

APS FUNDS SICAV P.L.C.

# Annual Report

& FINANCIAL STATEMENTS 2023











**APS  
Income  
Fund**



**APS  
Diversified  
Bond  
Fund**



**APS  
Ethical  
Fund**



**APS  
Global  
Equity  
Fund**







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# Management and Administration

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## DIRECTORS

Mr. David Galea Souchet  
The White Lodge, No.30, Triq id-Dejma, San Pawl Tat-Targa, Naxxar NXR 1263, Malta

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

Dr. Graziella Bray  
15, Pensieri, Triq C Troisi, Swieqi, Malta

## REGISTERED OFFICE

APS Centre, Tower Street, Birkirkara BKR 4012, Malta

## COMPANY REGISTRATION NUMBER

SV 78

## INVESTMENT MANAGER

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

## ADMINISTRATOR AND COMPANY SECRETARY

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

Apex Corporate & Advisory Services Limited  
Quad Central, Q3 Level 9, Triq L-Esportaturi, Zone 1, Central Business District,  
Birkirkara CBD 1040, Malta

## CUSTODIAN

Swissquote Financial Services (Malta) Limited  
Pender Gardens, St Andrew's Street, St. Julians STJ1901, Malta  
*Licensed to conduct investment services business by the Malta Financial Services Authority*

## SUB-CUSTODIAN

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

## BANKERS

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

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

## AUDITORS

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

## LEGAL ADVISORS

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



# Description

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APS Funds SICAV p.l.c. (the “Company”) is a company organised as a multi-fund investment company with variable share capital pursuant to the Companies Act [Cap. 386 of the Laws of Malta] registered on the 24 January 2008. The Company consists of four Sub-Funds: the APS Income Fund, the APS 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. A Compliance Officer approved by the Authority and engaged by APS Bank p.l.c is seconded on a full-time basis to the Company, against reimbursement.



# Investment Manager's Report

## The International Economy and Financial Market

Market sentiment in 2023 underwent significant fluctuations. At the beginning of the year, investors anticipated a potential recession, driven by tighter monetary policy. The occurrence of bank failures in March resulted in a substantial tightening of credit conditions. However, swift regulatory interventions, including enhanced liquidity requirements for banks, mitigated further market turmoil and contagion. One theme that emerged during the year was that of economic resilience despite higher interest rates. Concurrently, China faced ongoing challenges with unfavourable economic data.

Central banks' monetary tightening campaigns yielded intended effects, notably a deceleration in inflation. Despite this, the labour market in the United States (US) exhibited resilience, and overall economic growth in 2023 surpassed expectations. Over the past twelve months, positive trends in the US were also evident in various consumer-related economic indicators, signifying a sustained recovery post-pandemic. Conversely, the industrial complex faced persistent challenges, with the Manufacturing PMI consistently in contractionary territory over the past year.

Investors anticipated a decline in corporate earnings as higher borrowing costs seemed poised to trigger a recession at the start of the year. However, contrary to these expectations, both the US and Europe adeptly navigated potential downturns even as interest rates soared. Economic growth exceeded predictions, with corporate profits in the US reaching nearly record levels in the July-September period. The three main bear theses—concerns about a recession, an implosion in earnings growth, and uncertainty surrounding the monetary policy stance in the near term—diminished as the year advanced.

In the later months of the year, anticipation grew about the possibility of a soft economic landing, prompting the market to factor in potential rate

cuts as early as the first quarter of 2024. The December Federal Open Market Committee meeting further fuelled optimism, especially with the Federal Reserve's 'dot plot' indicating three rate cuts in 2024. The combination of economic resilience and a less hawkish stance from central banks translated into robust returns across all major asset classes, culminating in a positive conclusion to the year.

Despite overall positive performance, bond markets experienced significant volatility during 2023. In response to aggressive monetary policy tightening, bond yields initially moved higher. Subsequently, the deceleration in inflation figures and indication from central banks that they could shift towards more dovish policies, led to a decline in bond yields globally. The US ten-year government bond yield, a global benchmark for long-term borrowing costs, ended the year at 3.88%, practically unchanged from twelve months earlier. However, this benchmark interest rate traded in a range between 3.31% and 4.99% during the year. Meanwhile, yields on ten-year benchmark government debt issued by Germany declined by 55 basis points during the period under review and stood at 2.02% at the end of the year. In the United Kingdom (UK), the ten-year yield fell by fourteen basis points, while the yield on Japanese ten-year debt increased for the fourth consecutive year by nineteen basis points ending the year at 0.61%.

Table 1 displayed below shows the changes in the benchmark ten-year yields on selected developed market sovereign bonds.

Generic 10-Year Yields as at the end of			
Country	31/12/2022	31/12/2023	Change
Germany	2.57%	2.02%	-0.55%
Japan	0.42%	0.61%	0.19%
UK	3.67%	3.54%	-0.13%
US	3.87%	3.88%	0.01%

Table 1 Source: Bloomberg

Corporate credit markets generally delivered superior returns to government bonds. The returns were not driven solely by the carry component but were propelled by tighter credit spreads as underlying corporate fundamentals remained supportive.

Global equity markets surpassed expectations in 2023, with the market value of companies traded across all global stock exchanges rose by almost €13 trillion. While Japan's Nikkei 225 finished as the best performing index over the year with a gain of 28.24% (in domestic currency), equity markets were propelled in large part by US mega-cap technology stocks collectively known as the Magnificent Seven (Nvidia, Microsoft, Meta Platforms, Amazon, Apple, and Alphabet). Interestingly, the collective market capitalisation of the Magnificent Seven has surpassed the combined value of the stock markets of Japan, Canada, and the UK. At the same time equity market volatility decreased during the year, with the CBOE S&P Volatility Index (VIX) reaching the lowest levels since the onset of the global pandemic. (Figure 1)

Despite the intricacies of the narrative, the S&P 500 closed the year with a noteworthy achievement: nine consecutive weeks of gains, a milestone not witnessed in almost two decades. This remarkable feat contributed to an annual gain of 24.23%, effectively reversing the setbacks of 2022 when the S&P 500 underwent a significant downturn of 19.44%, representing its most challenging annual performance since 1945. Meanwhile, Europe's STOXX 600 rose by 12.73% (measured in euro) in 2023, and erasing the losses incurred in the previous year, while the FTSE 100 lagged behind the global rally, gaining 3.78% in 2023.

During the year, the MSCI World SRI Net Return Index gained 23.50% (measured in euro). The said index outperformed the MSCI World Net Total Return Index, which rose 19.60% (measured in euro). The higher representation of energy stocks in the MSCI World Net Total Return Index versus that held in the MSCI World SRI Net Return Index was a contributor to the latter's underperformance during the period under review.

Meanwhile, the MSCI Emerging Markets Index posted a modest gain of 7.04% (measured in US dollars). The performance of this index was hampered by China's economic struggles. On the other hand, India emerged as the primary driver of emerging market returns, with the local stock market experiencing a notable increase of 21.61% in 2023. This growth was partly influenced by a discernible trend of US companies redirecting investments from China to India, aiming to fortify supply chain resilience.

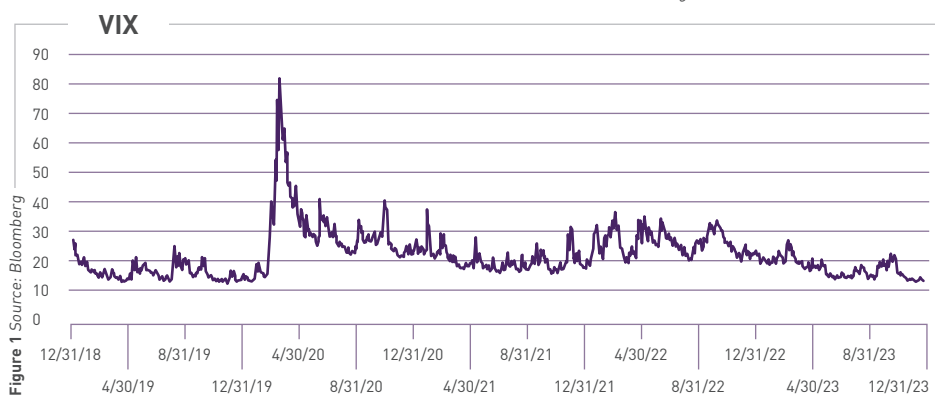




Table 2 shows the performance of selected equity market indices during the period under review.

Index	31/12/2022	31/12/2023	Price Change
Dow Jones Industrial Average	33,147.25	37,689.54	13.70%
S&P 500 Index	3,839.50	4,769.83	24.23%
NASDAQ Composite	10,466.48	15,011.35	43.42%
EURO STOXX 50 Index	3,793.62	4,521.44	19.19%
STOXX Europe 600 Price Index	424.89	478.99	12.73%
FTSE 100 Index	7,451.74	7,733.24	3.78%
MSCI World SRI Net Return Index	3,711.79	4,583.98	23.50%
MSCI World Net Total Return Index	383.13	458.21	19.60%
Hang Seng Index	19,781.41	17,047.39	-13.82%
MSCI Emerging Markets Index	956.38	1,023.74	7.04%

Table 2 Source: Bloomberg

In the foreign exchange market, the value of the US dollar depreciated against the euro for the first time in three years. Expectations of comparatively hawkish monetary policy by the Bank of England, driven by higher inflation, have supported the British pound due to more attractive interest rates. Conversely, the widening gap between interest rates in Japan and those in other developed markets have hindered the performance of the Japanese yen which lost 9.81% against the euro. Table 3 also shows that the euro appreciated against the Australian dollar in 2023, as the economic outlook for Australia was hampered due to the country's trade links with China.

Currency	31/12/2022	31/12/2023	Price Change
EUR per 1 AUD	0.6366	0.6172	-3.05%
EUR per 1 GBP	1.1295	1.1535	2.12%
EUR per 100 JPY	0.7123	0.6424	-9.81%
EUR per 1 USD	0.9341	0.9059	-3.02%

Table 3 Source: Bloomberg

## The Maltese Economy and Financial Market

After registering robust economic growth in 2021 and 2022, GDP growth is expected to have moderated, albeit remaining strong in 2023. As of the Report's writing, the European Commission expects a real growth rate of 4.00% for the period under review. Concurrently, data from the National Statistics Office (NSO) reveals an average quarterly year-on-year growth of 6.46% for the first nine months of the year.

The tourism sector sustained its momentum, with total inbound tourists for the initial ten months of the year surging by 31.56% compared to the same period in 2022. Despite a decrease in the average length of stay, total nights spent by tourists increased by 23.28%. During this period, total tourist expenditure reached €2.38 billion, marking a significant 34.50% uptick from the previous year.

In the property market, the total number of final deeds of sale for residential properties by the end of November declined by 16.48% compared to the same eleven months in 2022. Conversely, promise of sale agreements for residential properties registered a 8.99%

increase. Construction activity seems to be cooling, with 1,374 building permits issued during the first three quarters of the year, covering 6,820 new dwellings, and representing a 9.49% decline in the number of dwellings compared to the previous year. Central Bank of Malta data indicates a 6.54% increase in advertised property prices from the end of 2022 to September 2023, primarily driven by higher apartment prices.

Employment witnessed a positive trend, with the total number of employed persons increasing by 11,063 during the first eleven months of 2023. The unemployment rate declined from 2.94% at the end of 2022 to 2.47% in November 2023, as illustrated in Figure 2 below. The labour supply continued to grow in 2023 and the European Commission expects this to expand further in the coming years in line with the increased number of foreign workers. (Figure 2)

In December 2023, the annual inflation rate stood at 3.64%, a decrease from the peak of 7.42% in October 2022. Figure 3 shows that while inflation in Malta had peaked at a lower rate when compared to the wider Euro Area, inflation in the monetary block was comparatively lower at the end of the year. The government's fuel and energy subsidy played a role in controlling inflation. For 2024, the government has allocated an additional €350 million towards energy and fuel subsidies, bringing the total subsidy amount to €931 million since 2022.

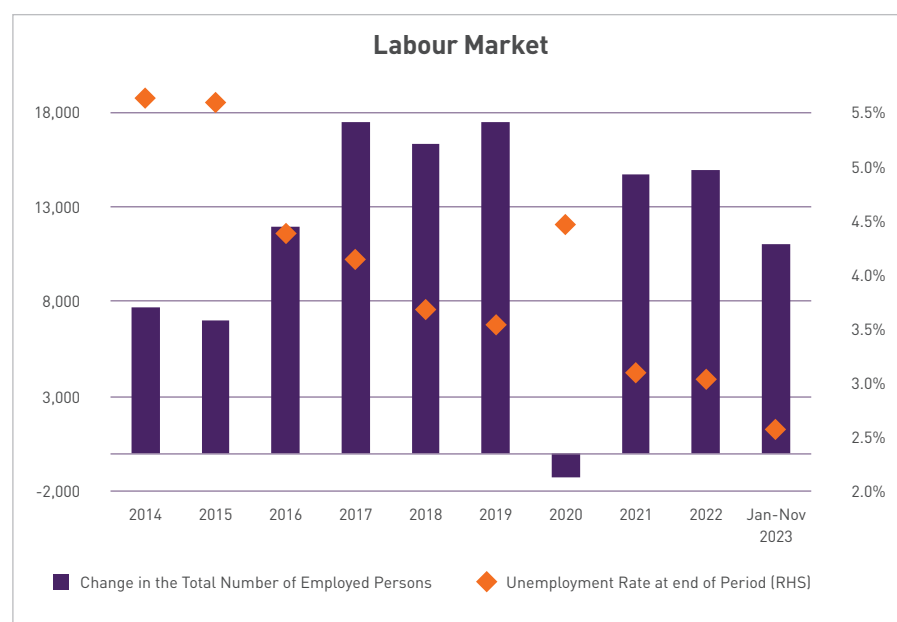


Figure 2 Source: NSO; REAPS Asset Management Ltd



# Investment Manager's Report

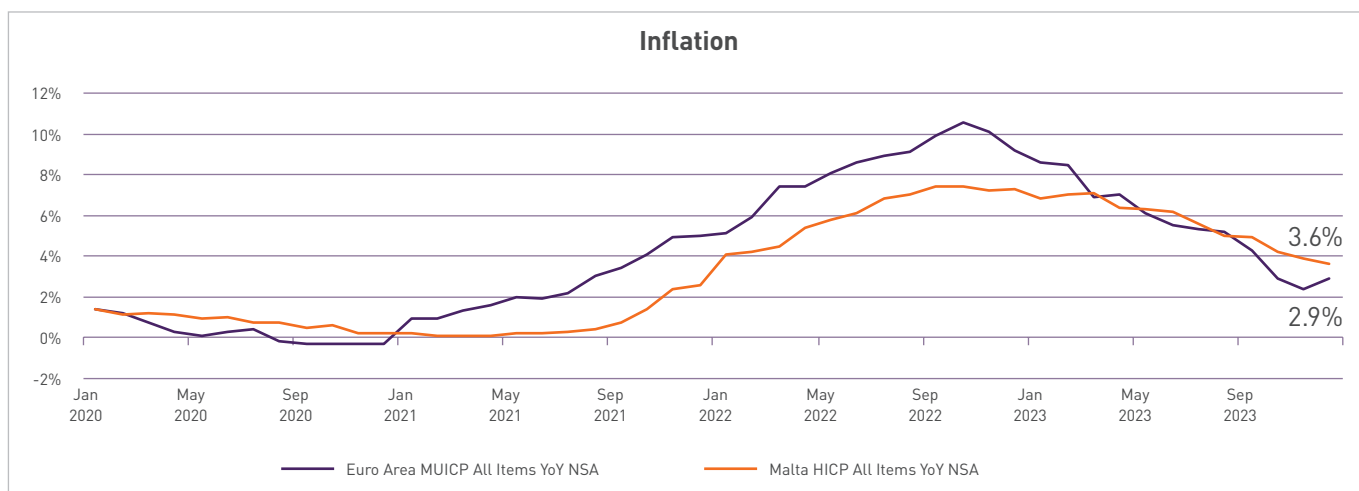


Figure 3 Source: Bloomberg

As of November 2023, total government debt amounted to €9.58 billion, reflecting an 8.05% increase over the past year. Official estimates project the debt-to-GDP ratio to reach 52.78% in 2023, before inching higher to 55.26% in 2024. Meanwhile, government projections indicate a decrease in the public deficit as a percentage of GDP from 5.71% in 2022 to 4.96% in 2023, with plans to further reduce it to 3.55% by 2026.

Yields on Malta Government Bonds with outstanding tenors between two and twenty years were lower at the end of 2023 when compared to twelve months earlier, as shown in Table 4. The move lower in yields is reflected in the 4.02% appreciation that was registered by the Malta Stock Exchange Government Stocks Total Return Index during 2023.

Yields on Maltese Sovereign Debt as at the end of			
Tenor	31/12/2022	31/12/2023	Change
2 Years	3.09%	2.91%	-0.18%
3 Years	3.25%	2.93%	-0.32%
4 Years	3.42%	2.94%	-0.48%
5 Years	3.53%	2.96%	-0.57%
7 Years	3.66%	3.03%	-0.63%
10 Years	3.92%	3.14%	-0.78%
15 Years	4.05%	3.45%	-0.60%
20 Years	4.10%	3.65%	-0.45%

Table 4 Source: Bloomberg

Table 5 shows the spread between the yield on 10-year Maltese sovereign debt and that of a select group of Eurozone countries. The

yield difference between Maltese sovereign debt and French, German, Irish, and Spanish sovereign bonds decreased, meaning that Maltese ten-year debt had become relatively more expensive over the course of the period under review.

