Accumulator Class C share as at 31 December 2021		-	€1.5589	€1.0930	-
Net asset value per Distributor Class D share as at 31 December 2021		-	€1.2112	€0.9893	-
Net asset value per Distributor Class G share as at 31 December 2021		-	-	€1.1886	-

These financial statements on pages 15 to 28, were authorised for issue by the Board of Directors on the 25 August 2023 and were signed on its behalf by:



**David Galea Souchet**  
Chairman



**Etienne Borg Cardona**  
Director



**Graziella Bray**  
Director

**UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS**  
**For the six month period ended 30 June 2023**

	APS Funds SICAV p.l.c. Combined		APS Income Fund		APS Ethical Fund		APS Diversified Bond Fund		APS Global Equity Fund	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	€	€	€	€	€	€	€	€	€	€
<b>Net assets at beginning of period</b>	<b>158,219,922</b>	195,557,612	<b>69,557,830</b>	88,409,042	<b>34,248,384</b>	43,305,512	<b>43,276,863</b>	52,251,988	<b>11,135,645</b>	11,589,870
Issue of investors shares	<b>5,009,757</b>	7,654,059	<b>685,873</b>	2,006,634	<b>1,275,484</b>	3,883,837	<b>2,251,810</b>	527,153	<b>796,590</b>	1,236,435
Redemption of investor shares	<b>(5,211,972)</b>	(13,858,549)	<b>(4,199,072)</b>	(7,739,690)	<b>(603,276)</b>	(5,759,252)	<b>(117,988)</b>	(286,044)	<b>(291,636)</b>	(73,563)
Net equalisation	<b>(17,431)</b>	(29,365)	<b>(20,493)</b>	(33,452)	<b>328</b>	(5,307)	<b>2,666</b>	1,273	<b>68</b>	8,121
Net increase/(decrease) in net assets during the period	<b>1,316,335</b>	(22,771,292)	<b>(1,122,624)</b>	(6,775,227)	<b>1,027,737</b>	(6,005,564)	<b>177,535</b>	(7,863,067)	<b>1,233,687</b>	(2,127,434)
<b>Net assets at end of period</b>	<b>159,316,611</b>	166,552,465	<b>64,901,514</b>	75,867,307	<b>35,948,657</b>	35,419,226	<b>45,590,886</b>	44,631,303	<b>12,874,354</b>	10,633,429

**UNAUDITED STATEMENT OF COMPREHENSIVE INCOME**  
**For the six month period ended 30 June 2023**

	APS Funds SICAV p.l.c. Combined		APS Income Fund		APS Ethical Fund		APS Diversified Bond Fund		APS Global Equity Fund	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	€	€	€	€	€	€	€	€	€	€
<b>Income</b>										
Net gain/(loss) on financial assets at fair value through profit or loss	<b>1,313,480</b>	(22,480,439)	<b>(1,180,585)</b>	(6,633,457)	<b>979,221</b>	(6,077,941)	<b>295,114</b>	(7,691,677)	<b>1,219,730</b>	(2,077,364)
Interest income	<b>1,969,897</b>	2,039,391	<b>895,819</b>	941,669	<b>357,157</b>	335,097	<b>714,112</b>	762,625	<b>2,809</b>	-
Dividend income	<b>732,593</b>	844,222	<b>319,236</b>	255,417	<b>208,623</b>	370,032	-	29,183	<b>204,734</b>	189,590
Other income	-	5,143	-	4,703	-	-	-	-	-	440
	<b>4,015,970</b>	(19,591,683)	<b>34,470</b>	(5,431,668)	<b>1,545,001</b>	(5,372,812)	<b>1,009,226</b>	(6,899,869)	<b>1,427,273</b>	(1,887,334)
<b>Expenses</b>										
Management fee	<b>629,667</b>	702,888	<b>251,114</b>	303,274	<b>172,894</b>	188,400	<b>144,856</b>	155,750	<b>60,803</b>	55,464
Administration fee	<b>61,408</b>	65,765	<b>20,872</b>	23,749	<b>12,838</b>	13,328	<b>14,858</b>	15,919	<b>12,840</b>	12,769
Custodian fee	<b>30,611</b>	39,427	<b>8,681</b>	16,057	<b>7,079</b>	7,742	<b>8,867</b>	9,597	<b>5,984</b>	6,031
Transaction costs	<b>59,894</b>	49,899	<b>11,445</b>	12,428	<b>18,567</b>	14,151	<b>25,623</b>	20,944	<b>4,259</b>	2,376
Legal and professional fees	<b>26,516</b>	27,388	<b>12,694</b>	13,889	<b>6,010</b>	4,834	<b>4,987</b>	6,458	<b>2,825</b>	2,207
Directors' remuneration	<b>26,615</b>	25,267	<b>10,942</b>	9,852	<b>7,090</b>	4,832	<b>6,960</b>	8,781	<b>1,623</b>	1,802
Audit fee	<b>15,608</b>	11,901	<b>3,747</b>	2,976	<b>3,747</b>	2,975	<b>4,367</b>	2,975	<b>3,747</b>	2,975
Publicity, printing and publishing costs	<b>76,632</b>	29,203	<b>33,160</b>	358	<b>16,896</b>	267	<b>21,456</b>	22,834	<b>5,120</b>	5,744
Compliance fees	<b>26,620</b>	11,825	<b>11,510</b>	5,631	<b>6,058</b>	2,232	<b>7,252</b>	3,170	<b>1,800</b>	792
General administrative costs	<b>78,331</b>	128,053	<b>31,404</b>	64,598	<b>18,816</b>	33,189	<b>19,834</b>	24,210	<b>8,277</b>	6,056
	<b>1,031,902</b>	1,091,616	<b>395,569</b>	452,812	<b>269,995</b>	271,950	<b>259,060</b>	270,638	<b>107,278</b>	96,216
<b>Net income/(loss)</b>	<b>2,984,068</b>	(20,683,299)	<b>(361,099)</b>	(5,884,480)	<b>1,275,006</b>	(5,644,762)	<b>750,166</b>	(7,170,507)	<b>1,319,995</b>	(1,983,550)
Finance costs - distributions to shareholders (note 6)	<b>(1,454,283)</b>	(1,850,559)	<b>(628,405)</b>	(744,882)	<b>(203,354)</b>	(300,047)	<b>(572,061)</b>	(682,480)	<b>(50,463)</b>	(123,150)
Tax expense on income	<b>(213,450)</b>	(237,434)	<b>(133,120)</b>	(145,865)	<b>(43,915)</b>	(60,755)	<b>(570)</b>	(10,080)	<b>(35,845)</b>	(20,734)
<b>Net increase/(decrease) in net assets during the period</b>	<b>1,316,335</b>	(22,771,292)	<b>(1,122,624)</b>	(6,775,227)	<b>1,027,737</b>	(6,005,564)	<b>177,535</b>	(7,863,067)	<b>1,233,687</b>	(2,127,434)