Additional Yield from Owning 10-Year Malta Sovereign Debt as at end			
Country	31/12/2022	31/12/2023	Change
France	0.81%	0.58%	-0.23%
Germany	1.35%	1.12%	-0.23%
Ireland	0.79%	0.76%	-0.03%
Italy	-0.80%	-0.56%	0.24%
Spain	0.26%	0.15%	-0.11%

Table 5 Source: Bloomberg

The sovereign remained the largest and most active primary market issuer, raising just under €1.4 billion in government bonds

and surpassing the amount of €1.04 billion raised during the previous year. In the credit market, fourteen new bonds were issued for a total of €393.4 million. Meanwhile, in the equity market, Lombard Bank's equity raise generated €46.4 million in proceeds, while The Convenience Shop's initial public offering resulted in general public investors owning 25.00% of the company's issued share capital post transaction.

In the secondary market, the total value of equity trades that transacted on the Regulated Main Market of the Malta Stock Exchange approached €58 million, reflecting an increase of 81.22% over 2022, albeit remaining below the levels transacted pre-pandemic. Meanwhile trading in bonds amounted to €231.9 million, with €132.4 million in Malta Government Bonds trades and the balance in corporate bonds. Figure 4 provides a historical snapshot of trading activity on the Regulated Main Market of the Malta Stock Exchange.

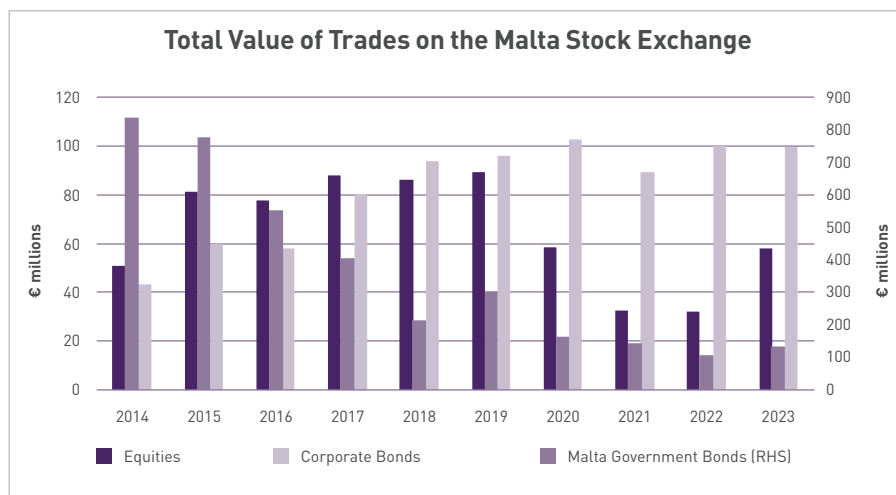


Figure 4 Source: Malta Stock Exchange



The Malta Stock Exchange Corporate Bonds Total Return Index, which captures both price and coupon interest return, reached its historical high in December 2023, rising by 3.61% during the year. Meanwhile, the Malta Stock Exchange Equity Total Return Index advanced by 14.49%, propelled by gains in banking stocks. The most actively traded stock during the year, as measured by the number of transactions, was that of Bank of Valletta, whilst shares in Tigné Mall had the largest turnover. Figure 5 below illustrates the performance of the aforementioned indices.

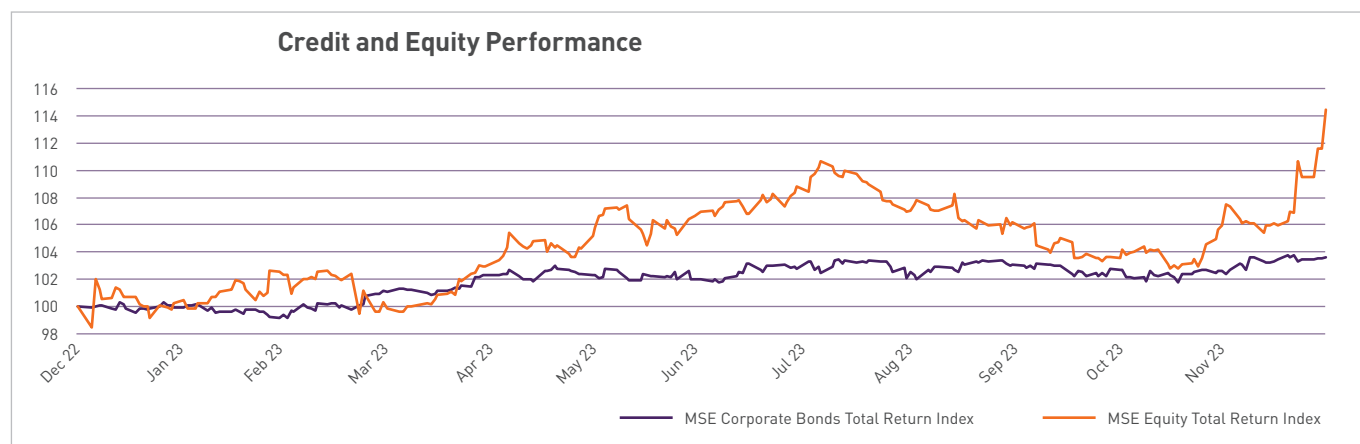


Figure 5 Source: Malta Stock Exchange, REAPS Asset Management Ltd

## Portfolio Activity Review

### APS Income Fund

#### Investment Objective

The investment objective of the Fund is to endeavour to maximise the total level of return to investors, minimising the volatility of the portfolio whilst having regard to attaining a desirable level of liquidity through investment. The Fund seeks to achieve its investment objective by investing primarily in Malta Government Bonds and corporate bonds listed on the Malta Stock Exchange, predominantly in euro and which may be at a fixed or floating rate, rated or unrated. The Fund may also hold selected equities, deposits, and cash.

#### Fund Performance

##### Accumulator Share Class

During the year ended 31 December 2023, the price of the APS Income Fund Accumulator Shares increased by 1.30% from €172.1394 to €174.3754.

##### Distributor Share Class

During the to the year ended 31 December 2023, the price of the APS Income Fund Distributor Shares decreased by 1.41% from €110.9545 to €109.3922. The Share Class distributed two dividends of €1.34947 and €1.60371 per share during the year.

#### Fund Overview

The Net Asset Value of the Fund decreased from €69.56 million to €62.78 million during the twelve-month period under review.

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 actively managed the Fund's exposure via activity in both Malta Government Stocks and international sovereign bonds. During the year, the Investment Manager adjusted the Fund's individual equity exposures to reflect its views on specific companies. The Investment Manager also capitalised on available market liquidity to reduce exposure to selected equity instruments to ensure that the Fund continued to operate within established parameters.

At the end of the year under review, the Fund's asset allocation was made up as follows –

- Local corporate bonds – 38.75%
- Local government bonds – 23.42%
- Local equities – 24.87%
- International corporate bonds – 9.98%
- International government bonds – 2.08%
- Cash and foreign exchange forwards – 0.9%

### APS Ethical Fund

#### Investment Objective

The investment objective of the Fund is to endeavour to maximise the total return to

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

#### Fund Performance

##### Class A - Accumulator Share Class

During the year ended 31 December 2023, the price of the APS Ethical Fund Class A Shares increased by 8.09% from €1.3191 to €1.4258.

##### Class B - Distributor Share Class

During the year ended 31 December 2023, the price of the APS Ethical Fund Class B Shares increased by 5.51% from €0.9924 to €1.0471. The Share Class distributed two dividends of €0.0103 and €0.0138 per share during the year.

##### Class C - Accumulator Share Class

During the year ended 31 December 2023, the price of the APS Ethical Fund Class C Shares increased by 8.01% from €1.3117 to €1.4168.

##### Class D - Distributor Share Class

During the year ended 31 December 2023, the price of the APS Ethical Fund Class D Shares increased by 5.45% from €0.989 to €1.0429. The Share Class distributed two dividends of €0.0137 and €0.0102 per share during the year.



# Investment Manager's Report

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

## **Fund Overview**

The Net Asset Value of the Fund increased from €34.25 million to €36.13 million during the twelve-month period under review.

The period under review was characterised by high but declining inflation. Central banks continued to tighten policy but turned less hawkish in the second part of the year as inflation dynamics improved. Economies were much more resilient to tighter monetary policy and early predictions of a recession proved to be premature. In this environment, bond markets were relatively stable with the exception of the banking turmoil in the first quarter of the year.

Equity markets rallied over the year, driven by expectations that interest rates have peaked, excitement around Artificial Intelligence (AI) and resilient corporate profits. However, equity performance was not equally distributed across styles or sectors with growth stocks outperforming value stocks. Correlations between bonds and stocks remained elevated throughout the year.

During the year, the Investment Manager continued to actively manage risks, including duration risk. Initially duration was reduced, as high-quality sovereign bonds rallied. Subsequently, the Investment manager sought to increase interest rate risk on market weakness. This approach to duration was driven by the view that the market was mispricing the speed and extent of rate cuts by the US Federal Reserve. The Investment Manager adopted a measured and cautious approach to both the equity and credit strategies by continuing to diversify across sectors and geographies and keeping a low level of equity beta whilst taking advantage of trading opportunities which arose out of

market volatility. The manager kept low cash balances, favouring short term Government bonds, yielding higher rates, some of which were rotated into credit opportunities later in the year.

The Investment Manager continued to invest in select foreign currencies deemed attractive. Exposures during the review period included the US Dollar, Indonesian Rupiah and Brazilian Rand.

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

- Corporate bonds – 31.78%
- Government and supranational bonds – 42.81%
- Equities – 23.20%
- Cash and foreign exchange forwards – 2.21%

## **APS Diversified Bond Fund**

### **Investment Objective**

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

### **Fund Performance**

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

During the year ended 31 December 2023, the price of the APS Diversified Bond Fund Class A Shares increased by 5.77% from €0.9459 to €1.0005.

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

During the year ended 31 December 2023, the price of the APS Diversified Bond Fund Class B Shares increased by 2.65% from €0.8115 to €0.8330. The Share Class distributed two dividends of €0.0117 and €0.0124 per share during the year.

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

During the year ended 31 December 2023, the price of the APS Diversified Bond Fund Class C Shares increased by 5.78% from €0.9244 to €0.9778.

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

During the year ended 31 December 2023, the price of the APS Diversified Bond Fund Class D Shares increased by 2.65% from €0.8113 to €0.8328. The Share Class distributed two dividends of €0.0117 and €0.0124 per share during the year.

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

During the year ended 31 December 2023, the price of the APS Diversified Bond Fund Class G Shares increased by 3.92% from €0.8297 to €0.8622. The Share Class distributed two dividends of €0.0120 and €0.0129 per share during the year.

### **Fund Overview**

The Net Asset Value of the Fund increased from €43.28 million to €47.51 million during the year under review.

The period under review was characterised by high but declining inflation. Central banks continued to tighten policy, but eventually turned less hawkish in the second part of the year as inflation dynamics improved. One of the major themes for the year was that economies proved to be resilient to tighter monetary policy. In this environment, bond markets were relatively well-behaved, with the notable exception being the response to the turmoil in the banking sector that materialised during the first quarter of the year.

During the year, the Investment Manager continued to actively manage the duration risk of the Fund. Initially, duration was reduced as high-quality sovereign bonds rallied. Subsequently, the Investment Manager sought to increase interest rate risk on market weakness. This cautious approach to adding duration was driven by the belief that markets were overpricing the likelihood and extent of the rate cuts by the US Federal Reserve. Moreover, duration risk was allocated to markets where the Investment Manager thought that relative value was attractive and where central banks were likely to cut interest rates due to fragile economic fundamentals. The overall defensive strategy, coupled with higher market interest rates, allowed the Investment Manager to temporarily park capital into short-dated high-quality sovereign bonds which offered an attractive risk-return profile in the prevailing environment.

The credit strategy was likewise defensive for most of the year. This was driven by tight credit spreads in an environment of tight monetary policy, which led the Investment Manager to believe that the Fund was not being adequately compensated to hold elevated levels of credit risk. Having said this, company fundamentals remained strong, and periods of market volatility were seen as an opportunity to selectively increase credit exposures. Later in the year, the Investment Manager's outlook for certain credit sectors became



more constructive and this led to a rotation of capital from short-dated government bonds into credit.

The Investment Manager continued to overlay its fixed income strategy with foreign exchange positions. 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, South African Rand, and Brazilian Real. The investments in the South African Rand, Japanese Yen, and Norwegian Krone were exited during the review period.

At the end of the year under review, the Fund's asset allocation was made up as follows –

- Government and supranational bonds – 45.58%
- Corporate bonds – 52.98%
- Cash – 0.98%
- Foreign Exchange Forwards – 0.46%

## APS Global Equity Fund

### Investment Objective

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

### Fund Performance

#### Accumulator Share Class

During the year ended 31 December 2023, the share price of the APS Global Equity Fund Accumulator Shares increased by 17.48% from €0.9999 to €1.1747.

#### Distributor Share Class

During the year ended 31 December 2023, the share price of the APS Global Equity Fund Distributor Shares increased by 15.37% from €0.969 to €1.1179. The Share Class distributed two dividends of €0.0065 and €0.0124 per share during the year.

#### Fund Overview

The Net Asset Value of the Fund increased from €11.14 million to €14.17 million during the twelve-month period under review.

2023 was a positive year for equities, where most markets experienced a significant rebound following a challenging 2022. Most of this rebound came in the last two months of the year when it became more likely that the FED was going to pivot to a more dovish stance.

The Investment Manager maintained a relatively high cash balance throughout the year to be able to take advantage of tactical trading opportunities. Throughout the period under review, the Investment Manager continued to focus investments on blue chip companies which should benefit from various global themes set to drive growth in the long term. Important global themes include artificial intelligence, demographic shifts, and geopolitics. The positive stance towards value stocks compared to growth stocks was maintained and exposure towards mega cap US technology stocks was reduced towards the end of the year. Political tensions at the start of the year, led the investment manager to reduce China exposed stocks, a stance which was maintained throughout most of the period. Whilst investments in the US made up the Fund's largest geographical exposure, compared to the wider market, the Fund had a higher proportion of European and UK stocks. Although the Fund hedges most currency risk, the Investment Manager took exposures to the US Dollar, Great British Pound, Japanese

Yen and Swedish Krona to differing degrees throughout the year.

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

- Equities and Equity CIS – 91.57%
- Government Bonds – 1.80%
- Cash and foreign exchange forward contracts – 6.63%

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

*Sources – Bloomberg; Central Bank of Malta; European Commission; Eurostat; Federal Reserve Bank of St. Louis; International Monetary Fund; Malta Stock Exchange; National Statistics Office Malta; The Financial Times; and Treasury Department of the Government of Malta.*



# Report of the Directors

The Directors present their Annual Report and Financial Statements of the Company for the year ended 31 December 2023.

## Principal Activities

The Company is organised as a multi-fund investment company with variable share capital (SICAV) pursuant to the Companies Act [Cap. 386 of the Laws of Malta]. The Company was registered on the 24 January 2008 and is licensed by the Malta Financial Services Authority as a UCITS Collective Investment Scheme under the Investment Services Act [Cap. 370 of the Laws of Malta] and the UCITS Directive [Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS)]. The Company has established four separate Sub-Funds namely: the APS Income Fund, the APS Ethical Fund, the APS Diversified Bond Fund, and the APS Global Equity Fund. The investment objectives of each Sub-Fund are further detailed in the respective Offering Supplement and in the Investment Manager's Report on pages 8 to 13.

## Review of Business

The net assets attributable to Shareholders as at 31 December 2023 stood at €160,592,286 (2022: €158,219,922). The increase in net assets (+1.5%) was propelled by favourable market movements across all Sub-Funds but was partly offset by net investor outflows of €2,547,890 in two of the Sub-Funds.

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

No other significant developments during the year under review are reported.

The performance of the individual Sub-Funds is further described in the Investment Manager's Report on pages 8 to 13.

## Results and Dividends

The results for the year 2023 can be found on the Statements of Comprehensive Income on page 26. The dividends declared for the year ended 31 December 2023 with respect to the APS Income Fund, the APS Ethical Fund, the APS Diversified Bond Fund and the APS Global Equity Fund distributor class of shares can be found under note 10 on page 46.

## Principal Risks and Uncertainties

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

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

## Non-Financial Risks

### Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the processes, technology and infrastructure supporting the Company's activities, either internally or externally at the Company's service providers. While complete elimination of operational risks is unfeasible, continual assessment of the control environment and proactive monitoring and response mechanisms enable effective risk management. In addition, the Company performs regular reviews of the adequacy of the controls and processes in place at the service providers with respect to operational risk.

### Settlement risk

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

expecting payment for securities sold whilst the counterparty declares bankruptcy. The Company ensures the Investment Manager performs due diligence analysis on its counterparties, both new and existing, and to request collaterals when appropriate.

### Political risk

Political risk, also known as geopolitical risk, may be defined as the risk that asset returns decrease due to changes in the political environment within a country that lead to heightened instability. Political instability may arise from a change in government, legislative bodies and other policy makers. To mitigate for this risk, in as far as possible, the Company limits its investment exposure to any one country.

### Compliance Risk

This is the risk of losses due to non-compliance with legal requirements towards the Maltese regulator and other regulators in whose jurisdiction the Company may conduct its business. To mitigate the risk, the Company has various controls in place, including a permanent Compliance function. Professional external advice and experience is sought for other matters, where appropriate.

### Reputational Risk

Reputational risk is the risk of failure to meet stakeholder expectations as a result of any event, behaviour, action or inaction, either by the Company itself, its employees or those with whom the Company is associated, that may cause stakeholders to form a negative view of the Company. Furthermore, the Company is subject to numerous laws and regulations covering a wide range of matters. Failure to comply could have financial or reputational implications and could materially affect the Company's ability to operate. The Company has embedded operating policies and procedures to ensure compliance with existing legislation and to mitigate the effects of reputational damage.

### Regulatory risk

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



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regulatory developments and seeks legal advice when necessary.

#### **Taxation risk**

Taxation risk arises due to the uncertainty associated with tax legislations. Changes in tax legislations may have adverse effects and unforeseen negative consequences for transactions and business relationships. Taxation risk also encompasses the risk that tax legislations become more burdensome on the Company. The Company constantly monitors tax legislation developments and seeks tax expert advice when necessary.

#### **Leverage**

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

#### **Financial Risk Management**

Financial risk is the possibility that shareholders could suffer financial loss when they invest their money in an asset. There are a number of financial risks that could potentially impact the activities of the funds and include, but not solely, the following: market risk, interest rate risk, currency risk, credit risk, and liquidity risk. The Company's objective in managing such risks is the creation and protection of shareholders' value. In order to manage and mitigate such risks, the Company employs a number of risk management tools in its day-to-day operation. Further detail can be found under note 14 on pages 49 to 60.

#### **Breaches of Licence Conditions and/or regulatory sanctions**

During the year under review there were no breaches of Licence Conditions and/or regulatory sanctions imposed on the Company.

#### **Directors**

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

In accordance with article 26.2 of the Company's Articles of Association, all the Directors are due to retire at the Company's forthcoming Annual General Meeting and being eligible, intend offering themselves for re-election.

#### **Auditors**

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

Approved by the Board on 29 February 2024.



**David Galea Souchet**  
Chairman



**Etienne Borg Cardona**  
Director



**Graziella Bray**  
Director



# Statement of Directors' Responsibilities

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

In Preparing the financial statements, the directors are responsible for:

- (i) ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the European Union;
- (ii) selecting and applying appropriate accounting policies;
- (iii) making accounting estimates that are reasonable in the circumstances;
- (iv) ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business as a going concern.

The Directors are also responsible for designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financials statements that are free from material misstatement, whether due to fraud or error and the comply with Companies Act [CAP. 386 of the Laws of Malta]. The Directors are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# Independent Auditor's Report

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

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

### **Opinion**

We have audited the accompanying financial statements of APS Funds SICAV p.l.c. ("the Company"), and its sub-funds, set out on pages 22 to 60, which comprise each of the statements of financial position as at 31 December 2023, and the statements of comprehensive income, statements of changes in net assets attributable to shareholders and statements of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and its sub-funds as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IFRSs) as adopted by the European Union and have been properly prepared in accordance with the requirements of the Companies Act [Cap. 386].

### **Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants including International Independence Standards (IESBA Code) as applicable to audits of financial statements of public interest entities, together with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive (Maltese Code) that are relevant to our audit of the financial statements of public interest entities in Malta. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code and the Maltese Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. In conducting our audit, we

have remained independent of the Company and have not provided any of the non-audit services prohibited by article 18A(1) of the Accountancy Profession Act (Cap. 281).

### **Key Audit Matters**

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

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

The Directors are responsible for the other information. The other information comprises management and administration information on page 6, the Investment Manager's Report on pages 8 to 13, the Report of the Directors on pages 14 to 15, the Statement of Directors' Responsibilities on page 16, the Report of the Custodian on pages 20 to 21, Portfolio Statements on pages 61 to 75, the Statement of Changes in the Composition of the Portfolio on page 76, Information about the Scheme on pages 79 to 80, and disclosures under the Sustainable Finance Disclosure regulation on pages 81 to 88 but does not include the financial statements and our Auditor's Report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosure requirements of Article 177 of the Companies Act [Cap. 386].

In accordance with the requirements of sub-article 179(3) of the Companies Act [Cap. 386] in relation to the Directors' Report on pages

14 to 15, in our opinion, based on the work undertaken in the course of the audit:

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

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

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

As explained more fully in the Statement of Directors' Responsibilities on page 16, the Directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Companies Act [Cap.386], and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's and its sub-funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or any one or more of its sub-funds or to cease operations, or have no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions in



# Independent Auditor's Report

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accordance with articles 179, 179A and 179B of the Companies Act (Cap. 386).

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

As such, our audit report on the Company's and its sub-funds' historical financial statements is not intended to facilitate or enable, nor is it suitable for, reliance by any person, in the creation of any projections or predictions, with respect to the future financial health and viability of the Company and/or any one or more of its sub-funds, and cannot therefore be utilised or relied upon for the purpose of decisions regarding investment in, or otherwise dealing with (including but not limited to the extension of credit), the Company and/or any one or more of its sub-funds. Any decision-making in this respect should be formulated on the basis of a separate analysis, specifically intended to evaluate the prospects of the Company and/or any one or more of its sub-funds, and

to identify any facts or circumstances that may be materially relevant thereto.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and its sub-funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's or any one or more of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our Auditor's Report to the related disclosures in the financial

statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company and/or any one or more of its sub-funds to cease to continue as a going concern. Accordingly, in terms of generally accepted auditing standards, the absence of any reference to a material uncertainty about the Company's and/or any one or more of its sub-funds' ability to continue as a going concern in our Auditor's Report should not be viewed as a guarantee as to the Company's and/or its sub-funds' ability to continue as a going concern.

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

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

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

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



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our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our Auditor's Report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

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

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

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

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

#### **Auditor tenure**

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

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

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

The audit report was drawn up on 29 February 2024 and signed by:



Sarah Curmi as Director  
in the name and on behalf of

#### **Deloitte Audit Limited**

Registered auditor  
Central Business District, Birkirkara, Malta



# Report of the Custodian

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**Swissquote Financial Services (Malta) Ltd**

Pendergardens  
St Andrew's Street  
St Julian's STJ1901  
Malta

T. +356 222 65 100

29th February 2024

## **Report of the Custodian to the Shareholders**

We have enquired into the conduct of the Manager and **APS FUNDS SICAV p.l.c.** (the "Company"), for the period 1st January 2023 up until 31st December 2023 (the "Period") in our capacity as Custodian to the Company.

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

## **Responsibilities of the Custodian**

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

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

## **Basis of Custodian Opinion**

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



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## Opinion

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

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

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



**Franciska Hehr**  
Head of Business Operations



**Dr Stefania Grech**  
CEO



# Statements of Financial Position

as at 31 December 2023

	APS Funds SICAV p.l.c. Combined		APS Income Fund		APS Ethical Fund		APS Diversified Bond Fund		APS Global Equity Fund	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	€	€	€	€	€	€	€	€	€	€
<b>Assets</b>										
Financial assets at fair value through profit or loss (note 5a)	156,629,299	150,927,646	61,648,836	67,240,251	35,089,124	32,305,026	46,483,589	41,045,795	13,407,750	10,336,574
Term Deposits at amortised cost (note 5b)	-	800,000	-	800,000	-	-	-	-	-	-
Due from broker	285,710	6,250	285,710	-	-	-	-	6,250	-	-
Accrued income	1,520,292	1,359,072	568,245	639,562	366,864	254,736	568,700	454,777	16,483	9,997
Other receivables and prepayments	28,094	75,648	11,281	13,844	5,635	32,162	9,519	16,446	1,659	13,196
Cash and cash equivalents (note 13)	2,655,311	5,517,502	535,609	1,091,529	777,572	1,760,674	547,772	1,846,779	793,158	817,320
<b>Total assets</b>	<b>161,118,706</b>	<b>158,686,118</b>	<b>63,049,681</b>	<b>69,785,186</b>	<b>36,239,195</b>	<b>34,352,598</b>	<b>47,609,580</b>	<b>43,370,047</b>	<b>14,219,050</b>	<b>11,177,087</b>
<b>Liabilities</b>										
Financial liabilities at fair value through profit or loss (note 5a)	-	1,310	-	1,310	-	-	-	-	-	-
Redemptions payable	7,610	-	7,610	-	-	-	-	-	-	-
Due to broker	54,160	-	54,160	-	-	-	-	-	-	-
Accrued expenses (note 6)	399,624	402,323	141,676	163,483	108,517	104,214	98,895	93,184	50,536	41,442
Other creditors (note 6)	65,026	62,563	65,026	62,563	-	-	-	-	-	-
<b>Total liabilities</b>	<b>526,420</b>	<b>466,196</b>	<b>268,472</b>	<b>227,356</b>	<b>108,517</b>	<b>104,214</b>	<b>98,895</b>	<b>93,184</b>	<b>50,536</b>	<b>41,442</b>
	<b>160,592,286</b>	<b>158,219,922</b>	<b>62,781,209</b>	<b>69,557,830</b>	<b>36,130,678</b>	<b>34,248,384</b>	<b>47,510,685</b>	<b>43,276,863</b>	<b>14,168,514</b>	<b>11,135,645</b>
<b>Represented by:</b>										
<b>Net assets attributable to shareholders</b>	<b>160,592,286</b>	<b>158,219,922</b>	<b>62,781,209</b>	<b>69,557,830</b>	<b>36,130,678</b>	<b>34,248,384</b>	<b>47,510,685</b>	<b>43,276,863</b>	<b>14,168,514</b>	<b>11,135,645</b>



# Statements of Financial Position

as at 31 December 2023

Salient Statistics	APS Funds SICAV p.l.c. Combined	APS Income Fund	APS Ethical Fund	APS Diversified Bond Fund	APS Global Equity Fund
<b>Shares in issue as at 31 December 2023 (note 7)</b>					
<b>Founder Shares</b>	1,200.0000	-	-	-	-
<b>Accumulator</b>	4,884,351.6700	92,351.8810	-	-	4,791,999.7890
<b>Distributor</b>	8,065,562.7830	426,696.8700	-	-	7,638,865.9130
<b>Accumulator - Class A</b>	4,497,847.1720	-	4,192,639.0010	305,208.1710	-
<b>Distributor - Class B</b>	46,903,694.1840	-	5,649,980.4800	41,253,713.7040	-
<b>Accumulator - Class C</b>	12,206,740.8400	-	6,651,183.6060	5,555,557.2340	-
<b>Distributor - Class D</b>	21,523,688.8220	-	14,203,703.1380	7,319,985.6840	-
<b>Distributor - Class G</b>	1,319,877.6320	-	-	1,319,877.6320	-
		€	€	€	€
<b>Net asset value as at 31 December 2023</b>		62,781,209	36,130,678	47,510,685	14,168,514
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
<b>Net asset value per Accumulator share as at 31 December 2023 (note 8)</b>					
		174.3754	-	-	1.1747
<b>Net asset value per Distributor share as at 31 December 2023 (note 8)</b>					
		109.3922	-	-	1.1179
<b>Net asset value per Accumulator Class A share as at 31 December 2023 (note 8)</b>					
		-	1.4258	1.0005	-
<b>Net asset value per Distributor Class B share as at 31 December 2023 (note 8)</b>					
		-	1.0471	0.8330	-
<b>Net asset value per Accumulator Class C share as at 31 December 2023 (note 8)</b>					
		-	1.4168	0.9778	-
<b>Net asset value per Distributor Class D share as at 31 December 2023 (note 8)</b>					
		-	1.0429	0.8328	-
<b>Net asset value per Distributor Class G share as at 31 December 2023 (note 8)</b>					
		-	-	0.9950	-
<b>Net asset value per Accumulator share as at 31 December 2022 (note 8)</b>					
		172.1394	-	-	0.9999
<b>Net asset value per Distributor share as at 31 December 2022 (note 8)</b>					
		110.9545	-	-	0.9690
<b>Net asset value per Accumulator Class A share as at 31 December 2022 (note 8)</b>					
		-	1.3191	0.9459	-
<b>Net asset value per Distributor Class B share as at 31 December 2022 (note 8)</b>					
		-	0.9924	0.8115	-
<b>Net asset value per Accumulator Class C share as at 31 December 2022 (note 8)</b>					
		-	1.3117	0.9244	-
<b>Net asset value per Distributor Class D share as at 31 December 2022 (note 8)</b>					
		-	0.9890	0.8113	-
<b>Net asset value per Distributor Class G share as at 31 December 2022 (note 8)</b>					
		-	-	0.9352	-



# Statements of Financial Position

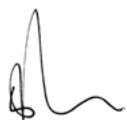
as at 31 December 2023

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 (note 8)		189.7413	-	-	1.2036
Net asset value per Distributor share as at 31 December 2021 (note 8)		125.1633	-	-	1.1997
Net asset value per Accumulator Class A share as at 31 December 2021 (note 8)		-	1.5665	1.1185	-
Net asset value per Distributor Class B share as at 31 December 2021 (note 8)		-	1.2149	0.9894	-
Net asset value per Accumulator Class C share as at 31 December 2021 (note 8)		-	1.5589	1.0930	-
Net asset value per Distributor Class D share as at 31 December 2021 (note 8)		-	1.2112	0.9893	-
Net asset value per Distributor Class G share as at 31 December 2021 (note 8)		-	-	1.1886	-

These financial statements on pages 22 to 60, were authorised for issue by the Board of Directors on the 29 February 2024 and were signed on its behalf by:



**David Galea Souchet**  
Chairman



**Etienne Borg Cardona**  
Director



**Graziella Bray**  
Director

29 February 2024



# Statements of Changes in Net Assets attributable to Shareholders

for the year ended 31 December 2023

	APS Funds SICAV p.l.c. Combined		APS Income Fund		APS Ethical Fund		APS Diversified Bond Fund		APS Global Equity Fund	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	€	€	€	€	€	€	€	€	€	€
<b>As at 1 January</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>9,093,560</b>	10,401,597	<b>1,690,348</b>	2,705,385	<b>1,915,864</b>	4,674,318	<b>3,458,007</b>	1,027,235	<b>2,029,341</b>	1,994,659
Redemption of investor shares	<b>(11,607,154)</b>	(19,632,965)	<b>(7,864,909)</b>	(12,338,640)	<b>(2,256,677)</b>	(6,504,054)	<b>(629,989)</b>	(630,700)	<b>(855,579)</b>	(159,571)
Net equalisation	<b>(34,589)</b>	(79,573)	<b>(33,730)</b>	(46,663)	<b>(3,783)</b>	(35,544)	<b>4,451</b>	462	<b>(1,527)</b>	2,172
Net increase/(decrease) in net assets during the year	<b>4,920,547</b>	(28,026,749)	<b>(568,330)</b>	(9,171,294)	<b>2,226,890</b>	(7,191,848)	<b>1,401,353</b>	(9,372,122)	<b>1,860,634</b>	(2,291,485)
<b>As at 31 December</b>	<b>160,592,286</b>	158,219,922	<b>62,781,209</b>	69,557,830	<b>36,130,678</b>	34,248,384	<b>47,510,685</b>	43,276,863	<b>14,168,514</b>	11,135,645



# Statements of Comprehensive Income

for the year ended 31 December 2023

	APS Funds SICAV p.l.c. Combined		APS Income Fund		APS Ethical Fund		APS Diversified Bond Fund		APS Global Equity Fund	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	€	€	€	€	€	€	€	€	€	€
<b>Income</b>										
Net gain/(loss) on financial assets at fair value through profit or loss (note 5a)	5,152,528	[27,290,020]	(564,380)	[8,983,518]	2,217,488	[7,123,561]	1,564,500	[9,038,150]	1,934,920	[2,144,791]
Interest income	4,031,914	3,925,518	1,752,143	1,849,939	751,528	655,193	1,520,586	1,420,385	7,657	1
Dividend income	1,253,165	1,252,028	605,263	420,395	307,580	477,964	-	52,692	340,322	300,977
Other income	-	34,444	-	34,002	-	2	-	-	-	440
	10,437,607	[22,078,030]	1,793,026	[6,679,182]	3,276,596	[5,990,402]	3,085,086	[7,565,073]	2,282,899	[1,843,373]
<b>Expenses</b>										
Management fee (note 9a)	1,253,077	1,346,719	485,877	576,420	345,518	360,051	293,998	300,179	127,684	110,069
Administration fee (note 9b)	122,430	128,757	40,641	46,098	25,816	26,242	30,152	30,738	25,821	25,679
Custodian fee (note 9c)	65,428	75,776	21,202	30,625	14,148	14,779	18,045	18,485	12,033	11,887
Transaction costs	100,518	90,781	23,980	12,727	27,453	24,571	41,372	47,763	7,713	5,720
Legal and professional fees	31,294	39,682	10,777	16,617	7,794	9,555	8,434	9,298	4,289	4,212
Directors' remuneration	50,000	46,388	21,685	19,179	10,882	9,668	14,048	14,025	3,385	3,516
Audit fee (note 9d)	22,540	21,480	5,635	5,370	5,635	5,370	5,635	5,370	5,635	5,370
Publicity, printing and publishing costs	67,358	66,164	21,836	27,459	30,098	14,227	12,341	19,766	3,083	4,712
Compliance fees	53,142	32,622	23,212	13,828	11,449	7,011	14,626	9,442	3,855	2,341
General administrative costs	208,055	154,653	82,440	64,066	48,331	33,682	49,141	42,438	28,143	14,467
	1,973,842	2,003,022	737,285	812,389	527,124	505,156	487,792	497,504	221,641	187,973
<b>Net (loss)/income</b>	<b>8,463,765</b>	<b>[24,081,052]</b>	<b>1,055,741</b>	<b>[7,491,571]</b>	<b>2,749,472</b>	<b>[6,495,558]</b>	<b>2,597,294</b>	<b>[8,062,577]</b>	<b>2,061,258</b>	<b>[2,031,346]</b>
Finance costs - distributions to shareholders (note 10)	(3,158,202)	(3,554,508)	(1,343,182)	(1,417,828)	(476,186)	(616,161)	(1,192,616)	(1,297,019)	(146,218)	(223,500)
Tax expense on income (note 11)	(385,016)	(391,189)	(280,889)	(261,895)	(46,396)	(80,129)	(3,325)	(12,526)	(54,406)	(36,639)
Net (decrease)/increase in net assets during the year	4,920,547	(28,026,749)	(568,330)	(9,171,294)	2,226,890	(7,191,848)	1,401,353	(9,372,122)	1,860,634	(2,291,485)