**UNAUDITED STATEMENT OF CASHFLOWS**  
**For the six month period ended 30 June 2023**

	APS Funds SICAV p.l.c. Combined		APS Income Fund		APS Ethical Fund		APS Diversified Bond Fund		APS Global Equity Fund	
	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022	30.06.2023	30.06.2022
	€	€	€	€	€	€	€	€	€	€
<b>Cash flows generated from/(used in) operating activities</b>										
Interest received	1,343,317	2,165,012	738,263	842,843	748	400,635	604,149	921,534	157	-
Dividend income received	696,531	1,018,325	288,277	255,417	204,008	480,464	-	29,183	204,246	253,261
Due from broker	(159,031)	43,922	(165,281)	52,722	-	-	6,250	(8,800)	-	-
Operating expenses paid	(1,077,918)	(1,353,027)	(371,827)	(456,480)	(245,973)	(431,700)	(337,265)	(289,281)	(122,853)	(175,566)
Tax paid	(298,299)	(237,434)	(217,969)	(145,865)	(43,915)	(60,755)	(570)	(10,080)	(35,845)	(20,734)
Net movement in financial investments	163,630	10,051,458	3,402,175	5,872,349	(814,630)	1,812,284	(2,433,530)	3,097,225	9,615	(730,400)
<b>Net cash generated from/(used in) operating activities</b>	<b>668,230</b>	<b>11,688,256</b>	<b>3,673,638</b>	<b>6,420,986</b>	<b>(899,762)</b>	<b>2,200,928</b>	<b>(2,160,966)</b>	<b>3,739,781</b>	<b>55,320</b>	<b>(673,439)</b>
<b>Cash flows (used in)/generated from financing activities</b>										
Amounts received on creation shares	5,009,757	7,654,059	685,873	2,006,634	1,275,484	3,883,837	2,251,810	527,153	796,590	1,236,435
Amounts paid on redemption of shares	(5,154,889)	(13,887,914)	(4,212,171)	(7,773,142)	(535,828)	(5,764,559)	(115,322)	(284,771)	(291,568)	(65,442)
Distribution paid	(1,347,148)	(1,850,559)	(521,270)	(744,882)	(203,354)	(300,047)	(572,061)	(682,480)	(50,463)	(123,150)
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,492,280)</b>	<b>(8,084,414)</b>	<b>(4,047,568)</b>	<b>(6,511,390)</b>	<b>536,302</b>	<b>(2,180,769)</b>	<b>1,564,427</b>	<b>(440,098)</b>	<b>454,559</b>	<b>1,047,843</b>
<b>Movements in cash and cash equivalents</b>	<b>(824,050)</b>	<b>3,603,842</b>	<b>(373,930)</b>	<b>(90,404)</b>	<b>(363,460)</b>	<b>20,159</b>	<b>(596,539)</b>	<b>3,299,683</b>	<b>509,879</b>	<b>374,404</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>5,517,502</b>	<b>7,152,288</b>	<b>1,091,529</b>	<b>2,772,559</b>	<b>1,760,674</b>	<b>2,915,044</b>	<b>1,846,779</b>	<b>755,739</b>	<b>817,320</b>	<b>707,746</b>
<b>Cash and cash equivalents at end of period</b>	<b>4,693,452</b>	<b>10,756,130</b>	<b>717,599</b>	<b>2,682,155</b>	<b>1,397,214</b>	<b>2,935,203</b>	<b>1,250,240</b>	<b>4,055,422</b>	<b>1,327,199</b>	<b>1,082,150</b>

**NOTES TO THE UNAUDITED 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 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 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 unaudited condensed financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting' as adopted for use in the European Union and are consistent with the accounting policies used in the preparation of the 2021 audited financial statements. 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 unaudited 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 presented assets and liabilities in order of their liquidity since this presentation is reliable and more relevant to this Company. This presentation is also in line with the terms of Section 3(3) of the Third Schedule of the Companies Act, (Cap.386 of the Laws of Malta). 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.

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 Russia-Ukrainian War on the interim financial statements**

The global economies had to grapple with high levels of demand that in part were created by excessive fiscal and monetary policy easing deployed during the peak of the pandemic. Exacerbating this situation were reduced amounts of key resources normally supplied by Russia as the world both reacted to and tried to adjust to impacts of the war in the Ukraine.

The Company attempted to use opportunities available in capital markets in order to generate income and returns for its clients, while managing risk. As a result of the turmoil in global markets throughout the period client interest was not as strong as those in previous ones. Liquidity at the fund level was proactively managed by allocations in cash, bank deposits and liquid instruments traded in the international markets and at no point any of the Sub-funds under management were at risk of not being able to meet client requests for a return of their investment.

After taking into consideration the performance and outlook for the Sub-Funds the board of directors, while continuing to closely monitor developments, remains of the view that the impact of the current challenging economic environment does not cast 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.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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 period, 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.

Foreign currency transaction gains and losses on financial assets classified as at fair value through profit or loss are included in the unaudited 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 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.



**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Impairment (continued)**

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.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS****3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****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 Flow, 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.