# Statements of Cash Flows

for the year ended 31 December 2023

	APS Funds SICAV p.l.c. Combined		APS Income Fund		APS Ethical Fund		APS Diversified Bond Fund		APS Global Equity Fund	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
	€	€	€	€	€	€	€	€	€	€
<b>Cash flows generated from operating activities</b>	<b>3,873,334</b>	4,224,037	<b>1,823,460</b>	1,949,602	<b>638,187</b>	690,280	<b>1,406,663</b>	1,584,154	<b>5,024</b>	1
Interest received	1,250,525	1,439,371	605,263	420,395	308,793	600,269	-	52,692	336,469	366,015
Dividend income received	(279,460)	(6,250)	(285,710)	-	-	-	6,250	(6,250)	-	-
Received from broker	54,160	-	54,160	-	-	-	-	-	-	-
Operating expenses paid	(1,928,987)	(2,133,536)	(756,529)	(807,040)	(496,294)	(585,994)	(475,154)	(539,717)	(201,010)	(200,785)
Tax paid	(450,042)	(453,752)	(345,915)	(324,458)	(46,396)	(80,129)	(3,325)	(12,526)	(54,406)	(36,639)
Net movement in financial investments	249,565	8,109,863	5,825,725	8,127,287	(566,610)	702,645	(3,873,294)	912,709	(1,136,256)	(1,632,778)
<b>Net cash generated from/ (used in) operating activities</b>	<b>2,769,095</b>	11,179,733	<b>6,920,454</b>	9,365,786	<b>(162,320)</b>	1,327,071	<b>(2,938,860)</b>	1,991,062	<b>(1,050,179)</b>	(1,504,186)
<b>Cash flows (used in)/generated from financing activities</b>										
Amounts received on creation shares	9,093,560	10,401,597	1,690,348	2,705,385	1,915,864	4,674,318	3,458,007	1,027,235	2,029,341	1,994,659
Amounts paid on redemption of shares	(11,634,133)	(19,712,538)	(7,891,029)	(12,385,303)	(2,260,460)	(6,539,598)	(625,538)	(630,238)	(857,106)	(157,399)
Distribution paid	(3,090,713)	(3,503,578)	(1,275,693)	(1,366,898)	(476,186)	(616,161)	(1,192,616)	(1,297,019)	(146,218)	(223,500)
<b>Net cash (used in)/generated from financing activities</b>	<b>(5,631,286)</b>	(12,814,519)	<b>(7,476,374)</b>	(11,046,816)	<b>(820,782)</b>	(2,481,441)	<b>1,639,853</b>	(900,022)	<b>1,026,017</b>	1,613,760
Movements in cash and cash equivalents	(2,862,191)	(1,634,786)	(555,920)	(1,681,030)	(983,102)	(1,154,370)	(1,299,007)	1,091,040	(24,162)	109,574
Cash and cash equivalents at beginning of year	5,517,502	7,152,288	1,091,529	2,772,559	1,760,674	2,915,044	1,846,779	755,739	817,320	707,746
Cash and cash equivalents at end of year (note 13)	2,655,311	5,517,502	535,609	1,091,529	777,572	1,760,674	547,772	1,846,779	793,158	817,320



# Notes to the Financial Statements

## 1. CORPORATE INFORMATION

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

## 2. BASIS OF PREPARATION

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

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

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

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

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

The directors have, at the time of approving the financial statements, a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

## 3. SUMMARY OF MATERIAL 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.

### Dividend income

Dividend revenue is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income.

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

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

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

Realised gains and losses on disposal of financial instruments classified as at fair value through profit or loss are calculated using the

AVCO method. They represent the difference between an instrument's initial carrying amount and disposal amount.

### Expenses

Expenses are recognised on an accrual basis.

### Foreign exchange translation

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

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

### Distribution policy

In the absence of unforeseen circumstances, subject to the availability of distributable profits and in the absence of exceptional market conditions, the Directors expect to distribute to shareholders, on a bi-annual basis and after the deduction of expenses, part or all of the net income available for distribution by the APS Income Fund, the APS Ethical Fund, the APS Diversified Bond Fund and the APS Global Equity Fund Distributable Classes. Any undistributed income will be reflected in the net asset value per share of the Sub-Funds. Distributions are classified as finance costs in the Statement of Comprehensive Income and are recognised in the accounting year in which they are paid.

### Equalisation

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

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



## Financial Instruments

### (a) Financial Assets

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

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

#### Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at amortised cost include certain term deposits, other receivables (representing amounts receivable for transactions contracted for but not yet delivered by the end of the period) and cash and cash equivalents.

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

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

#### Financial assets at FVTPL

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

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

The Company includes in this category, derivative contracts in an asset position, financial assets

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

### (b) Financial liabilities

#### Financial liabilities measured at amortised cost

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

#### Financial liabilities measured at FVTPL

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

#### Impairment

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

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:

1. the financial instrument has a low risk of default,
2. the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
3. 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



# Notes to the Financial Statements

financial reorganisation; or the disappearance of an active market for that financial asset because of financial difficulties.

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

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

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

## Share capital

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

## Cash and cash equivalents

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

For the purpose of the Statement of Cash 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:

## 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 year

The following amendments are effective in the current year:

- 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.

With effect from these financial statements for the year ended 31 December 2023, APS Funds SICAV p.l.c. has consequently limited its disclosure of accounting policies to that information that is material.

In addition, APS Funds SICAV p.l.c. also adopted the following standard and amendments to standards, and determined that they did not have a material effect on the financial statements.

- 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.

### 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.

The following standards, interpretations and amendments have been issued by the IASB:

- 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.

The changes resulting from the above amendments are in the process of being assessed by APS Funds SICAV p.l.c. to determine their applicability and potential effect on the financial statements.

The following amendments have also been issued, and APS Funds SICAV p.l.c. determined that they will not have a material effect on its financial statements:

- Amendments to IAS 7 – Statements of Cash Flows and IFRS 7 – Financial Instruments Disclosures: Supplier Finance Arrangements (effective for financial periods beginning on or after 1 January 2024).

- Amendments to IAS 21 – The Effects of Change in Foreign Exchange Rates - lack of exchangeability (effective for financial periods beginning on or after 1 January 2025).

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

### APS Income Fund

	Fair value 31.12.2023	% of net assets	% of total assets	Fair value 31.12.2022	% of net assets	% of total assets
	€			€		
Quoted Local Equities	15,612,773	24.87	24.76	16,662,743	23.96	23.88
Quoted Local Corporate Bonds	23,929,835	38.12	37.95	27,574,698	39.64	39.51
Quoted Malta Government Stocks	14,632,731	23.31	23.21	18,704,486	26.89	26.80
Foreign Government Bonds	1,291,950	2.06	2.05	-	-	-
Quoted Foreign Bonds	6,181,547	9.85	9.80	4,298,324	6.18	6.16
Derivatives - Forward foreign exchange contracts	-	-	-	(1,310)	-	-
	<b>61,648,836</b>	<b>98.21</b>	<b>97.77</b>	<b>67,238,941</b>	<b>96.67</b>	<b>96.35</b>

### APS Ethical Fund

	Fair value 31.12.2023	% of net assets	% of total assets	Fair value 31.12.2022	% of net assets	% of total assets
	€			€		
Quoted Foreign Equities	8,381,340	23.20	23.13	8,539,560	24.93	24.86
Foreign Government Bonds	14,077,194	38.97	38.85	11,132,114	32.51	32.41
Quoted Foreign Bonds	11,307,037	31.29	31.20	12,183,036	35.57	35.46
Quoted Collective Investment Scheme	-	-	-	8	-	-
Supranational Bonds	1,201,537	3.33	3.32	-	-	-
Derivatives - Forward foreign exchange contracts	122,016	0.34	0.34	450,308	1.32	1.31
	<b>35,089,124</b>	<b>97.13</b>	<b>96.84</b>	<b>32,305,026</b>	<b>94.33</b>	<b>94.04</b>



# Notes to the Financial Statements

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

### APS Diversified Bond Fund

	Fair value 31.12.2023	% of net assets	% of total assets	Fair value 31.12.2022	% of net assets	% of total assets
	€			€		
Quoted Malta Government Bonds	-	-	-	304,920	0.70	0.70
Quoted Local Corporate Bonds	1,623,845	3.42	3.41	1,718,032	3.97	3.96
Foreign Government Bonds	19,679,953	41.42	41.34	17,498,828	40.44	40.35
Quoted Foreign Bonds	23,200,102	48.83	48.73	20,761,429	47.97	47.87
Supranational Bonds	1,762,228	3.71	3.70	-	-	-
Derivatives - Forward foreign exchange contracts	217,461	0.46	0.46	762,586	1.76	1.76
	<b>46,483,589</b>	<b>97.84</b>	<b>97.64</b>	<b>41,045,795</b>	<b>94.84</b>	<b>94.64</b>

### APS Global Equity Fund

	Fair value 31.12.2023	% of net assets	% of total assets	Fair value 31.12.2022	% of net assets	% of total assets
	€			€		
Quoted Foreign Equities	12,685,210	89.53	89.21	9,728,241	87.36	87.04
Quoted Local Equities	195,651	1.38	1.38	200,063	1.80	1.79
Exchange Traded Funds	93,401	0.66	0.66	69,103	0.62	0.62
Foreign Government Bonds	252,677	1.78	1.78	-	-	-
Derivatives - Forward foreign exchange contracts	180,811	1.28	1.27	339,167	3.05	3.03
	<b>13,407,750</b>	<b>94.63</b>	<b>94.30</b>	<b>10,336,574</b>	<b>92.83</b>	<b>92.48</b>



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**APS Income Fund****Derivatives - Forward foreign exchange contracts**

The APS Income Fund did not execute any forward foreign exchange contracts during the year ended 31 December 2023.

	Details	Notional Amount	Fair value of the forward contract as at 31 December 2022
		EUR	EUR
Tuesday, 04 April 23	Forex Fwd EUR/GBP	525,000	(1,310)

**APS Ethical Fund****Derivatives - Forward foreign exchange contracts**

	Details	Notional Amount	Fair value of the forward contract as at 31 December 2023
		EUR	EUR
Wednesday, 17 April 24	Forex Fwd EUR/GBP	2,400,000	(14,857)
Wednesday, 17 April 24	Forex Fwd EUR/GBP	320,000	(1,253)
Wednesday, 17 April 24	Forex Fwd EUR/NZD	250,000	240
Wednesday, 17 April 24	Forex Fwd EUR/NZD	700,000	(14,258)
Wednesday, 17 April 24	Forex Fwd EUR/NZD	1,400,000	(13,910)
Wednesday, 17 April 24	Forex Fwd EUR/USD	4,200,000	166,054

	Details	Notional Amount	Fair value of the forward contract as at 31 December 2022
		EUR	EUR
Tuesday, 04 April 23	Forex Fwd CAD/EUR	560,000	706
Tuesday, 04 April 23	Forex Fwd EUR/CAD	560,000	27,485
Tuesday, 04 April 23	Forex Fwd EUR/GBP	950,000	(3,621)
Tuesday, 04 April 23	Forex Fwd EUR/NZD	900,000	(6,039)
Tuesday, 04 April 23	Forex Fwd EUR/USD	720,000	18,170
Tuesday, 04 April 23	Forex Fwd EUR/USD	2,800,000	11,071
Tuesday, 04 April 23	Forex Fwd EUR/USD	800,000	50,044
Tuesday, 04 April 23	Forex Fwd EUR/USD	4,600,000	352,492



# Notes to the Financial Statements

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

### APS Diversified Bond Fund

#### Derivatives – Forward foreign exchange contracts

	Details	Notional Amount	Fair value of the forward contract as at 31 December 2023
		EUR	EUR
Wednesday, 17 April 24	Forex Fwd EUR/GBP	530,000	(1,546)
Wednesday, 17 April 24	Forex Fwd EUR/GBP	2,645,000	(16,374)
Wednesday, 17 April 24	Forex Fwd EUR/NZD	350,000	221
Wednesday, 17 April 24	Forex Fwd EUR/NZD	2,100,000	(20,855)
Wednesday, 17 April 24	Forex Fwd EUR/NZD	1,190,000	(24,238)
Wednesday, 17 April 24	Forex Fwd EUR/USD	1,100,000	3,767
Wednesday, 17 April 24	Forex Fwd EUR/USD	6,800,000	268,850
Wednesday, 17 April 24	Forex Fwd EUR/USD	885,000	37,837
Wednesday, 24 April 24	Forex Fwd GBP/EUR	64,650	(75)
Wednesday, 24 April 24	Forex Fwd GBP/EUR	1,068,070	(1,074)
Wednesday, 17 April 24	Forex Fwd USD/EUR	700,000	(24,474)
Wednesday, 17 April 24	Forex Fwd USD/EUR	500,000	(4,578)

	Details	Notional Amount	Fair value of the forward contract as at 31 December 2022
		EUR	EUR
Tuesday, 04 April 23	Forex Fwd CAD/EUR	1,120,000	1,412
Tuesday, 04 April 23	Forex Fwd CAD/EUR	150,000	(7,029)
Tuesday, 04 April 23	Forex Fwd EUR/CAD	1,270,000	61,988
Tuesday, 04 April 23	Forex Fwd EUR/GBP	600,000	(1,497)
Tuesday, 04 April 23	Forex Fwd EUR/NZD	1,600,000	(7,194)
Tuesday, 04 April 23	Forex Fwd EUR/NZD	125,000	461
Tuesday, 04 April 23	Forex Fwd EUR/USD	1,400,000	36,470
Tuesday, 04 April 23	Forex Fwd EUR/USD	1,360,000	85,074
Tuesday, 04 April 23	Forex Fwd EUR/USD	1,400,000	36,341
Tuesday, 04 April 23	Forex Fwd EUR/USD	4,600,000	18,187
Tuesday, 04 April 23	Forex Fwd EUR/USD	7,450,000	570,512
Tuesday, 11 April 23	Forex Fwd GBP/EUR	1,013,753	(4,355)
Tuesday, 04 April 23	Forex Fwd USD/EUR	388,000	(1,636)
Tuesday, 04 April 23	Forex Fwd USD/EUR	490,000	(26,148)



## APS Global Equity Fund

### Derivatives - Forward foreign exchange contracts

	Details	Notional Amount	Fair value of the forward contract as at 31 December 2023
		EUR	EUR
Wednesday, 17 April 24	Forex Fwd EUR/CHF	270,000	(9,230)
Wednesday, 17 April 24	Forex Fwd EUR/GBP	950,000	(5,881)
Monday, 22 April 24	Forex Fwd EUR/JPY	35,000,000	(1,761)
Wednesday, 17 April 24	Forex Fwd EUR/USD	5,000,000	197,683

	Details	Notional Amount	Fair value of the forward contract as at 31 December 2022
		EUR	EUR
Tuesday, 04 April 23	Forex Fwd EUR/CHF	270,000	8,581
Tuesday, 04 April 23	Forex Fwd EUR/GBP	790,000	(3,012)
Tuesday, 04 April 23	Forex Fwd EUR/USD	4,445,000	340,615
Tuesday, 04 April 23	Forex Fwd USD/EUR	250,000	(7,017)

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

### APS Income Fund

	Fair Value	Fair value
	31.12.2023	31.12.2022
	€	€
Opening balance	67,238,941	83,849,747
Net acquisitions/disposals	(5,025,725)	(7,627,288)
Movement recognised in profit or loss	(564,380)	(8,983,518)
Closing balance	61,648,836	67,238,941



# Notes to the Financial Statements

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

### APS Ethical Fund

	Fair Value	Fair value
	31.12.2023	31.12.2022
	€	€
Opening balance	32,305,026	40,131,232
Net acquisitions/disposals	566,610	(702,645)
Movement recognised in profit or loss	2,217,488	(7,123,561)
Closing balance	35,089,124	32,305,026

### APS Diversified Bond Fund

	Fair Value	Fair value
	31.12.2023	31.12.2022
	€	€
Opening balance	41,045,795	50,996,654
Net acquisitions/disposals	3,873,294	(912,709)
Movement recognized in profit or loss	1,564,500	(9,038,150)
Closing balance	46,483,589	41,045,795

### APS Global Equity Fund

	Fair Value	Fair value
	31.12.2023	31.12.2022
	€	€
Opening balance	10,336,574	10,848,587
Net acquisitions/disposals	1,136,256	1,632,778
Movement recognized in profit or loss	1,934,920	(2,144,791)
Closing balance	13,407,750	10,336,574



## Fair Value hierarchy

### Fair Value Measurement

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

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

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

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

When fair values of publicly traded financial assets are based on quoted market prices the instruments are included within Level 1 of the hierarchy. As at 31 December 2023 and 2022 all financial assets of the Company, which are classified as at fair value through profit or loss, are classified as Level 1, except for derivative forward foreign exchange contracts, which are classified as Level 2.

### Valuation techniques

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

	APS Income Fund		APS Ethical Fund	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	€	€	€	€
Realised (loss)/gain	(625,648)	(1,189,462)	(1,012,547)	(1,970,960)
Unrealised (loss)/gain	52,199	(7,839,554)	3,481,630	(5,432,502)
Foreign exchange gain/(loss)	9,069	45,498	(251,595)	279,901
	(564,380)	(8,983,518)	2,217,488	(7,123,561)

	APS Diversified Bond Fund		APS Global Equity Fund	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	€	€	€	€
Realised (loss)/gain	(1,713,585)	(6,178,243)	607,556	(1,237,802)
Unrealised (loss)/gain	3,824,552	(3,319,474)	1,484,722	(1,234,051)
Foreign exchange gain/(loss)	(546,467)	459,567	(157,358)	327,062
	1,564,500	(9,038,150)	1,934,920	(2,144,791)



# Notes to the Financial Statements

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

### Valuation techniques (continued)

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

#### APS Income Fund

	31.12.2023	31.12.2022
	%	%
	of net assets	of net assets
Energy	2.36	3.50
Consumer Discretionary	0.52	-
Industrials	6.47	7.29
Financial	40.73	35.29
Real Estate	1.30	1.63
Government	25.37	26.89
Other	21.46	22.07
	<b>98.21</b>	<b>96.67</b>

#### APS Ethical Fund

	31.12.2023	31.12.2022
	%	%
	of net assets	of net assets
Health Care	1.04	1.55
Communications	3.59	7.22
Industrial	1.83	2.60
Energy	3.20	4.78
Government	42.29	31.29
Information Technology	-	0.93
Non financial corporations	2.90	1.52
Financial	14.29	16.67
Other	27.65	26.45
	<b>96.79</b>	<b>93.01</b>



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**APS Diversified Bond Fund**

	<b>31.12.2023</b>	31.12.2022
	%	%
	<b>of net assets</b>	of net assets
Consumer Discretionary	<b>4.77</b>	1.30
Technology	<b>0.51</b>	-
Communications	<b>3.40</b>	5.18
Energy	<b>6.19</b>	6.04
Industrial	<b>0.62</b>	1.01
Financial	<b>25.73</b>	26.05
Government	<b>42.50</b>	36.23
Other	<b>13.66</b>	17.27
	<b>97.38</b>	93.08

**APS Global Equity Fund**

	<b>31.12.2023</b>	31.12.2022
	%	%
	<b>of net assets</b>	of net assets
Industrial	<b>8.92</b>	8.33
Energy	<b>4.14</b>	3.61
Financial	<b>7.44</b>	9.16
Health Care	<b>3.06</b>	0.58
Technology	<b>14.25</b>	12.94
Materials	<b>0.88</b>	1.31
Communications	<b>5.57</b>	7.19
Consumer, Non-cyclical	<b>9.32</b>	12.30
Non financial corporations	<b>11.59</b>	8.49
Other	<b>28.18</b>	25.87
	<b>93.35</b>	89.78



# Notes to the Financial Statements

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

### APS Income Fund

	31.12.2023	% of net assets	% of total assets	31.12.2022	% of net assets	% of total assets
	€			€		
Term Deposits maturing within 1 year: Measured at amortised cost	-	-	-	800,000	1.15	1.15
	-	-	-	800,000	1.15	1.15

There are no term deposit as of 31 December 2023. At 31 December 2022, the fair value of the remaining term deposits which are measured at amortised cost approximated their contracted amount plus accrued unpaid interest due to their short term maturities or the fact that they carried an interest rate which at the year-end is representative of an arm's length rate.

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

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

The reconciliation of measurements of Term Deposits is disclosed below:

### APS Income Fund

	31.12.2023	31.12.2022
	€	€
Opening balance	800,000	1,300,000
Net acquisitions/disposals	(800,000)	(500,000)
Closing balance	-	800,000

## 6. ACCRUED EXPENSES AND OTHER CREDITORS

	APS Income Fund		APS Ethical Fund	
	31.12.2023	31.12.2022	31.12.2023	31.12.2022
	€	€	€	€
Management fees payable	115,318	132,047	89,322	86,396
Administration fees payable	3,061	3,448	2,260	2,123
Custody fees payable	1,972	9,301	1,296	2,505
Other unpaid expenses	21,325	18,687	15,639	13,190
<b>Accrued expenses</b>	<b>141,676</b>	<b>163,483</b>	<b>108,517</b>	<b>104,214</b>
Withholding tax on distributions	65,026	62,563	-	-
<b>Other creditors</b>	<b>65,026</b>	<b>62,563</b>	<b>-</b>	<b>-</b>



	<b>APS Diversified Bond Fund</b>		<b>APS Global Equity Fund</b>	
	<b>31.12.2023</b>	31.12.2022	<b>31.12.2023</b>	31.12.2022
	<b>€</b>	€	<b>€</b>	€
Management fees payable	<b>77,788</b>	72,565	<b>35,201</b>	28,098
Administration fees payable	<b>2,756</b>	2,420	<b>2,260</b>	2,123
Custody fees payable	<b>1,696</b>	3,149	<b>1,085</b>	2,170
Other unpaid expenses	<b>16,655</b>	15,050	<b>11,990</b>	9,051
<b>Accrued expenses</b>	<b>98,895</b>	93,184	<b>50,536</b>	41,442
Withholding tax on distributions	-	-	-	-
<b>Other creditors</b>	-	-	-	-

## 7. SHARE CAPITAL

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

The authorised share capital of the Company is 5,000,001,200 shares. Each participating share which the Company issues is allocated to a class representing a particular Fund, with the exception of the initial issued share capital, (Founder shares) of €1,200 divided into 1,200 ordinary shares with no nominal value. These shares constitute a separate class of ordinary shares, being the founder shares, but do not constitute a distinct fund of the Company. All shares in issue of the APS Income Fund, APS Ethical Fund, APS Diversified Bond Fund and APS Global Equity Fund are fully paid.

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

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

### APS Income Fund

	<b>2023</b>	2022
	<b>Shares</b>	Shares
<b>Shares in issue at the beginning of the year</b>		
<b>Accumulator shares</b>	<b>103,926.795</b>	113,676.158
<b>Distributor shares</b>	<b>465,667.900</b>	534,022.279
Creation of Accumulator shares	<b>1,700.588</b>	3,116.483
Creation of Distributor shares	<b>13,020.603</b>	18,283.347
Redemption of Accumulator shares	<b>(13,275.502)</b>	(12,865.846)
Redemption of Distributor shares	<b>(51,991.633)</b>	(86,637.726)
<b>Shares in issue at the end of the year</b>		
<b>Accumulator shares</b>	<b>92,351.881</b>	103,926.795
<b>Distributor shares</b>	<b>426,696.870</b>	465,667.900



# Notes to the Financial Statements

## 7. SHARE CAPITAL (continued)

### APS Ethical Fund

	2023	2022
	Shares	Shares
<b>Shares in issue at the beginning of the year</b>		
<b>Class A Accumulator</b>	<b>4,485,613.462</b>	4,173,645.652
<b>Class B Distributor</b>	<b>5,966,275.577</b>	8,841,952.026
<b>Class C Accumulator</b>	<b>6,634,841.592</b>	6,286,850.754
<b>Class D Distributor</b>	<b>13,860,547.382</b>	13,396,025.331
Creation of A Accumulator shares	50,460.837	311,967.810
Creation of B Distributor shares	131,708.816	1,329,840.331
Creation of C Accumulator shares	379,851.552	694,093.776
Creation of D Distributor shares	1,193,308.951	1,668,455.612
Redemption of Class A Accumulator shares	(343,435.298)	-
Redemption of Class B Distributor shares	(448,003.913)	(4,205,516.780)
Redemption of Class C Accumulator shares	(363,509.538)	(346,102.938)
Redemption of Class D Distributor shares	(850,153.195)	(1,203,933.561)
<b>Shares in issue at the end of the year</b>		
<b>Class A Accumulator</b>	<b>4,192,639.001</b>	4,485,613.462
<b>Class B Distributor</b>	<b>5,649,980.480</b>	5,966,275.577
<b>Class C Accumulator</b>	<b>6,651,183.606</b>	6,634,841.592
<b>Class D Distributor</b>	<b>14,203,703.138</b>	13,860,547.382

### APS Diversified Bond Fund

	2023	2022
	Shares	Shares
<b>Shares in issue at the beginning of the year</b>		
<b>Class A Accumulator</b>	<b>305,208.171</b>	305,208.171
<b>Class B Distributor</b>	<b>41,365,129.887</b>	41,365,129.887
<b>Class C Accumulator</b>	<b>3,885,441.470</b>	3,468,555.225
<b>Class D Distributor</b>	<b>5,778,849.315</b>	5,852,144.805
<b>Class G Distributor</b>	<b>1,221,369.477</b>	1,180,602.677



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**APS Diversified Bond Fund (continued)**

Creation of B Distributor shares	135,097.761	108,184.283
Creation of C Accumulator shares	1,857,421.961	624,061.793
Creation of D Distributor shares	1,834,843.853	235,135.912
Creation of G Distributor shares	122,943.330	116,569.191
Redemption of Class B Distributor shares	(246,513.944)	(108,184.283)
Redemption of Class C Accumulator shares	(187,306.197)	(207,175.548)
Redemption of Class D Distributor shares	(293,707.484)	(308,431.402)
Redemption of Class G Distributor shares	(24,435.175)	(75,802.391)

**Shares in issue at the end of the year**

<b>Class A Accumulator</b>	<b>305,208.171</b>	<b>305,208.171</b>
<b>Class B Distributor</b>	<b>41,253,713.704</b>	<b>41,365,129.887</b>
<b>Class C Accumulator</b>	<b>5,555,557.234</b>	<b>3,885,441.470</b>
<b>Class D Distributor</b>	<b>7,319,985.684</b>	<b>5,778,849.315</b>
<b>Class G Distributor</b>	<b>1,319,877.632</b>	<b>1,221,369.477</b>

**APS Global Equity Fund**

2023	2022
Shares	Shares

**Shares in issue at the beginning of the year**

<b>Class A Accumulator shares</b>	<b>3,587,712.762</b>	<b>2,072,210.969</b>
<b>Class B Distributor shares</b>	<b>7,790,120.861</b>	<b>7,581,872.439</b>

Creation of Class A Accumulator shares	1,562,585.587	1,541,384.725
Creation of Class B Distributor shares	287,569.352	335,167.003
Redemption of Class A of Accumulator shares	(358,298.560)	(25,882.932)
Redemption of Class B Distributor shares	(438,824.300)	(126,918.581)

**Shares in issue at the end of the year**

<b>Class A Accumulator shares</b>	<b>4,791,999.789</b>	<b>3,587,712.762</b>
<b>Class B Distributor shares</b>	<b>7,638,865.913</b>	<b>7,790,120.861</b>

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

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



# Notes to the Financial Statements

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## 8. 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.

## 9. FEES

### a) Management fee

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

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

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

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

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

### b) Administration fee

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

The Sub-Fund accounting fee amounts 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, which fee shall be discounted to €20,000 until the Sub-Fund reaches a NAV of €10 Million.



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**c) Custodian fee**

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

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

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

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

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

**d) Auditor's remuneration**

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

	<b>2023</b>	2022
	<b>€</b>	€
Annual statutory fee	<b>22,540</b>	21,480
Other audit services	<b>1,100</b>	1,050
Tax compliance services	<b>3,817</b>	1,410
	<b>27,457</b>	23,940



# Notes to the Financial Statements

## 10. DIVIDEND DISTRIBUTION

Distributions reflected in the Statement of Comprehensive Income for the year ended 31 December 2023:

APS Income Fund - Distributor Shares	Ex-dividend date	Rate per share	Distribution paid
B Class	31 December 2022	€ 1.3495	€ 628,405
B Class	30 June 2023	€ 1.6037	€ 714,777
APS Ethical Fund - Distributor Shares	Ex-dividend date	Rate per share	Distribution paid
B Class	31 March 2023	€ 0.0103	€ 60,999
D Class	31 March 2023	€ 0.0102	€ 142,355
B Class	30 September 2023	€ 0.0138	€ 78,120
D Class	30 September 2023	€ 0.0137	€ 194,712
APS Diversified Bond Fund - Distributor Shares	Ex-dividend date	Rate per share	Distribution paid
B Class	31 March 2023	€ 0.0117	€ 484,910
D Class	31 March 2023	€ 0.0117	€ 70,187
G Class	31 March 2023	€ 0.0120	€ 16,964
B Class	30 September 2023	€ 0.0124	€ 513,202
D Class	30 September 2023	€ 0.0124	€ 88,300
G Class	30 September 2023	€ 0.0129	€ 19,053
APS Global Equity Fund- Distributor Shares	Ex-dividend date	Rate per share	Distribution paid
B Class	31 March 2023	€ 0.0065	€ 50,463
B Class	30 September 2023	€ 0.0124	€ 95,755

Distributions reflected in the Statement of Comprehensive Income for the year ended 31 December 2022:

APS Income Fund - Distributor Shares	Ex-dividend date	Rate per share	Distribution paid
B Class	30 December 2021	€ 1.3949	€ 744,882
B Class	30 June 2022	€ 1.3648	€ 672,946
APS Ethical Fund - Distributor Shares	Ex-dividend date	Rate per share	Distribution paid
B Class	31 March 2022	€ 0.0163	€ 79,052
D Class	31 March 2022	€ 0.0161	€ 220,995
B Class	30 September 2022	€ 0.0160	€ 95,256
D Class	30 September 2022	€ 0.0158	€ 220,858



APS Diversified Bond Fund - Distributor Shares	Ex-dividend date	Rate per share	Distribution paid
B Class	31 March 2022	€ 0.0140	€ 580,372
D Class	31 March 2022	€ 0.0140	€ 81,803
G Class	31 March 2022	€0.0142	€ 20,305
B Class	30 September 2022	€ 0.0126	€ 521,845
D Class	30 September 2022	€ 0.0126	€ 73,820
G Class	30 September 2022	€0.0134	€ 18,874
APS Global Equity Fund- Distributor Shares	Ex-dividend date	Rate per share	Distribution paid
B Class	31 March 2022	€ 0.0161	€ 123,150
B Class	30 September 2022	€ 0.0129	€ 100,350

A final dividend of €1.5399 per share which amounted to a distribution of was €657,091 declared by the Directors on 31 December 2023 with respect to the distributor shares of the APS Income Fund (31 December 2022 €1.3495 per share which amounted to a distribution of €628,405). This distribution will be reflected in the Statement of Comprehensive Income for the year ending 31 December 2024.

## 11. TAX EXPENSE

The tax regime for collective investment schemes is based on the classification of funds into prescribed or non-prescribed funds in terms of the conditions set out in the Collective Investment Schemes (Investment Income) Regulations, 2001 as amended. In general, a prescribed fund is defined as a resident fund, which has declared that the value of its assets situated in Malta amount to at least 85% of the value of the total assets of the fund.

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

Distributions from the Company's equalisation reserve are treated as dividends for income tax purposes and are likely to be subject to a withholding tax of 15% when paid to a Maltese resident person (other than a company).

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



# Notes to the Financial Statements

## 12. RELATED PARTIES

### (i) Shareholding

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

	<b>APS Funds SICAV p.l.c. Founder Shares</b>	<b>APS Income Fund Distributor Shares</b>	<b>APS Ethical Fund Distributor Shares Class B</b>	<b>APS Funds SICAV p.l.c. Founder Shares</b>	<b>APS Income Fund Distributor Shares</b>	<b>APS Ethical Fund Distributor Shares Class B</b>
	<b>31.12.2023</b>	<b>31.12.2023</b>	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2022</b>	<b>31.12.2022</b>
Number of Shares	1,199,000	56,880,000	1,000,000,000	1,199,000	56,880,000	1,000,000,000
Distribution to shareholders	-	€167,977	€24,134	-	€215,514	€32,292

	<b>APS Diversified Bond Fund Distributor Shares Class B</b>	<b>APS Diversified Bond Fund Distributor Shares Class B</b>	<b>APS Global Equity Fund Distributor Shares Class B</b>	<b>APS Global Equity Fund Distributor Shares Class B</b>
	<b>31.12.2023</b>	<b>31.12.2022</b>	<b>31.12.2023</b>	<b>31.12.2022</b>
Number of Shares	40,000,000,000	40,000,000,000	5,000,000,000	5,000,000,000
Distribution to shareholders	€965,669	€1,065,311	€94,395	€145,050

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

The APS Income Fund and the APS Ethical Fund are associates of APS Bank p.l.c., since the latter holds a 10.96% and 3.26% equity interest in the Funds respectively (2022: 9.99% and 3.23% respectively).

The APS Diversified Bond Fund is a subsidiary of APS Bank p.l.c. since the latter holds an 71.74% equity interest in the Fund (2022: 76.11%). The APS Global Equity Fund is also an associate of APS Bank p.l.c. since the latter holds 40.22% (2022: 43.95%) equity interest in the Fund. APS Global Equity Fund is not longer a subsidiary of APS Bank p.l.c. but is an associate.

As at 31 December 2023, the APS Funds SICAV ("The Company") held net bank balances at APS Bank p.l.c. amounting to €13,854 (2022: €12,596) and no term deposits (2022: €800,000).

As at 31 December 2023, the APS Income Fund held bank balances at APS Bank p.l.c. amounting to €2 (2022: €11,235) and no term deposits (2022: €800,000). These amounts are unsecured and will be settled by way of cash.

As at 31 December 2023, the APS Ethical Fund held bank balances at APS Bank p.l.c. €13,694 (2022: €1,361) and no term deposits (2022: €Nil). These amounts are unsecured and will be settled by way of cash.

As at 31 December 2023, the APS Diversified Bond Fund held bank balances at APS Bank p.l.c. €126 (2022: €Nil) and no term deposits (2022: €Nil). These amounts are unsecured and will be settled by way of cash.

As at 31 December 2023, the APS Global Equity Fund held bank balances of €32 (2022: €Nil) and no term deposits (2022: €Nil) at APS Bank p.l.c..



## 12. RELATED PARTIES (continued)

### (ii) Management agreement

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

### (iii) Key management personnel

The Directors are entitled to remuneration for their services at rates determined by the annual general meeting of the shareholders. For the years ended 31 December 2023 and 31 December 2022, the Company remunerated its Directors the amount of €50,000 and €46,388 respectively for each reporting year as disclosed separately in the Statement of Comprehensive Income. There were no other payments to key management personnel. These amounts represent short-term employee benefits.

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

## 13. CASH AND CASH EQUIVALENTS

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

	2023	% of net assets	2022	% of net assets
	€		€	
APS Funds SICAV p.l.c.	2,655,311	1.65	5,517,502	3.49
APS Income Fund	535,609	0.85	1,091,529	1.57
APS Ethical Fund	777,572	2.15	1,760,674	5.14
APS Diversified Bond Fund	547,772	1.15	1,846,779	4.27
APS Global Equity Fund	793,158	5.60	817,320	7.34

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.

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.

During the year, a pledge agreement has been signed between the Company and APS Bank p.l.c. Pledge instrument is APS Income Fund and the agreement was signed in November 2023 and it will become effective in 2024.

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

## 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

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

### Risk Management Structure

The Company's Investment Manager is responsible for identifying and controlling risks. The Board of Directors carries out oversight on the Investment Manager and is ultimately responsible for the overall risk management of the Company.