**Going concern**

The Fund's management has made an assessment of the Fund's ability to continue as a going concern and is satisfied that the Fund has the resources to continue in business for the foreseeable future. Furthermore, management is not aware of any material uncertainties that may cast significant doubt upon the Fund's ability to continue as a going concern. Therefore, the financial statements continue to be prepared on the going concern basis.

**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.

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****Standards, interpretations and amendments to published standards, which are effective in the current period**

The following amendments are effective in the current period:

- Amendments to IFRS 3 – Reference to the conceptual framework (effective for financial years on or after 1 January 2023). The amendments update an outdated reference in IFRS 3 without significantly changing its requirements.
- Amendments to IFRS 9 (as part of the 2018 – 2020 Annual Improvement cycle) – Financial instruments (effective for financial years on or after 1 January 2023). The amendments clarify which fees an entity includes when it applies the '10 per cent test' in assessing whether to derecognise a financial liability.
- Amendments to IAS 41 (as part of the 2018 – 2020 Annual Improvements Cycle) (effective for financial years on or after 1 January 2023). The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique, thus ensuring consistency with IFRS 13.

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.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS****4. INITIAL APPLICATION OF AN INTERNATIONAL FINANCIAL REPORTING STANDARD AND INTERNATIONAL FINANCIAL REPORTING STANDARDS IN ISSUE BUT NOT YET EFFECTIVE (continued)****Standards, interpretations and amendments to published standards that are in issue but not yet effective**

Up to the date of approval of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective for the current reporting period and which have not been adopted early.

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current (effective for financial years on or after 1 January 2024 by virtue of the October 2022 Amendments) and Non-Current Liabilities with Covenants. The amendments affect only the presentation of liabilities in the statements of financial position and not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. The amendments:
  - a) clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the "right" to defer settlement by at least twelve months and make explicit that only rights in place "at the end of the reporting period" should affect the classification of a liability, and covenants that need to be complied with after the reporting period should not affect that classification;
  - b) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability;
  - c) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services; and
  - d) introduce additional presentation and disclosure requirements for liabilities that are subject to covenants.
- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies (effective for financial years on or after 1 January 2023). The amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Material accounting policy information is now required to be disclosed instead of significant accounting policies. The amendments explain how an entity can identify material accounting policy information and give examples of when accounting policy information is likely to be material. Accounting policy information may be material due to its nature and is material if users of an entity's financial statements would need it to understand other material information in financial statements.

In addition, IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1.

- Amendments to IAS 8 – Definition of Accounting Estimates (effective for financial years on or after 1 January 2023). The changes to IAS 8 focus entirely on accounting estimates and introduces a definition of "accounting estimates"; it also removes the explanation of what constitutes a change in accounting estimates. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. A change in accounting estimate that results from new information or new developments is not the correction of an error and a change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods.

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. NET ASSET VALUE PER SHARE**

The net asset value per share of the APS Income Fund, the APS 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.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS****6. DIVIDEND DISTRIBUTION**

Distributions reflected in the Statement of Comprehensive Income for the period ended as at 30 June 2023:

	Ex-dividend date	Rate per Share	Distribution paid
APS Income Fund Distributor Shares	30 December 2022	€1.3495	€628,405
APS Ethical Fund			
Distributor Shares Class EUR B	30 March 2023	€0.0103	€60,999
APS Ethical Fund			
Distributor Shares Class EUR D	30 March 2023	€0.0102	€142,355
APS Diversified Bond Fund			
Distributor Shares Class EUR B	30 March 2023	€0.0117	€484,910
APS Diversified Bond Fund			
Distributor Shares Class EUR D	30 March 2023	€0.0117	€70,187
APS Diversified Bond Fund			
Distributor Shares Class GBP G	30 March 2023	£0.0120	€16,964
APS Global Equity Fund			
Distributor Shares Class EUR B	30 March 2023	€0.0065	€50,463

Distributions reflected in the Statement of Comprehensive Income for the period ended 30 June 2022:

	Ex-dividend date	Rate per Share	Distribution paid
APS Income Fund Distributor Shares	31 December 2021	€1.3949	€744,882
APS Ethical Fund			
Distributor Shares Class EUR B	31 March 2022	€0.0163	€79,052
APS Ethical Fund			
Distributor Shares Class EUR D	31 March 2022	€0.0161	€220,995
APS Diversified Bond Fund			
Distributor Shares Class EUR B	31 March 2022	€0.0140	€580,372
APS Diversified Bond Fund			
Distributor Shares Class EUR D	31 March 2022	€0.0140	€81,803
APS Diversified Bond Fund			
Distributor Shares Class GBP G	31 March 2022	£0.0142	€20,305
APS Global Equity Fund			
Distributor Shares Class EUR B	31 March 2022	€0.0161	€123,150

A final dividend of €1.6037 per share which amounted to a distribution of was €714,777 declared by the Directors on 30 June 2023 with respect to the distributor shares of the APS Income Fund. This distribution will be reflected in the Statement of Comprehensive Income for the year ending 31 December 2023.

**7. CASH AND CASH EQUIVALENTS**

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

	30.06.2023	% of net	30.06.2022	% of net
	€	assets	€	assets
APS Funds SICAV p.l.c.	4,693,452	2.95	10,756,130	6.46
APS Income Fund	717,599	1.11	2,682,155	3.54
APS Ethical Fund	1,397,214	3.89	2,935,203	8.29
APS Diversified Bond Fund	1,250,240	2.74	4,055,422	9.09
APS Global Equity Fund	1,327,199	10.31	1,082,150	10.18

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, APS Ethical Fund and APS Global Equity Fund have 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.

**NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**

**7. CASH AND CASH EQUIVALENTS (continued)**

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

The Company will pledge investments 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.

**8. EVENTS AFTER THE REPORTING PERIOD**

The APS Regular Income Ethical Fund changed its name to APS Ethical Fund with effect from 19 July 2023.

There were no other events after the reporting event which affect the financial statements as at 30 June 2023.