# Notes to the Financial Statements

## 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Market Price Risk

#### APS Income Fund

The equity securities are generally selected from the Malta Stock Exchange Equity Price Index. If equities held by the Fund as at 31 December 2023 had increased by 15% (2022: 15%) with all other variables held constant, this would have increased net assets attributable to holders of redeemable shares by approximately €2,341,916 (2022: €2,499,411). Conversely, if equities had decreased by 15% (2022: 15%), this would have had an equal but opposite effect.

#### APS Ethical Fund

The equity securities are selected from recognised stock exchanges across the world. If equities and holdings in collective investment schemes and Exchange Traded Funds at 31 December 2023 had increased by 15% (2022: 15%) with all other variables held constant, this would have increased net assets attributable to holders of redeemable shares by approximately €1,257,201 (2022: €1,280,935). Conversely, if equities and holdings in collective investment schemes and Exchange Traded Funds had decreased by 15% (2022: 15%), this would have had an equal but opposite effect.

#### APS Diversified Bond Fund

The APS Diversified Bond Fund does not invest in equity securities and/ or has holdings in other collective investment schemes as at 31 December 2023 (2022: €nil).

#### APS Global Equity Fund

The equity securities are selected from recognised stock exchanges across the world. If equities and exchange traded funds at 31 December 2023 had increased by 15% (2022: 15%) with all other variables held constant, this would have increased net assets attributable to holders of redeemable shares by approximately €1,946,139 (2022: €1,499,611). Conversely, if holdings in equity securities and exchange traded funds had decreased by 15% (2022: 15%), this would have had an equal but opposite effect.

### Interest Rate Risk

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

	Financial assets held at fixed rates (as a % of NAV)		Financial assets held at variable rates (as a % of NAV)	
	2023	2022	2023	2022
APS Income Fund	73.58	74.18	0.66	0.58
APS Ethical Fund	74.59	68.22	-	0.59
APS Diversified Bond Fund	97.00	93.21	1.56	0.93
APS Global Equity Fund	1.80	-	-	-

#### APS Income Fund

At 31 December 2023, should interest rates have lowered / increased by 50 basis points (2022: 50 basis points) basis points with all other variables remaining constant, the increase / decrease in net assets attributable to holders of redeemable shares (gross of expenses) would amount to approximately €1,244,389 (2022: €1,567,678), arising from the change in market values of these corporate and government bonds.

#### APS Ethical Fund

At 31 December 2023, should interest rates have lowered / increased by 50 basis points (2022: 50 basis points) basis points with all other variables remaining constant, the increase / decrease in net assets attributable to holders of redeemable shares (gross of expenses) would amount to approximately €923,576 (2022: €800,669), arising from the change in market values of these corporate and government bonds.

#### APS Diversified Bond Fund

At 31 December 2023, should interest rates have lowered / increased by 50 basis points (2022: 50 basis points) basis points with all other variables remaining constant, the increase / decrease in net assets attributable to holders of redeemable shares (gross of expenses) would amount to approximately €1,372,489 (2022: €1,221,583), arising from the change in market values of these corporate and government bonds.



## 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Interest Rate Risk (continued)

#### APS Global Equity Fund

At 31 December 2023, should interest rates have lowered / increased by 50 basis points (2022: 50 basis points) basis points with all other variables remaining constant, the increase / decrease in net assets attributable to holders of redeemable shares (gross of expenses) would amount to approximately €82 (2022: €nil), arising from the change in market values of these corporate and government bonds.

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

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

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

#### Maturity analysis of debt securities

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

##### APS Income Fund

	Quoted Local Corporate Bonds	Quoted Malta Government Bonds	Foreign Government Bonds	Quoted Foreign Bonds	Total
	31.12.2023	31.12.2023	31.12.2023	31.12.2023	31.12.2023
	€	€	€	€	€
Up to 1 year	1,740,714	-	-	-	1,740,714
1 to 5 years	11,931,280	2,566,983	-	4,718,727	19,216,990
5 to 15 years	10,257,841	8,052,494	1,291,950	1,068,837	20,671,122
Over 15 years	-	4,013,254	-	393,983	4,407,237
	<b>23,929,835</b>	<b>14,632,731</b>	<b>1,291,950</b>	<b>6,181,547</b>	<b>46,036,063</b>

	Quoted Local Corporate Bonds	Quoted Malta Government Bonds	Foreign Government Bonds	Quoted Foreign Bonds	Total
	31.12.2022	31.12.2022	31.12.2022	31.12.2022	31.12.2022
	€	€	€	€	€
Up to 1 year	793,942	-	-	550,000	1,343,942
1 to 5 years	14,349,400	3,909,375	-	1,974,152	20,232,927
5 to 15 years	12,431,356	10,249,211	-	1,033,785	23,714,352
Over 15 years	-	4,545,900	-	740,387	5,286,287
	<b>27,574,698</b>	<b>18,704,486</b>	<b>-</b>	<b>4,298,324</b>	<b>50,577,508</b>



# Notes to the Financial Statements

## 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Interest Rate Risk (continued)

#### Maturity analysis of debt securities (continued)

##### APS Ethical Fund

	Supranational Bonds	Foreign Government Bonds	Quoted Foreign Bonds	Total
	31.12.2023	31.12.2023	31.12.2023	31.12.2023
	€	€	€	€
Up to 1 year	-	-	-	-
1 to 5 years	1,201,537	3,882,936	5,088,341	10,172,814
5 to 15 years	-	2,532,269	1,360,625	3,892,894
Over 15 years	-	7,661,989	4,858,071	12,520,060
	1,201,537	14,077,194	11,307,037	26,585,768

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

	Supranational Bonds	Foreign Government Bonds	Quoted Foreign Bonds	Total
	31.12.2022	31.12.2022	31.12.2022	31.12.2022
	€	€	€	€
Up to 1 year	-	-	448,470	448,470
1 to 5 years	-	2,211,982	4,512,505	6,724,487
5 to 15 years	-	4,980,352	3,148,135	8,128,487
Over 15 years	-	3,939,780	4,073,926	8,013,706
	-	11,132,114	12,183,036	23,315,150

##### APS Diversified Bond Fund

	Quoted Local Corporate Bonds	Supranational Bonds	Quoted Malta Government Bonds	Quoted Foreign Bonds	Foreign Government Bonds	Total
	31.12.2023	31.12.2023	31.12.2023	31.12.2023	31.12.2023	31.12.2023
	€	€	€	€	€	€
Up to 1 year	-	-	-	250,850	-	250,850
1 to 5 years	853,973	1,762,228	-	11,465,932	3,301,668	17,383,801
5 to 15 years	769,872	-	-	6,531,310	11,793,939	19,095,121
Over 15 years	-	-	-	4,952,010	4,584,346	9,536,356
	1,623,845	1,762,228	-	23,200,102	19,679,953	46,266,128



#### APS Diversified Bond Fund

	Quoted Local Corporate Bonds	Supranational Bonds	Quoted Malta Government Bonds	Quoted Foreign Bonds	Foreign Government Bonds	Total
	31.12.2022	31.12.2022	31.12.2022	31.12.2022	31.12.2022	31.12.2022
	€	€	€	€	€	€
Up to 1 year	126,100	-	-	434,356	1,111,146	1,671,602
1 to 5 years	580,392	-	-	2,887,201	8,115,497	11,583,090
5 to 15 years	1,011,540	-	304,920	10,675,309	7,146,640	19,138,409
Over 15 years	-	-	-	3,501,962	4,388,146	7,890,108
	1,718,032	-	304,920	17,498,828	20,761,429	40,283,209

#### APS Global Equity Fund

	Foreign Government Bonds	Total
	31.12.2023	31.12.2023
	€	€
Up to 1 year	252,677	252,677
1 to 5 years	-	-
5 to 15 years	-	-
Over 15 years	-	-
	252,677	252,677

APS Global Equity Fund did not have any bonds during the year ended 31 December 2022.

#### Currency Risk

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

The Directors are under no obligation (although they may do so at their discretion) to hedge currency risks.

The base currency of APS Income Fund is euro and is therefore exposed to foreign currency risk. As at 31 December 2023, the Fund had 2.71% (2022: 1.93%) of its underlying net assets denominated in foreign currencies.

After considering the hedging effect of the FX forward contracts, the net exposure to net assets denominated in foreign currencies as at 31 December 2023 was 2.71% (2022: 1.08%).

The base currency of APS Ethical Fund is euro and is therefore exposed to considerable foreign currency risk. As at 31 December 2023, the Fund had 42.41% (2022: 43.35%) of its underlying net assets denominated in foreign currencies.

After considering the hedging effect of the FX forward contracts, the net exposure to net assets denominated in foreign currencies as at 31 December 2023 was 19.23% (2022: 15.13%).

The base currency of APS Diversified Bond Fund is euro and is therefore exposed to foreign currency risk. As at 31 December 2023, the Fund had 40.25% (2022: 44.42%) of its underlying net assets denominated in foreign currencies. One of the share classes in APS Diversified Bond Fund is denominated in GBP (Class G). As of 31 December 2023, the NAV stood at GBP1,138,029 (2022: GBP1,013,354), with 99.53% (2022: 100.04%) being hedged by forward exchange contract.



# Notes to the Financial Statements

## 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Currency Risk (continued)

After considering the hedging effect of the FX forward contracts, the net exposure to net assets denominated in foreign currencies as at 31 December 2023 was 16.09% (2022: 8.40%).

The base currency of APS Global Equity Fund is euro and is therefore exposed to foreign currency risk. As at 31 December 2023, the Fund had 64.97% (2022: 61.61%) of its underlying net assets denominated in foreign currencies.

After considering the hedging effect of the FX forward contracts, the net exposure to net assets denominated in foreign currencies as at 31 December 2023 was 20.52% (2022: 13.06%).

The following table indicates the currencies to which the Fund had significant exposure at 31 December 2023 and 31 December 2022 on its monetary financial assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the currency rate against the Euro on the net assets attributable to shareholders with all other variables held constant. The hedging effect of the FX forwards contracts in place to mitigate the effect of such movement of the currency rate against Euro is not taken in consideration.

#### APS Income Fund

		2023	2022
	Change in currency rate	Effect on the net assets Attributable to shareholders	Effect on the net assets Attributable to shareholders
Currency	%		
Australian Dollar	+10	€12	€13
British Pound	+10	€40,180	€77,854
Norwegian Krona	+10	€8	€9
US Dollar	+10	€129,985	€56,388

#### APS Ethical Fund

		2023	2022
	Change in currency rate	Effect on the net assets Attributable to shareholders	Effect on the net assets Attributable to shareholders
Currency	%		
Australian Dollar	+10	€1,158	€1,191
British Pound	+10	€343,214	€138,585
Brazilian Real	+10	€56,415	-
New Zealand Dollar	+10	€141,926	€96,595
Indonesian Rupiah	+10	€66,528	-
Swiss Franc	+10	€14,219	€36,355
Swedish Krona	+10	-	€70,125
Canadian dollar	+10	-	€951
Japanese yen	+10	€30,423	-
US Dollar	+10	€878,408	€1,209,270



#### APS Diversified Bond Fund

		2023	2022
	Change in currency rate	Effect on the net assets Attributable to shareholders	Effect on the net assets Attributable to shareholders
<b>Currency</b>	%		
British Pound	+10	€402,724	€78,011
Canadian Dollar	+10	-	€1,119
New Zealand Dollar	+10	€218,366	€140,063
Swedish Krona	+10	€86,775	€126,794
US Dollar	+10	€1,110,393	€1,576,414
Swiss Franc	+10	€94,025	€[10]

#### APS Global Equity Fund

		2023	2022
	Change in currency rate	Effect on the net assets Attributable to shareholders	Effect on the net assets Attributable to shareholders
<b>Currency</b>	%		
British Pound	+10	€129,447	€113,358
Hong Kong Dollar	+10	€255	€10,825
Japanese Yen	+10	€56,836	€18,020
Swiss Franc	+10	€34,807	€44,576
Swedish Krona	+10	€16,659	€22,470
US Dollars	+10	€682,570	€476,779



# Notes to the Financial Statements

## 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Currency Risk (continued)

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

The following table indicates the currencies to which the Company has significant exposure as at 31 December 2023 and 31 December 2022 on its monetary financial assets

#### APS Income Fund

	As at 31 December 2023	% of net assets	As at 31 December 2022	% of net assets
	€		€	
Australian Dollar	123	-	126	-
British Pound	401,804	0.64	778,543	1.12
Norwegian Krona	79	-	85	-
US Dollar	1,299,851	2.07	563,884	0.81
	<b>1,701,857</b>	<b>2.71</b>	<b>1,342,638</b>	<b>1.93</b>

#### APS Ethical Fund

	As at 31 December 2023	% of net assets	As at 31 December 2022	% of net assets
	€		€	
British Pound	3,432,139	9.50	1,385,849	4.05
US Dollar	8,784,082	24.31	12,092,697	35.31
Canadian dollar	-	-	9,509	0.03
Brazilian Real	564,151	1.56	-	-
New Zealand Dollar	1,419,261	3.93	965,954	2.82
Australian Dollar	11,582	0.03	11,914	0.03
Swedish Krona	-	-	701,245	2.05
Indonesian Rupiah	665,276	1.84	-	-
Japanese yen	304,233	0.84	-	-
Swiss Franc	142,186	0.39	363,546	1.06
	<b>15,322,910</b>	<b>42.40</b>	<b>15,530,714</b>	<b>45.35</b>



#### APS Diversified Bond Fund

	As at 31 December 2023	% of net assets	As at 31 December 2022	% of net assets
	€		€	
Canadian Dollar	-	-	11,194	0.03
British Pound	4,027,242	8.48	780,114	1.80
US Dollars	11,103,926	23.37	15,764,141	36.43
New Zealand Dollar	2,183,655	4.60	1,400,634	3.24
Swiss Franc	940,252	1.98	(101)	-
Swedish Krona	867,751	1.83	1,267,938	2.93
	<b>19,122,826</b>	<b>40.26</b>	<b>19,223,920</b>	<b>44.43</b>

#### APS Global Equity Fund

	As at 31 December 2023	% of net assets	As at 31 December 2022	% of net assets
	€		€	
British Pound	1,294,465	9.14	1,133,580	10.18
Hong Kong Dollar	2,551	0.02	108,250	0.97
Japanese Yen	568,359	4.01	180,201	1.62
Swedish Krona	166,586	1.18	224,696	2.02
US Dollars	6,825,698	48.18	4,767,787	42.82
Swiss Franc	348,065	2.46	445,757	4.00
	<b>9,205,724</b>	<b>64.99</b>	<b>6,860,271</b>	<b>61.61</b>

#### Credit Risk

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

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

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



# Notes to the Financial Statements

## 14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Credit Risk (continued)

#### APS Income Fund

	Aa	A	Baa	Ba	B	Not Rated	Fair Value 31.12.2023 €
Debt securities classified as fair value through profit or loss	2.10%	24.18%	2.11%	2.23%	0.55%	43.51%	46,036,063
	Aa	A	Baa	Ba	B	Not Rated	Fair Value 31.12.2022 €
Debt securities classified as fair value through profit or loss	-	27.82%	1.36%	2.41%	0.82%	41.01%	50,577,508

#### APS Ethical Fund

	Aaa	Aa	A	Baa	Ba	B	Not Rated	Fair Value 31.12.2023 €
Debt securities classified as fair value through profit or loss	16.65%	8.94%	4.00%	18.71%	8.58%	1.04%	17.84%	26,585,768
	Aaa	Aa	A	Baa	Ba	B	Not Rated	Fair Value 31.12.2022 €
Debt securities classified as fair value through profit or loss	29.31%	-	9.63%	19.50%	10.03%	2.44%	1.26%	23,315,150

#### APS Diversified Bond Fund

	Aaa	Aa	A	Baa	Ba	B	Not Rated	Fair Value 31.12.2023 €
Debt securities classified as fair value through profit or loss	18.22%	8.19%	2.73%	30.69%	13.85%	2.72%	23.13%	46,266,128
	Aaa	Aa	A	Baa	Ba	B	Not Rated	Fair Value 31.12.2022 €
Debt securities classified as fair value through profit or loss	27.97%	-	12.49%	32.12%	16.49%	2.93%	6.14%	40,283,209

#### APS Global Equity Fund

	Aaa	Aa	A	Baa	Ba	B	Not Rated	Fair Value 31.12.2023 €
Debt securities classified as fair value through profit or loss	-	-	-	-	-	-	1.88%	252,677
	Aaa	Aa	A	Baa	Ba	B	Not Rated	Fair Value 31.12.2022 €
Debt securities classified as fair value through profit or loss	-	-	-	-	-	-	-	-



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

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

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

None of the Sub-Funds' financial assets were considered to be past due or impaired in both 2023 and 2022.

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

#### APS Income Fund

	2023	2022
	EUR	EUR
	Stage 1	Stage 1
Performing	535,609	1,091,529
<b>Gross / net carrying amount at 31 December</b>	<b>535,609</b>	<b>1,091,529</b>

#### APS Ethical Fund

	2023	2022
	EUR	EUR
	Stage 1	Stage 1
Performing	777,572	1,760,674
<b>Gross / net carrying amount at 31 December</b>	<b>777,572</b>	<b>1,760,674</b>

#### APS Diversified Bond Fund

	2023	2022
	EUR	EUR
	Stage 1	Stage 1
Performing	547,772	1,846,779
<b>Gross / net carrying amount at 31 December</b>	<b>547,772</b>	<b>1,846,779</b>

#### APS Global Equity Fund

	2023	2022
	EUR	EUR
	Stage 1	Stage 1
Performing	793,158	817,320
<b>Gross / net carrying amount at 31 December</b>	<b>793,158</b>	<b>817,320</b>

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

#### APS Income Fund

	2023	2022
	EUR	EUR
	Stage 1	Stage 1
Performing	-	800,000
<b>Gross / net carrying amount at 31 December</b>	<b>-</b>	<b>800,000</b>



# Notes to the Financial Statements

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## **Liquidity Risk**

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

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

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

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

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

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

## **Capital risk management**

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

## **15. EVENTS DURING THE REPORTING PERIOD**

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

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

There were no events after the reporting event which affect the financial statements as at 31 December 2023.



# Portfolio Statements

Market  
Value  
  
31.12.2023  
€

% of net  
assets

## APS INCOME FUND

### Quoted Foreign Bonds

4.88%	Almaviva 2026	297,240	0.47
6.25%	Banca Popolare Sondrio 2029	401,520	0.64
10.00%	Bank Of Valletta 2027	2,196,399	3.50
3.63%	China Oil & Gas Group 2026	321,028	0.51
4.70%	Ford Motor Credit Company 2028	324,429	0.52
4.88%	HSBC 2025	620,599	0.99
6.13%	Lloyds Banking Group 2026	274,269	0.44
4.25%	Nordea Bank 2029	342,888	0.55
2.75%	Petroleos Mexicanos 2027	337,256	0.54
3.63%	Sappi Papier Holding 2028	337,267	0.54
2.75%	Vodafone Group 2078	393,983	0.63
3.13%	Zhongan Online P&C Insurance 2025	334,669	0.52

### Quoted Local Corporate Bonds

5.10%	1923 Holdings 2024	422,200	0.67
5.80%	APS Bank 2030	711,900	1.13
3.25%	APS Bank 2033	1,346,100	2.14
3.75%	AX Investments 2024	411,290	0.66
6.00%	AX Investments 2029	894,200	1.42
3.50%	Bank Of Valletta 2030	2,033,472	3.24
3.75%	Bank Of Valletta 2031	145,084	0.23
4.50%	BNF Bank 2027-2032	427,200	0.68
4.00%	Cablenet Communication Systems 2030	920,550	1.47
4.25%	Corinthia Finance 2026	66,666	0.12
4.00%	Eden Finance 2027	1,445,570	2.30
3.50%	GO 2031	906,657	1.44
5.00%	Halmann Vella Group 2024	705,149	1.12
4.00%	International Hotel Investments 2024	456,983	0.73
5.75%	International Hotel Investments 2025	194,669	0.31
6.00%	International Hotel Investments 2026	1,113,000	1.77
4.25%	IZI Finance 2029	525,653	0.84
5.00%	Izola Bank 2032	1,171,600	1.87
4.00%	Malta Properties Company 2032	225,913	0.36



# Portfolio Statements

**Market Value**  
**31.12.2023**  
**€**

**% of net assets**

## APS INCOME FUND (continued)

### Quoted Local Corporate Bonds (continued)

5.30%	Mariner Finance 2024	431,914	0.69
4.00%	Medirect Bank Malta 2029	546,576	0.87
5.00%	Mediterranean Investments Holding 2027	974,160	1.55
5.25%	Mediterranean Investments Holding 2027	260,580	0.42
4.50%	MedservRegis 2026	522,927	0.83
3.65%	Mizzi Organisation Finance 2031	80,746	0.13
4.15%	Phoenicia Finance Company 2028	1,325,808	2.11
3.75%	Premier Capital 2026	2,197,159	3.50
4.35%	SD Finance 2027	1,732,934	2.76
3.50%	Simonds Farsons Cisk 2027	186,516	0.30
3.65%	Stivala Group Finance 2027	64,857	0.10
4.00%	Stivala Group Finance 2029	316,899	0.50
3.75%	Tum Invest 2029	553,728	0.88
5.00%	Tumas Investments 2024	195,800	0.32
3.75%	Tumas Investments 2027	415,375	0.66

### Quoted Local Equities

APS Bank	561,946	0.90
Bank Of Valletta	1,339,857	2.13
BMIT Technologies	202,202	0.32
GO	1,304,679	2.08
Hili Properties	134,734	0.21
HSBC Bank Malta	939,052	1.50
Malita Investments	743,820	1.18
Malta International Airport	3,358,695	5.35
Mapfre Middlesea	206,862	0.33
MedservRegis	620,000	0.99
PG	1,584,440	2.52
Plaza Centres	453,006	0.72
RS2 Software	1,744,059	2.78
Simonds Farsons Cisk	1,277,398	2.04
Tigne Mall	976,802	1.56
Trident Estates	165,221	0.26



Market Value	% of net assets
31.12.2023	
€	

**APS INCOME FUND (continued)**

**Quoted Malta Government Bonds (5 to 15 years)**

1.50%	Malta Government 2027	2,272,953	3.62
2.60%	Malta Government 2028	294,030	0.47
2.30%	Malta Government 2029	414,616	0.66
1.00%	Malta Government 2031	3,205,492	5.11
0.90%	Malta Government 2031	572,040	0.91
1.60%	Malta Government 2032	599,970	0.96
4.00%	Malta Government 2032	214,000	0.34
2.90%	Malta Government 2032	482,800	0.77
4.10%	Malta Government 2034	195,642	0.31
1.00%	Malta Government 2035	699,400	1.11
2.50%	Malta Government 2036	74,934	0.12
1.20%	Malta Government 2037	1,593,600	2.54
2.10%	Malta Government 2039	2,708,254	4.31
3.40%	Malta Government 2042	985,000	1.57
1.80%	Malta Government 2051	320,000	0.51

**Foreign Government Bonds**

2.50%	Germany 2044	1,291,950	2.06
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# Portfolio Statements

Market Value  
31.12.2023  
€

% of net assets

## APS ETHICAL FUND

### Foreign Government Bonds

1.25%	Buoni Poliennali Del Tesoro 2026	910,651	2.52
2.75%	Croatia 2030	594,612	1.65
2.50%	Germany 2025	1,693,285	4.69
2.30%	Germany 2033	974,254	2.70
0.00%	Germany 2052	377,919	1.05
2.60%	Kingdom of Belgium 2024	228,885	0.63
2.00%	New Zealand Government 2032	963,404	2.67
2.75%	New Zealand Government 2051	450,657	1.25
0.75%	Republic of Austria 2051	882,920	2.44
2.13%	Romania 2028	318,252	0.88
1.25%	United Kingdom Gilt 2041	2,254,075	6.24
4.88%	US Treasury 2025	731,863	2.02
4.50%	US Treasury 2036	870,305	2.40
3.50%	US Treasury 2039	1,012,965	2.80
2.50%	US Treasury 2045	1,813,147	5.02

### Supranational Bonds

4.60%	European Bank for Reconstruction and Development 2025	663,321	1.84
5.00%	European Bank for Reconstruction and Development 2025	538,216	1.49

### Quoted Foreign Bonds

1.88%	Ageas 2051	240,261	0.66
3.10%	Allianz 2047	294,300	0.81
1.60%	Aptiv 2028	275,459	0.76
4.88%	Arcelormittal 2026	258,163	0.71
2.00%	Ardagh Metal Packaging 2028	267,051	0.74
1.87%	British Telecommunication 2080	286,728	0.79
7.63%	Carnival Corporation 2026	173,184	0.48
3.13%	Cemex 2026	216,097	0.60
4.45%	Citigroup 2027	176,932	0.49
2.50%	Citycon 2024	342,405	0.95
1.75%	Coca-Cola European Partners 2026	160,636	0.44



**Market  
Value**

**31.12.2023**

**€**

**% of net  
assets**

**APS ETHICAL FUND (continued)**

**Quoted Foreign Bonds (continued)**

4.00%	Commerzbank 2026	190,922	0.53
3.75%	E.on 2029	207,100	0.57
2.63%	Electricite DE France 2021	178,050	0.50
1.88%	EnBW 2080	187,160	0.52
1.00%	Erste Group Bank 2030	377,944	1.05
6.13%	Ford Motor Credit Company 2028	378,501	1.05
1.00%	Goldman Sachs Group 2033	234,985	0.65
4.25%	HSBC 2025	354,628	0.98
4.75%	HSBC Holdings PERP	362,472	1.00
1.83%	Iberdrola International PERP	341,284	0.94
3.63%	Infineon Technologies PERP	288,062	0.80
1.25%	Informa 2028	320,835	0.89
1.50%	International Consolidated Airlines Group 2027	372,372	1.04
1.80%	International Flavor & Fragrances 2026	190,264	0.53
0.63%	KBC Group 2031	180,870	0.50
3.42%	Lenovo Group 2030	176,018	0.49
3.50%	Lloyds Banking Group 2026	199,468	0.55
4.38%	Mapfre 2047	296,555	0.82
1.75%	Natwest Group 2026	272,712	0.75
5.62%	NGG Finance 2073	313,696	0.87
4.63%	NN Group 2048	241,450	0.67
2.50%	OMV PERP	377,900	1.05
3.63%	Sappi Papier Holding 2028	346,903	0.96
2.88%	Schaeffler 2027	187,647	0.52
2.38%	SK Hynix 2031	183,708	0.51
3.13%	SSE PERP	361,551	1.00
1.88%	Storebrand Livsforsikrin 2051	159,838	0.44
6.88%	Telecom Italia 2028	192,116	0.53
1.63%	TotalEnergies PERP	403,686	1.12
7.25%	Unibail-Rodamco-Westfield PERP	299,943	0.83
4.88%	Vodafone Group 2078	225,133	0.62
4.88%	Wienerberger 2028	212,048	0.59



# Portfolio Statements

	Market Value	% of net assets
	31.12.2023	
	€	
<b>APS ETHICAL FUND (continued)</b>		
<b>Quoted Foreign Equities</b>		
Abbvie INC	249,574	0.69
Allianz Holding	222,459	0.62
ASML Holding	385,161	1.07
Astazeneca	171,258	0.47
AXA	191,656	0.53
Banco Bilbao Vizcaya Argentaria	301,162	0.83
Bristol-Myers Squibb Company	120,768	0.33
Capgemini	279,350	0.77
Cisco Systems	177,859	0.49
Citigroup	162,984	0.45
Danone	119,590	0.33
Delta Air Lines	116,540	0.32
Deutsche Telekom	365,400	1.01
Enel	208,630	0.58
Engie	183,057	0.51
Essential Utilities	185,964	0.51
Euronext	306,735	0.85
Fuji Electric Company	179,264	0.50
GSK	133,886	0.37
Honda Motor Company	121,434	0.34
Infineon Technologies	268,380	0.74
ING Groep	135,192	0.37
Intesa Sanpaolo	175,499	0.49
Koninklijke Ahold Delhaize	151,043	0.42
Mcdonald's Corporation	268,420	0.74
Microsoft Corporation	699,213	1.94
Nextera Energy	164,957	0.46
Phoenix Group Holdings	142,057	0.40
Rio Tinto	168,546	0.47
Roche Holding	142,009	0.39
Samsung Electronics Corporation	161,374	0.45
Sanofi	256,534	0.72
SK Telecom Corporation - Sponsored ADR	272,282	0.75



		<b>Market Value</b>	<b>% of net assets</b>
		<b>31.12.2023</b>	
		<b>€</b>	
<b>APS ETHICAL FUND (continued)</b>			
<b>Quoted Foreign Equities (continued)</b>			
Sony Group Corporation - Sponsored ADR		282,874	0.78
Stellantis		131,130	0.36
Telefonica		98,807	0.27
Total Energies		373,173	1.03
Viatis		153,923	0.43
Visa		153,196	0.42
<b>Derivatives - Forward Forex Contracts</b>			
	<b>Notional Amount</b>	<b>Fair Value</b>	<b>% of net assets</b>
Sale Of Great Britain Pound Against Euro Maturing On 17 April 2024	2,400,000	(14,857)	(0.04)
Sale Of Great Britain Pound Against Euro Maturing On 17 April 2024	320,000	(1,253)	-
Sale Of New Zealand Dollar Against Euro Maturing On 17 April 2024	250,000	240	-
Sale Of New Zealand Dollar Against Euro Maturing On 17 April 2024	700,000	(14,258)	(0.04)
Sale Of New Zealand Dollar Against Euro Maturing On 17 April 2024	1,400,000	(13,910)	(0.04)
Sale Of United States Dollar Against Euro Maturing On 17 April 2024	4,200,000	166,054	0.46
		<b>Market Value</b>	<b>% of net assets</b>
		<b>31.12.2023</b>	
		<b>€</b>	
<b>APS DIVERSIFIED BOND FUND</b>			
<b>Foreign Government Bonds</b>			
1.25%	Buoni Poliennali Del Tesoro 2026	1,150,296	2.42
2.30%	Germany 2033	2,358,719	4.96
0.00%	Germany 2052	266,140	0.56
0.50%	Hungary 2030	472,020	0.99
2.00%	New Zealand Government 2032	1,396,935	2.94
2.86%	New Zealand Government 2051	778,409	1.64
0.75%	Republic Of Austria 2051	1,035,147	2.18
3.38%	Republic Of Indonesia 2025	770,606	1.62
0.70%	Republic Of Philippines 2029	437,825	0.92
2.88%	Russian Federation 2025	240,000	0.51
2.13%	Romania 2028	454,644	0.96
1.25%	United Kingdom Gilt 2041	2,770,790	5.83



# Portfolio Statements

Market Value  
31.12.2023  
€

% of net assets

## APS DIVERSIFIED BOND FUND (continued)

### Foreign Government Bonds (continued)

1.45%	United Mexican States 2033	1,252,208	2.64
4.88%	US Treasury 2025	686,122	1.44
3.88%	US Treasury 2029	1,989,169	4.19
3.50%	US Treasury 2039	1,459,356	3.07
3.13%	US Treasury 2042	2,161,566	4.55

### Supranational Bonds

4.60%	European Bank for Reconstruction and Development 2025	865,201	1.82
5.00%	European Bank for Reconstruction and Development 2025	897,027	1.89

### Quoted Foreign Bonds

4.88%	Almaviva 2026	247,700	0.52
2.30%	American Electric Power Company 2030	232,689	0.49
0.88%	American Tower Corporation 2029	480,299	1.01
6.88%	Aviva 2022	421,692	0.89
6.25%	Banca Popolare Sondrio 2029	200,760	0.42
6.00%	Banco Bilbao Vizcaya Argentaria 2019	199,690	0.42
1.00%	Banco Bilbao Vizcaya Argentaria 2030	288,786	0.61
10.00%	Bank Of Valletta 2027	1,866,722	3.93
5.20%	Barclays 2026	224,958	0.47
3.25%	BP Capital Markets 2049	484,125	1.02
1.87%	British Communications 2080	334,516	0.70
7.63%	Carnival Corporation 2026	254,683	0.54
2.88%	CDB Fianancial Leasing 2030	213,669	0.45
1.75%	Ceconomy 2026	261,663	0.55
6.17%	Celanese US Holdings 2027	232,178	0.49
3.13%	Cemex Sab DE 2026	294,678	0.62
0.88%	CEZ 2026	370,432	0.78
4.70%	China Oil & Gas Group 2026	321,028	0.68
4.50%	Citycon OYJ 2019	197,565	0.42
3.75%	Codelco 2031	411,121	0.87
0.00%	Cooperatieve Rabobank 2027	375,392	0.79



Market Value	% of net assets
31.12.2023	
€	

# **APS DIVERSIFIED BOND FUND (continued)**

## **Quoted Foreign Bonds (continued)**

3.75%	CPI Property Group 2021	80,113	0.17
2.63%	Electricite DE France 2021	356,100	0.75
1.00%	Erste Group Bank 2030	472,430	0.99
3.75%	Faurecia 2028	343,571	0.72
6.13%	Ford Motor Credit Company 2028	432,572	0.91
5.90%	Howmet Aerospace 2027	279,126	0.59
4.75%	HSBC Holdings 2017	453,090	0.95
5.50%	Huarong Finance II 2025	223,489	0.47
5.50%	Hyundai Capital America 2026	386,588	0.81
1.80%	International Flavor & Fragrances 2026	285,396	0.60
3.75%	Intesa Sanpaolo 2049	283,854	0.60
3.75%	JBS USA/Food/Finance INC 2031	234,492	0.49
1.13%	JDE Peet's 2033	321,576	0.68
0.63%	KBC Group 2031	271,305	0.57
4.75%	KBC Group PERP	200,142	0.42
3.42%	Lenovo Group 2030	240,024	0.51
4.13%	LKQ Euro Holdings 2028	450,207	0.95
3.50%	Lloyds Banking Group 2026	274,269	0.58
4.38%	Mapfre 2047	395,408	0.83
3.05%	Meituan 2030	229,126	0.48
0.41%	Morgan Stanley 2027	275,670	0.58
6.38%	Murphy Oil Corp 2028	133,795	0.28
2.00%	Nationwide BLDG Society 2029	441,752	0.93
5.62%	NGG Finance 2073	313,696	0.66
1.00%	Nordea Bank ABP 2029	269,412	0.57
2.75%	NTPC 2027	428,580	0.90
4.00%	Oil India International 2027	261,973	0.55
2.50%	OMV 2099	472,375	0.99
3.38%	Orano 2026	397,108	0.84
2.88%	Organon & Company/ORG 2028	275,883	0.58
1.88%	Perusahaan Listrik Negar 2031	327,372	0.69
2.75%	Petroleos Mexicanos 2027	463,726	0.98
2.00%	Q-Park Holding 2027	278,325	0.59



# Portfolio Statements

Market Value  
31.12.2023  
€

% of net assets

## APS DIVERSIFIED BOND FUND (continued)

### Quoted Foreign Bonds (continued)

6.33%	RAS Laffan LNG 2027	269,121	0.57
4.63%	Rolls-Royce 2026	331,182	0.70
5.38%	Sands China 2025	200,961	0.42
3.63%	Sappi Papier Holding 2028	337,267	0.71
5.63%	SES PERP	250,850	0.53
5.38%	Southwestern Energy Company 2030	309,207	0.65
2.63%	Spie 2026	196,238	0.41
2.75%	Stellantis NV 2032	398,217	0.84
6.88%	Telecom Italia 2028	266,828	0.56
1.63%	Total Energies 2099	448,539	0.94
7.25%	Unibail Rodamco Westfield 2023	399,923	0.84
5.38%	Unicredit 2025	344,054	0.72
3.00%	Vattenfall Ab TV 2077	237,413	0.50
8.25%	Virgin Money Uk 2022	267,276	0.56
4.88%	Vodafone Group 2078	225,133	0.47
3.13%	Zhongan Online P&C Insurance 2025	251,002	0.53