**PORTFOLIO STATEMENTS**

		<b>Market Value</b>	<b>% of net assets</b>
		<b>30.06.2023</b>	
		<b>€</b>	
<b>APS INCOME FUND</b>			
<b>Quoted Foreign Bonds</b>			
6.25%	Banca Popolare Sondrio SCPA 2029	398,692	0.61
10.00%	Bank Of Valletta P.L.C. 2027	2,120,205	3.27
4.25%	HSBC P.L.C. 2025	617,027	0.95
3.50%	Lloyds Banking Group P.L.C. 2026	269,178	0.41
1.00%	Nordea Bank ABP 2029	334,408	0.52
1.38%	Skandinaviska Enskilda Banken AB 2028	271,535	0.42
4.88%	Vodafone Group P.L.C. 2078	382,815	0.59
<b>Foreign Government Bonds</b>			
2.50%	Germany 2025	395,056	0.61
2.75%	US Treasury 2024	531,990	0.82
<b>Quoted Local Corporate Bonds</b>			
5.10%	1923 Holdings P.L.C. 2024	422,200	0.65
3.25%	APS Bank P.L.C. 2030	1,470,000	2.26
6.00%	AX Investments P.L.C. 2024	894,200	1.38
3.75%	AX Investments P.L.C. 2029	425,323	0.66
3.50%	Bank Of Valletta P.L.C. 2030	2,124,864	3.27
3.75%	Bank Of Valletta P.L.C. 2031	402,690	0.62
4.50%	BNF Bank P.L.C 2027-2032	450,800	0.69
4.00%	Cablenet Communication Systems P.L.C. 2030	949,230	1.46
4.25%	Corinthia Finance P.L.C. 2026	67,301	0.10
4.00%	Eden Finance P.L.C. 2027	1,512,140	2.33
3.50%	GO P.L.C. 2031	1,030,824	1.59
5.00%	Halmann Vella Group P.L.C. 2024	700,250	1.08
5.80%	International Hotel Investments P.L.C. 2023	344,982	0.53
6.00%	International Hotel Investments P.L.C. 2024	1,113,000	1.71
5.75%	International Hotel Investments P.L.C. 2025	194,281	0.30
4.00%	International Hotel Investments P.L.C. 2026	461,670	0.71
4.25%	IZI Finance P.L.C. 2029	545,000	0.84
5.00%	Izola Bank P.L.C. 2032	1,171,600	1.81
4.00%	Malta Properties Co P.L.C. 2032	254,900	0.39
5.30%	Mariner Finance P.L.C. 2024	432,000	0.67
4.00%	Medirect Bank Malta P.L.C. 2029	544,260	0.84
5.50%	Mediterranean Investments Holding P.L.C. 2023	254,975	0.39
5.00%	Mediterranean Investments Holding P.L.C. 2027	1,014,045	1.56
5.25%	Mediterranean Investments Holding P.L.C. 2027	252,840	0.39
4.50%	MedservRegis P.L.C. 2026	513,762	0.79



**PORTFOLIO STATEMENTS (continued)**

	<b>Market Value 30.06.2023 €</b>	<b>% of net assets</b>
<b>APS INCOME FUND (continued)</b>		
<b>Quoted Local Corporate Bonds (continued)</b>		
3.65% Mizzi Organisation Finance P.L.C. 2031	136,083	0.21
4.15% Phoenicia Finance Company P.L.C. 2028	1,272,240	1.96
3.75% Premier Capital P.L.C. 2026	2,158,094	3.33
4.35% SD Finance P.L.C. 2027	2,020,883	3.11
3.50% Simonds Farsons Cisk P.L.C. 2027	332,788	0.51
4.00% Stivala Group Finance P.L.C. 2027	370,700	0.58
3.65% Stivala Group Finance P.L.C. 2029	66,346	0.10
3.75% Tum Invest P.L.C. 2029	562,871	0.87
5.00% Tumas Investments P.L.C. 2024	196,779	0.31
3.75% Tumas Investments P.L.C. 2027	430,000	0.66
<b>Quoted Local Equities</b>		
APS Bank P.L.C.	591,102	0.91
Bank Of Valletta P.L.C.	361,036	0.56
BMIT Technologies P.L.C.	210,210	0.32
GO P.L.C.	1,679,598	2.59
Hili Properties P.L.C.	143,549	0.22
HSBC Bank Malta P.L.C.	880,361	1.36
Malita Investments P.L.C.	756,427	1.17
Malta International Airport P.L.C.	3,891,117	6.00
Mapfre Middlesea P.L.C.	208,241	0.32
MedservRegis P.L.C.	660,000	1.02
PG P.L.C.	1,435,988	2.21
Plaza Centres P.L.C.	492,977	0.76
RS2 Software P.L.C.	1,978,554	3.04
Simonds Farsons Cisk P.L.C.	1,250,599	1.92
Tigne Mall P.L.C.	1,492,175	2.30
Trident Estates P.L.C.	169,124	0.26

**PORTFOLIO STATEMENTS (continued)**

	<b>Market Value</b>	<b>% of net assets</b>
	<b>30.06.2023</b>	
	<b>€</b>	
<b>APS INCOME FUND (continued)</b>		
<b>Quoted Malta Government Bonds (5 to 15 years)</b>		
1.50% Malta Government 2027	3,467,625	5.34
2.60% Malta Government 2028	287,340	0.44
2.30% Malta Government 2029	400,423	0.62
1.00% Malta Government 2031	3,277,928	5.05
0.90% Malta Government 2031	974,040	1.50
1.60% Malta Government 2032	599,970	0.92
4.00% Malta Government 2032	205,760	0.32
2.90% Malta Government 2032	475,000	0.73
4.10% Malta Government 2034	186,624	0.29
1.00% Malta Government 2035	733,400	1.13
2.50% Malta Government 2036	71,622	0.11
1.20% Malta Government 2037	1,593,600	2.46
2.10% Malta Government 2039	2,529,034	3.90
3.40% Malta Government 2042	925,100	1.43
1.80% Malta Government 2051	320,000	0.49
<b>Term Deposits</b>		
APS Bank P.L.C.	800,000	1.23
	<b>Notional Amount</b>	<b>Fair</b>
	<b>in foreign currency</b>	<b>value</b>
<b>Derivatives - Forward Forex Contracts</b>		
Sale Of Great Britain Pound against Euro Maturing on 11 October 2023	195,000	(7,169)
		(0.01)
<b>APS ETHICAL FUND</b>		
<b>Foreign Government Bonds</b>		
0.20% Kingdom of Belgium 2023	594,090	1.65
2.75% Croatia 2030	573,756	1.60
4.25% France Government 2023	1,503,150	4.18
1.75% Germany 2024	1,287,286	3.58
2.50% Germany 2025	2,024,661	5.63
2.30% Germany 2033	942,619	2.62
0.00% Germany 2052	364,848	1.01
2.00% New Zealand Government 2032	913,258	2.54
1.75% Norwegian Government 2025	707,528	1.97
0.75% Republic of Austria 2051	843,523	2.35
1.25% Republika Slovenija 2027	399,285	1.11
2.75% Romania 2026	314,087	0.87
1.38% Slovakia Government Bond 2027	401,470	1.12
1.25% United Kingdom Gilt 2041	1,749,709	4.87
3.88% US Treasury 2029	997,655	2.78
4.50% US Treasury 2036	888,541	2.47
3.50% US Treasury 2039	1,035,356	2.88
2.50% US Treasury 2045	807,114	2.25
3.63% US Treasury 2053	438,639	1.22

**PORTFOLIO STATEMENTS (continued)**

		<b>Market Value</b>	<b>% of net assets</b>
		<b>30.06.2023</b>	
		<b>€</b>	
<b>APS ETHICAL FUND (continued)</b>			
<b>Quoted Foreign Bonds</b>			
1.88%	Ageas SA 2051	218,700	0.61
3.10%	Allianz SE 2047	279,411	0.78
1.60%	Aptiv P.L.C. 2028	261,066	0.73
4.88%	Arcelormittal SA 2026	255,275	0.71
2.00%	Ardagh Metal Packaging LLC 2028	250,512	0.70
1.87%	British Telecommunication P.L.C.2080	270,798	0.75
10.13%	Carnival Corporation 2026	326,346	0.91
2.50%	Citycon Treasury BV 2024	335,832	0.93
1.75%	Coca-Cola European Partners P.L.C. 2026	156,140	0.43
1.88%	EnBW AG 2080	179,054	0.50
1.00%	Erste Group Bank AG 2030	362,036	1.01
1.00%	Goldman Sachs Group INC 2033	219,878	0.61
4.25%	HSBC P.L.C. 2025	352,587	0.99
7.00%	HTA Group LTD 2025	174,013	0.49
1.83%	Iberdrola International BV PERP	310,364	0.86
3.63%	Infineon Technologies AG PERP	274,455	0.76
1.25%	Informa P.L.C. 2028	304,609	0.85
1.50%	International Consolidated Airlines Group SA 2027	345,072	0.96
0.63%	KBC Group NV 2031	170,734	0.47
3.50%	Lloyds Banking Group P.L.C. 2026	195,766	0.54
4.38%	Mapfre SA 2047	285,219	0.79
1.75%	Natwest Group P.L.C. 2026	265,980	0.74
5.63%	NGG Finance P.L.C. 2073	304,748	0.85
4.63%	NN Group NV 2048	232,046	0.65
2.50%	OMV AG PERP	361,176	1.00
3.63%	Sappi Papier Holdng GMBH 2028	317,606	0.88
2.38%	SK Hynix INC 2031	176,455	0.50
1.38%	Skandinaviska Enskilda Banken AB 2028	177,732	0.49
3.13%	SSE P.L.C. PERP	345,713	0.96
1.88%	Storebrand Livsforsikrin AS 2051	145,586	0.40
1.63%	TotalEnergies SE PERP	375,255	1.04
7.25%	Unibail-Rodamco-Westfield SE PERP	269,754	0.75
4.88%	Vodafone Group P.L.C. 2078	218,751	0.61
<b>Supranational Bonds</b>			
4.60%	European Bank for Reconstruction and Development 2025	684,235	1.90

**PORTFOLIO STATEMENTS (continued)**

		<b>Market Value</b>	<b>% of net assets</b>
		<b>30.06.2023</b>	
		<b>€</b>	
<b>APS ETHICAL FUND (continued)</b>			
<b>Quoted Foreign Equities</b>			
Abbvie INC		219,693	0.61
Allianz AG Holding		196,420	0.55
ASML Holding NV		452,829	1.26
AXA SA		250,927	0.70
Banco Bilbao Vizcaya Argentaria		257,449	0.72
Booking Holdings INC		126,230	0.35
Bristol-Myers Squibb Company		152,401	0.42
Capgemini SE		256,854	0.71
Cisco Systems INC		184,433	0.51
Danone SA		114,413	0.32
Delta Air Lines INC		139,439	0.39
Deutsche Telekom AG		335,597	0.93
Enel SPA		191,208	0.53
Engie		175,122	0.49
Euronext NC		242,970	0.68
Fuji Electric Company LTD		183,489	0.51
GSK P.L.C.		261,643	0.73
Honda Motor Company LTD		118,375	0.33
Infineon Technologies AG		267,848	0.75
ING Groep NV		323,268	0.90
Intesa Sanpaolo SPA		159,334	0.44
Koninklijke Ahold Delhaize NV		243,203	0.68
Microsoft Corporation		746,003	2.08
Nextera Energy INC		204,033	0.57
Rio Tinto P.L.C.		145,241	0.40
Roche Holding LTD		151,312	0.42
Samsung Electronics Corporation LTD		151,177	0.42
Sanofi SA		280,656	0.78
Siemens AG		289,826	0.81
SK Telecom Corporation LTD - Sponsored ADR		251,341	0.69
Sony Group Corporation - Sponsored ADR		189,819	0.52
Stellantis NV		99,758	0.28
Telefonica SA		103,896	0.29
Total Energies SE		318,348	0.89
Viatis INC		228,689	0.63
<b>Derivatives - Forward Forex Contracts</b>			
Sale Of Great Britain Pound against Euro Maturing on 11 October 2023	1,600,000	(74,717)	(0.21)
Sale Of Great Britain Pound against Euro Maturing on 11 October 2023	900,000	(33,089)	(0.10)
Sale Of New Zealand Dollar against Euro Maturing on 11 October 2023	1,500,000	16,414	0.05
Sale Of United States Dollar against Euro Maturing on 11 October 2023	3,100,000	(12,454)	(0.03)

**PORTFOLIO STATEMENTS (continued)**

		<b>Market Value 30.06.2023 €</b>	<b>% of net assets</b>
<b>APS DIVERSIFIED BOND FUND</b>			
<b>Foreign Government Bonds</b>			
3.50%	Australian Government 2034	1,447,331	3.17
0.20%	Kingdom of Belgium 2023	990,150	2.17
2.75%	Croatian Government 2030	765,008	1.68
4.25%	France Government 2028	1,703,570	3.74
1.75%	Germany 2024	990,220	2.17
2.50%	Germany 2025	2,320,954	5.09
2.30%	Germany 2033	2,282,129	5.01
0.00%	Germany 2052	256,935	0.56
2.00%	New Zealand Government 2032	1,324,225	2.90
5.63%	North Macedonia Government 2023	435,513	0.96
1.75%	Norwegian Government 2025	904,978	1.98
0.75%	Republic Of Austria 2051	988,958	2.17
3.38%	Republic Of Indonesia 2025	765,460	1.68
0.70%	Republic Of Philippines 2029	416,820	0.91
2.75%	Romanian Government 2026	428,301	0.94
2.88%	Russian Federation 2025	220,000	0.48
0.63%	Slovakia Government Bond 2026	831,330	1.82
1.25%	United Kingdom Gilt 2041	1,889,685	4.15
1.45%	United Mexican States 2033	1,186,832	2.60
3.88%	US Treasury 2029	1,995,309	4.38
3.50%	US Treasury 2039	1,491,615	3.28
3.13%	US Treasury 2042	1,165,831	2.56
3.63%	US Treasury 2053	767,618	1.68

**PORTFOLIO STATEMENTS (continued)**

		<b>Market Value 30.06.2023 €</b>	<b>% of net assets</b>
<b>APS DIVERSIFIED BOND FUND (continued)</b>			
<b>Quoted Foreign Bonds</b>			
2.30%	American Electric Power Company INC 2030	228,121	0.50
6.25%	Banca Popolare Sondrio SCPA 2029	199,346	0.44
6.00%	Banco Bilbao Vizcaya Argentaria 2019	194,040	0.43
1.00%	Banco Bilbao Vizcaya Argentaria 2030	277,896	0.61
10.00%	Bank Of Valletta P.L.C. 2027	1,317,224	2.89
5.20%	Barclays P.L.C. 2026	221,274	0.49
2.20%	Boeing Company 2026	378,557	0.83
3.25%	BP Capital Markets P.L.C. 2049	369,864	0.81
1.87%	British Communications P.L.C. 2080	315,931	0.69
10.13%	Carnival Corporation 2026	210,546	0.46
6.17%	Celanese US Holdings LLC 2027	228,387	0.50
4.50%	Citycon OYJ 2019	162,818	0.36
3.75%	Codelco 2031	416,366	0.91
4.38%	Cooperatieve Rabobank UA 2027	350,152	0.77
3.75%	CPI Property Group SA 2021	97,429	0.21
1.00%	Erste Group Bank AG 2030	452,545	0.99
3.75%	Faurecia SE 2028	226,768	0.50
1.63%	Glencore Funding LLC 2025	336,224	0.74
4.75%	HSBC Holdings P.L.C. 2017	423,750	0.93
7.00%	HTA Group LTD 2025	217,516	0.48
5.50%	Hyundai Capital America 2026	386,543	0.85
3.25%	Indian Railway Finance Corp. 2030	402,191	0.88
3.75%	Intesa Sanpaolo SPA 2049	255,930	0.56
3.75%	JBS USA/Food/Finance INC 2031	228,261	0.50
1.13%	JDE Peet's NV 2033	301,112	0.66
0.63%	KBC Group NV 2031	256,101	0.56
4.75%	KBC Group NV PERP	193,294	0.42
0.00%	Lloyds Banking Group P.L.C. 2026	269,178	0.59
4.38%	Mapfre SA 2047	380,292	0.83
0.41%	Morgan Stanley 2027	261,879	0.57
6.38%	Murphy Oil Corp 2028	226,120	0.50
5.63%	NGG Finance P.L.C. 2073	304,747	0.67
1.00%	Nordea Bank ABP 2029	262,749	0.58
2.75%	NTPC LTD 2027	415,098	0.91
4.00%	Oil India International LTD 2027	259,719	0.57
2.50%	OMV AG 2099	451,470	0.99

**PORTFOLIO STATEMENTS (continued)**

		<b>Market Value</b>	<b>% of net assets</b>
		<b>30.06.2023</b>	
		<b>€</b>	
<b>APS DIVERSIFIED BOND FUND (continued)</b>			
<b>Quoted Foreign Bonds (continued)</b>			
1.88%	Perusahaan Listrik Negara 2031	303,400	0.67
2.75%	Petroleos Mexicanos 2027	437,327	0.96
6.33%	RAS Laffan LNG 2027	310,069	0.68
3.63%	Sappi Papier Holdng GMBH 2028	220,560	0.48
5.63%	SES SA PERP	248,720	0.55
1.38%	Skandinaviska Enskilda Banken AB 2028	271,535	0.60
5.38%	Southwestern Energy Company 2030	300,512	0.66
2.75%	Stellantis NV 2032	376,350	0.83
1.63%	Total Energies SE 2099	416,950	0.91
7.25%	Unibail Rodamco Westfield SE 2023	359,672	0.79
5.38%	Unicredit SPA 2025	321,031	0.70
3.00%	Vattenfall Ab TV 2077	230,113	0.50
8.25%	Virgin Money Uk P.L.C. 2022	246,206	0.54
4.88%	Vodafone Group P.L.C. 2078	218,751	0.48
<b>Quoted Local Corporate Bonds</b>			
3.50%	Bank Of Valletta P.L.C. 2030	279,000	0.61
4.00%	Cablenet Communication Systems P.L.C. 2030	219,420	0.48
3.50%	GO P.L.C. 2031	90,895	0.20
4.00%	International Hotel Investments P.L.C. 2026	237,976	0.52
4.00%	Medirect Bank Malta P.L.C. 2029	96,820	0.21
4.50%	MedservRegis P.L.C. 2026	95,300	0.21
4.15%	Phoenicia Finance Company P.L.C. 2028	264,765	0.58
4.35%	SD Finance P.L.C. 2027	243,750	0.53
3.75%	Tum Invest P.L.C. 2029	94,000	0.21
<b>Supranational Bonds</b>			
4.60%	European Bank for Reconstruction and Development 2025	892,078	1.96
<b>Derivatives - Forward Forex Contracts</b>			
		<b>Notional Amount in Foreign Currency</b>	<b>Fair value</b>
			<b>% of net assets</b>
	Sale Of Australian Dollar against Euro Maturing on 11 October 2023	2,250,000	40,003
	Sale Of Great Britain Pound against Euro Maturing on 11 October 2023	755,000	(27,758)
	Sale Of Great Britain Pound against Euro Maturing on 11 October 2023	1,710,000	(79,855)
	Sale Of New Zealand Dollar against Euro Maturing on 11 October 2023	2,250,000	24,622
	Sale Of United States Dollar against Euro Maturing on 11 October 2023	800,000	(5,775)
	Sale Of United States Dollar against Euro Maturing on 11 October 2023	2,002,000	(8,043)
	Sale Of United States Dollar against Euro Maturing on 11 October 2023	830,000	(5,585)
	Sale Of United States Dollar against Euro Maturing on 11 October 2023	3,100,000	(12,454)
	Purchase Of Great Britain Pound against Euro Maturing on 18 October 2023 (class GBP G)	1,050,944	30,119
	Purchase Of United States Dollar against Euro Maturing on 11 October 2023	900,000	(4,245)



**PORTFOLIO STATEMENTS (continued)**

	<b>Market Value 30.06.2023 €</b>	<b>% of net assets</b>
<b>APS GLOBAL EQUITY FUND</b>		
<b>Quoted Foreign Equities</b>		
Abbott Laboratories	113,816	0.88
Abbvie INC	90,520	0.70
Air Products & Chemicals	138,646	1.08
Airbus Group SE	165,847	1.29
Allianz SE	66,030	0.51
Alphabet INC - Class A	269,901	2.10
Amazon.Com INC	127,134	0.99
American Tower Corporation	109,680	0.85
Apple INC	266,509	2.07
ASML Holding NV	217,464	1.69
AT&T INC	88,142	0.68
AXA SA	149,502	1.16
BAE Systems P.L.C.	142,376	1.11
Banco Bilbao Vizcaya Argentaria	129,361	1.00
BE Semiconductor Industries NV	99,300	0.77
Booking Holdings INC	141,080	1.10
Bristol-Myers Squibb Company	73,270	0.57
British American Tobacco P.L.C.	146,151	1.14
Broadcom INC	208,310	1.62
Capgemini SA	133,113	1.03
Capri Holdings LTD	74,017	0.57
Cisco Systems INC	131,271	1.02
Citi Group INC	124,236	0.96
Danone SA	79,045	0.61
Delta Air Lines INC	186,282	1.45
Deutsche Telekom AG	194,087	1.51
Diamondback Energy INC	132,805	1.03
Digital Realty Trust INC	108,651	0.84
Dufry AG	62,514	0.49
Eli Lilly & Company	85,973	0.67
Enel SPA	94,235	0.73
Engie	108,119	0.84
Enphase Energy INC	47,588	0.37
Euronext NV	181,854	1.41
Exxon Mobil Corporation	146,867	1.14
Ferrari NV	79,368	0.62
Franchi Umberto Marmi SPA	36,566	0.28
Freeport McMoran INC	54,995	0.43
Fuji Electric Co LTD	63,822	0.50
GE Healthcare Technology INC	47,061	0.37

**PORTFOLIO STATEMENTS (continued)**

	<b>Market Value</b>	<b>% of net assets</b>
	<b>30.06.2023</b>	
	<b>€</b>	
<b>APS GLOBAL EQUITY FUND (continued)</b>		
<b>Quoted Foreign Equities (continued)</b>		
General Electric Company	90,518	0.70
Goldman Sachs Group	88,395	0.69
GSK P.L.C.	109,872	0.85
Haleon P.L.C.	66,388	0.52
Hilton Worldwide Holdings INC	78,178	0.61
Honda Motor Company LTD	41,294	0.32
Industria De Diseno Textil SA	118,188	0.92
Infineon Technologies AG	129,716	1.01
ING Groep NV	231,004	1.79
Innovative Industrial Properties	32,590	0.25
Intesa Sanpaolo SPA	85,591	0.66
Johnson & Johnson	92,242	0.72
Kerry Group P.L.C.	64,483	0.50
Koninklijke Ahold Delhaize NV	75,305	0.58
Leonardo SPA	58,212	0.45
Lloyds Banking Group P.L.C.	114,620	0.89
Meituan	3,862	0.03
Merck & Co INC	103,544	0.81
Microsoft Corporation	425,752	3.31
Mondelez International INC	65,519	0.51
Nestle SA	112,113	0.87
Newmont Corporation	218,031	1.69
NextEra Energy INC	170,300	1.32
Nippon Telegraph & Telephone Corporation	167,594	1.30
NVIDIA Corporation	287,312	2.23
Phoenix Group Holdings P.L.C.	182,926	1.42
Rheinmetall AG	50,160	0.39
Rio Tinto P.L.C.	58,096	0.45
Roche Holding LTD	130,857	1.02
Rolls-Royce Holding P.L.C.	156,094	1.21
RWE AG	131,412	1.02
SAAB AB	76,165	0.59
Samsung Electronics Company LTD-GDR	160,070	1.24
Sanofi SA	141,015	1.10
SAP SE	54,311	0.42
Siemens AG	64,067	0.50
Siemens Healthineers AG	167,456	1.30
SK Telecom Corporation LTD - Sponsored ADR	182,689	1.42

**PORTFOLIO STATEMENTS (continued)**

	<b>Market Value</b>	<b>% of net assets</b>
	<b>30.06.2023</b>	
	<b>€</b>	
<b>APS GLOBAL EQUITY FUND (continued)</b>		
<b>Quoted Foreign Equities (continued)</b>		
Sony Corporation	90,441	0.70
Spie SA	204,240	1.59
Stellantis NV	37,007	0.29
Telefonica SA	111,982	0.87
The Coca-Cola Company	131,755	1.02
TotalEnergies SE	203,579	1.58
Toyota Motor Corporation	70,271	0.55
Viatis INC	95,373	0.74
Vinci SA	95,742	0.74
Visa INC	176,314	1.37
Vodafone Group P.L.C.	50,857	0.40
Walmart INC	157,324	1.22
Zoetis INC	155,163	1.21
<b>Quoted Local Equities</b>		
APS Bank P.L.C.	55,190	0.43
Malta International Airport P.L.C.	136,950	1.06
<b>Exchange Traded Funds</b>		
First Trust Cybersecurity	80,446	0.62
<b>Foreign Government Bonds</b>		
2.75% US Treasury 2024	252,470	1.96
	<b>Notional Amount in Foreign Currency</b>	<b>Fair value</b>
<b>Derivatives - Forward Forex Contracts</b>		
Sale Of Swiss Franc against Euro Maturing on 11 October 2023	270,000	(4,936)
Sale Of Great Britain Pound against Euro Maturing on 11 October 2023	950,000	(34,928)
Sale Of United States Dollar against Euro Maturing on 11 October 2023	500,000	(3,930)
Sale Of United States Dollar against Euro Maturing on 11 October 2023	4,000,000	(16,069)
		<b>% of net assets</b>

**STATEMENT OF CHANGES IN THE COMPOSITION OF THE PORTFOLIO**

The composition of the portfolio, detailed in the Portfolio Statement on pages 29 to 39, in comparison with the Portfolio Statement as at 30 June 2023 stood as follows:

	<b>% of net assets</b>	<b>% of net assets</b>
	<b>30.06.2023</b>	<b>31.12.2022</b>
<b>APS Income Fund</b>		
Quoted Local Equities	<b>24.96</b>	23.96
Quoted Local Corporate Bonds	<b>39.48</b>	39.64
Quoted Malta Government Bonds	<b>24.84</b>	26.89
Term deposit	<b>1.23</b>	1.15
Quoted Foreign Bonds	<b>7.03</b>	6.18
Foreign Government Bonds	<b>1.44</b>	-
FX Forwards	<b>(0.01)</b>	-
<b>APS Ethical Fund</b>		
Quoted Foreign Equities	<b>22.29</b>	24.93
Quoted Foreign Bonds	<b>24.60</b>	35.57
Foreign Government Bonds	<b>47.15</b>	32.50
Supranational Bonds	<b>1.95</b>	-
FX Forwards	<b>(0.29)</b>	1.31
<b>APS Diversified Bond Fund</b>		
Quoted Local Corporate Bonds	<b>3.62</b>	4.02
Quoted Foreign Bonds	<b>35.08</b>	48.64
Quoted Malta Government Bonds	-	0.71
Foreign Government Bonds	<b>56.65</b>	40.78
Supranational Bonds	<b>2.01</b>	-
FX Forwards	<b>(0.11)</b>	1.75
<b>APS Global Equity Fund</b>		
Quoted Foreign Equities	<b>86.07</b>	87.36
Quoted Local Equities	<b>1.49</b>	1.80
Foreign Government Bonds	<b>1.98</b>	-
Exchange Traded Funds	<b>0.62</b>	0.62
FX Forwards	<b>(0.46)</b>	3.05

## 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 Fee***

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

#### ***APS Ethical Fund***

##### ***Initial Fee***

An initial charge of up to 2% 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 Fee***

An initial charge of up to 2% 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 Fee***

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

##### ***Management fee***

On 7 April 2017 the Company appointed ReAPS Asset Management Limited to provide management services for fees.

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

In the case of APS 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 on 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.

## Information about the Scheme

### 3. UP-FRONT CHARGE AND OTHER FEES (continued)

#### *Administration fee*

On 25 November 2021, 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 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 per annum, which fee shall be discounted to €20,000 when the Sub-Fund's NAV is below €10 Million.

#### *Custodian fee*

As from 11 November 2019, 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 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 the 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.

## Information about the Scheme

### 4. 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, 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 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 company) 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.

### 5. 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.

## Information about the Scheme

### 5. RISK WARNINGS (continued)

#### 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. 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.

### 6. SCHEME PARTICULARS

The above details are principally extracted from the APS Funds SICAV p.l.c. Prospectus and the APS Ethical Fund Supplement, both dated 19 July 2023, and the APS Global Equity Fund Supplement, the APS Income Fund Supplement and the APS Diversified Bond Fund Supplement, all dated 21 November 2022. All these documents are available upon request from the Investment Manager, and were current at the date of publishing of this Interim Report and Unaudited Financial Statements. Persons wishing to invest in the APS Income Fund, the APS 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.



## **Information about the Scheme**

### **7. MANAGER'S STATEMENT**

In the opinion of the Manager, this Interim Report and Unaudited Financial Statements contain all the information necessary to enable the investors to make an informed judgement of the results and activities of the Company for the period ended 30 June 2023, and does not omit any matter or development of significance.