### Quoted Local Corporate Bonds

3.50%	Bank Of Valletta 2030	267,000	0.56
4.00%	Cablenet Communication Systems 2030	218,500	0.46
3.50%	GO 2031	91,140	0.20
4.00%	International Hotel Investments 2026	235,560	0.50
4.00%	Medirect Bank Malta 2029	97,232	0.20
4.50%	MedservRegis 2026	97,000	0.20
4.15%	Phoenicia Finance Company 2028	275,913	0.58
4.35%	SD Finance 2027	245,500	0.52
3.75%	Tum Invest 2029	96,000	0.20



## APS DIVERSIFIED BOND FUND (continued)

Derivatives - Forward Forex Contracts	Notional Amount	Fair Value	% of net assets
Sale Of Great Britain Pound Against Euro Maturing On 17 April 2024	530,000	(1,546)	-
Sale Of Great Britain Pound Against Euro Maturing On 17 April 2024	2,645,000	(16,374)	(0.03)
Sale Of New Zealand Dollar Against Euro Maturing On 17 April 2024	350,000	221	-
Sale Of New Zealand Dollar Against Euro Maturing On 17 April 2024	2,100,000	(20,855)	(0.04)
Sale Of New Zealand Dollar Against Euro Maturing On 17 April 2024	1,190,000	(24,238)	(0.06)
Sale Of United States Dollar Against Euro Maturing On 17 April 2024	1,100,000	3,767	0.01
Sale Of United States Dollar Against Euro Maturing On 17 April 2024	6,800,000	268,850	0.56
Sale Of United States Dollar Against Euro Maturing On 17 April 2024	885,000	37,837	0.08
Purchase Of Great Britain Pound Against Euro Maturing On 24 April 2024 (Class GBP G)	64,650	(75)	-
Purchase Of Great Britain Pound Against Euro Maturing On 24 April 2024 (Class GBP G)	1,068,070	(1,074)	-
Purchase Of United States Dollar Against Euro Maturing On 17 April 2024	700,000	(24,474)	(0.05)
Purchase Of United States Dollar Against Euro Maturing On 17 April 2024	500,000	(4,578)	(0.01)
		<b>Market Value</b>	<b>% of net assets</b>
		<b>31.12.2023</b>	
		<b>€</b>	

## APS GLOBAL EQUITY FUND

### Quoted Foreign Equities

Abbott Laboratories	113,493	0.80
Abbvie	102,832	0.73
Aecom	56,898	0.40
Air Products & Chemicals	125,170	0.88
Airbus Group	175,144	1.24
Allianz	119,039	0.84
Alphabet - Class A	271,755	1.92
Amazon.Com	146,349	1.03
American Tower Corporation	166,310	1.17
Apple INC	261,261	1.84
ASML Holding	179,287	1.27
Astrazenaca	88,076	0.62
AT&T	137,154	0.97
AXA	163,139	1.15
BAE Systems	144,367	1.02
Baidu	66,841	0.47



# Portfolio Statements

Market  
Value  
  
31.12.2023  
€

% of net  
assets

## APS GLOBAL EQUITY FUND (continued)

### Quoted Foreign Equities (continued)

Banco Bilbao Vizcaya Argentaria	151,326	1.07
Booking Holdings	61,012	0.43
Bristol-Myers Squibb Company	85,466	0.60
British American Tobacco	127,394	0.90
Capgemini	144,771	1.02
Cisco Systems	107,841	0.76
Citi Group	194,835	1.38
Danone	82,621	0.58
Delta Air Lines	130,379	0.92
Deutsche Telekom	211,323	1.49
Diageo	141,889	1.00
Diamondback Energy	129,578	0.91
Digital Realty Trust	126,825	0.90
Dufry	53,264	0.38
Elevance Health	57,630	0.41
Eli Lilly & Company	131,924	0.93
Enel	102,821	0.73
Engie	113,018	0.80
Enphase Energy	37,083	0.26
Essential Utilities	74,386	0.53
Euronext	229,579	1.62
Exxon Mobil Corporation	168,164	1.19
Ferrari	80,878	0.57
Franchi Umberto Marmi	32,336	0.23
Freeport McMoran	57,806	0.41
Fuji Electric Company	62,353	0.44
General Electric Company	103,869	0.73
Goldman Sachs Group	62,511	0.44
GSK	60,065	0.42
Haleon	65,623	0.46
Heineken	143,886	1.02
Honda Motor Company	42,361	0.30



Market Value	% of net assets
31.12.2023	
€	

**APS GLOBAL EQUITY FUND (continued)**

**Quoted Foreign Equities (continued)**

Industria De Diseno Textil	87,140	0.62
Infineon Technologies	129,767	0.92
ING Groep	143,213	1.01
Innovative Industrial Properties	44,448	0.31
Intesa Sanpaolo	94,275	0.67
Johnson & Johnson	66,263	0.47
Kenvue	22,063	0.16
Koninklijke Ahold Delhaize	62,670	0.44
Leonardo	83,636	0.59
LI Auto	62,685	0.44
Lloyds Banking Group	80,908	0.57
Marvell Technology	90,084	0.64
Mcdonald's Corporation	167,762	1.18
Meituan	2,564	0.02
Melexis	136,875	0.97
Merck & Co	137,478	0.97
Microsoft Corporation	500,412	3.53
Mondelez International	89,961	0.63
Nestle	106,664	0.75
Newmont Corporation	208,926	1.47
NextEra Energy	166,827	1.18
Nippon Telegraph & Telephone Corporation	171,488	1.21
NVIDIA Corporation	213,841	1.51
Panasonic Corporation	111,194	0.78
Phoenix Group Holdings	182,314	1.29
Rheinmetall	142,352	1.00
Rio Tinto	67,418	0.48
Roche Holding	122,812	0.87
Rolls-Royce Holding	246,185	1.74
RWE	135,729	0.96
SAAB	164,774	1.16
Samsung Electronics Company-GDR	170,867	1.21



# Portfolio Statements

Market  
Value  
  
31.12.2023  
€

% of net  
assets

## APS GLOBAL EQUITY FUND (continued)

### Quoted Foreign Equities (continued)

Sanofi	153,669	1.08
Shell	181,780	1.28
Siemens Healthineers	169,845	1.20
SK Telecom Corporation - Sponsored ADR	197,911	1.40
Sony Corporation	94,719	0.66
Spie	195,270	1.38
Stellantis	78,255	0.55
Taiwan Semiconductor Manufacturing ADR	103,562	0.73
Telefonica	106,497	0.75
The Coca-Cola Company	182,287	1.29
TotalEnergies	238,638	1.68
Toyota Motor Corporation	79,844	0.56
Veolia Environment	82,824	0.58
Viatis	102,217	0.72
Vinci	75,042	0.53
Visa	233,329	1.65
Vodafone Group	84,501	0.60
Walmart	201,513	1.42
Zoetis	217,980	1.54

### Quoted Local Equities

APS Bank	52,476	0.37
Malta International Airport	143,175	1.01

### Exchange Traded Funds

First Trust Cybersecurity	93,401	0.66
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### Foreign Government Bonds

2.75% US Treasury 2024	252,677	1.78
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**APS GLOBAL EQUITY FUND (continued)**

<b>Derivatives - Forward Forex Contracts</b>	<b>Notional Amount</b>	<b>Fair Value</b>	<b>% of net assets</b>
Sale Of Swiss Franc Against Euro Maturing On 17 April 2024	270,000	(9,230)	(0.07)
Sale Of Great Britain Pound Against Euro Maturing On 17 April 2024	950,000	(5,881)	(0.04)
Sale Of Japanese Yen Against Euro Maturing On 22 April 2024	35,000,000	(1,761)	(0.01)
Sale Of United States Dollar Against Euro Maturing On 17 April 2024	5,000,000	197,683	1.40



# Statement of Changes in the Composition of the Portfolio

The composition of the portfolio, detailed in the Portfolio Statement on pages 61 to 75, in comparison with the Portfolio Statement as at 31 December 2023 stood as follows:

	% of net assets	% of net assets
	31.12.2023	31.12.2022
<b>APS Income Fund</b>		
Quoted Local Equities	24.87	23.96
Quoted Local Corporate Bonds	38.75	39.64
Foreign Government Bonds	2.08	-
Quoted Malta Government Bonds	23.42	26.89
Term deposit	-	1.15
Quoted Foreign Bonds	9.98	6.18
<b>APS Ethical Fund</b>		
Quoted Foreign Equities	23.20	24.93
Quoted Foreign Bonds	31.78	35.57
Foreign Government Bonds	39.41	32.50
Supranational Bonds	3.40	-
Forwards	0.34	1.31
<b>APS Diversified Bond Fund</b>		
Quoted Local Corporate Bonds	3.46	4.02
Quoted Foreign Bonds	49.51	48.64
Quoted Malta Government Bonds	-	0.71
Foreign Government Bonds	41.78	40.78
Supranational Bonds	3.81	-
Forwards	0.46	1.75
<b>APS Global Equity Fund</b>		
Quoted Foreign Equities	89.53	87.36
Quoted Local Equities	1.38	1.80
Exchange Traded Funds	0.66	0.62
Foreign Government Bonds	1.80	-
Forwards	1.28	3.05



# Efficient Portfolio Management

The Investment Manager may, on behalf of each Sub-Fund of the Company and subject to the conditions and within the limits laid down by the MFSA, the Prospectus and relevant Offering Supplement, employ efficient portfolio management techniques, including investments in OTC FDIs provided that such techniques and instruments are used for hedging purposes and reduction of risk.

The Investment Manager made use of foreign exchange forwards contracts during the period under review. The global exposure obtained through these contracts, as disclosed below, is calculated according to the Commitment Approach. The counterparty for all of the foreign exchange forward contracts is Swissquote Bank SA.

None of the Sub-Funds of the Company received any collateral from the counterparty during the period under review.

## APS Income Fund

The Sub-Fund did not hold any foreign exchange forwards contracts as at 31 December 2023.

The use of efficient portfolio management techniques resulted in a loss of €8,485 and indirect costs of €1,551 during the period under review.

## APS Ethical Fund

The Sub-Fund held the below foreign exchange forwards contracts as at 31 December 2023.

Settlement Date	Sell Currency	Sell Amount	Commitment (€)
17/04/2024	GBP	2,400,000	2,769,444
17/04/2024	GBP	320,000	369,259
17/04/2024	NZD	250,000	143,299
17/04/2024	NZD	700,000	401,238
17/04/2024	NZD	1,400,000	802,476
17/04/2024	USD	4,200,000	3,802,281

The use of efficient portfolio management techniques resulted in gains of €113,426 and indirect costs of €53,821 during the period under review.

## APS Diversified Bond Fund

The Sub-Fund held the below foreign exchange forwards contracts as at 31 December 2023.

Settlement Date	Sell Currency	Sell Amount	Commitment (€)
17/04/2024	GBP	530,000	611,586
17/04/2024	GBP	2,645,000	3,052,158
17/04/2024	NZD	350,000	200,619
17/04/2024	NZD	1,190,000	682,105
17/04/2024	NZD	2,100,000	1,203,714
17/04/2024	USD	1,100,000	995,836
17/04/2024	USD	885,000	801,195
17/04/2024	USD	6,800,000	6,156,075



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**APS Diversified Bond Fund (continued)**

Settlement Date	Sell Currency	Sell Amount	Commitment (€)
17/04/2024	USD	700,000	633,714
17/04/2024	USD	500,000	452,653
24/04/2024	GBP	64,650	74,602
24/04/2024	GBP	1,068,070	1,232,483

The use of efficient portfolio management techniques resulted in gains of €498,663 and indirect costs of €94,071 during the period under review.

**APS Global Equity Fund**

The Sub-Fund held the below foreign exchange forwards contracts as at 31 December 2023.

Settlement Date	Sell Currency	Sell Amount	Commitment (€)
17/04/2024	CHF	270,000	290,416
17/04/2024	GBP	950,000	1,096,238
22/04/2024	JPY	35,000,000	224,743
17/04/2024	USD	5,000,000	4,526,525

The use of efficient portfolio management techniques resulted in gains of €129,526 and indirect costs of €34,958 during the period under review.



# Information about the Scheme

## 1. AUTHORISATION

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

## 2. INCOME

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

## 3. UP-FRONT CHARGE AND OTHER FEES

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

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

### **APS Ethical Fund Initial Charge**

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

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

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

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

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

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

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

Details on the Management, Custody and Administration fees can be found under note 9 on page 44.

## 4. RISK WARNINGS

### **Market Fluctuations**

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

The price of shares and the income derived from them (if any) can, from time to time, go down as well as up and investors may not realise the amount of their initial investment.

Past performance is no guarantee of future performance.

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

### **Erosion of Capital**

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

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

### **Currency Fluctuations**

Currency fluctuations between the base currency of the Fund, and

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

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

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

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

Despite the fact that such securities are listed, the market may be illiquid. The trading volumes on emerging stock exchanges such as the Malta Stock Exchange are considerably lower than other principal stock markets. Therefore, buying and selling of securities may be time consuming and may need to be transacted at unfavourable prices due to this illiquidity element. Although it is not anticipated that this should create any complications in valuing the Sub-Funds' investments, lower secondary market liquidity may have a negative effect on the market price of such securities and the Sub-Fund's ability to sell particular securities to meet its liquidity requirements.

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

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

### **Investments in Small Companies**

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

### **Investments in Unlisted Companies**

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

### **Different Class Denominations**

The Sub-Funds' reference currency, being the base currency used for performance measurement and accounting purposes as well as the currency in which most investments



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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.

#### **5. 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 from the APS Income Fund Supplement, the APS Global Equity Fund Supplement and the APS Diversified Bond Fund Supplement, all dated 21 November 2022. The said documents are available upon request from the Investment Manager, and were current at the date of publishing of this Annual Report and Financial Statements. The Prospectus and APS Ethical Fund Supplement dated 19 July 2023 reflected the change in name of the Sub-Fund disclosed in note 15 under the section Notes to the Financial statements. The latest Prospectus and Supplements are available free of charge upon request from the Investment Manager, all APS Bank p.l.c. branches, or **[www.apsfunds.com](http://www.apsfunds.com)**, and were current at the date of publishing of this Annual Report and Financial Statements. Persons wishing to invest in the APS Income Fund, APS Ethical Fund, the APS Diversified Bond Fund, and/ or the APS Global Equity Fund should do so on the basis of the full information contained in the Prospectus and relative Supplement.

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

In the opinion of the Manager, this Annual Report and Financial Statements contains all the information necessary to enable the investors to make an informed judgment of the results and activities of the Company for the year ended 31 December 2023 and does not omit any matter or development of significance.



# Sustainability and Taxonomy Regulation Disclosures

In March 2021, the EU Sustainable Finance Disclosure Regulation<sup>1</sup> (SFDR) came into force, which sets out the framework for obligations imposed on matters related to sustainability-related disclosures. The SFDR aims to provide transparency on environmental/ social characteristics or sustainable investment objectives promoted by a financial product. The European Union continues to issue further guidance on the SFDR which has since been supplemented by the Regulatory Technical Standards<sup>2</sup> (SFDR RTS) and the Taxonomy Regulation<sup>3</sup> which have introduced further disclosure obligations on financial products. The SFDR RTS was established to provide content, methodologies and presentation of sustainability-related disclosures. The Taxonomy Regulation was established to provide an EU-wide classification system to identify whether certain economic activities can be considered environmentally sustainable.

Disclosure obligations under the SFDR are based on whether the financial product has a sustainable investment as its objective as per Article 9 of the SFDR, promotes environmental and/ or social characteristics as per Article 8 of the SFDR or whether the financial product integrates sustainability into investment decisions however do not qualify under either Article 8 or Article 9 of the SFDR as per Article 6 of the SFDR.

The purpose of this section is to disclose provisions related to the SFDR, SFDR RTS

and the Taxonomy Regulation. For this purpose, none of the Sub-Funds under APS Funds SICAV p.l.c. have a sustainable objective as per Article 9 of the SFDR.

- APS Diversified Bond Fund
- APS Income Fund
- APS Global Equity Fund

The Sub-Funds above do not promote environmental, social or governance characteristics nor do not have a sustainable investment objective. The investments underlying the Sub-Funds do not take into account the EU criteria for environmentally sustainable economic activities.

- APS Ethical Fund

The Sub-Fund above promotes environmental and social characteristics to achieve its investment objective. The Sub-Fund applies an Ethical Policy to promote environmental and social characteristics by applying an exclusion criterion and subsequently a positive impact assessment based on environmental, social and governance criteria to its investments. The assessment is carried out on both corporate and sovereign issuers. Further details are set out at <https://apsfunds.com.mt/fund/ethical-fund/> and may be updated from time to time.

Under the RTS SFDR, a Sub-Fund promoting environmental and/ or social characteristics is required to provide additional financial product disclosure on

a periodic basis and annexed to the annual report pursuant to Article 11 of the SFDR, the contents and presentation to be comply with Annex IV of the RTS SFDR. The product disclosure applicable to this Sub-Fund is disclosed in pages 82 to 88.

Under the Taxonomy Regulation, an economic activity is considered to environmentally sustainable if it meets a number of different EU criteria as measured according to the technical screening criteria set and it does not significantly harm to any of the environmental objectives (as per Article 9 of the Taxonomy Regulation). As of the date hereof, given also insufficient data available to assess investments against the technical screening criteria, it is not possible to describe: (a) the extent to which the investments of the Sub-Fund are in economic activities that qualify as environmentally sustainable; (b) the proportion, as a percentage of the portfolio as a whole, of investments in environmentally sustainable economic activities; or (c) the proportion, as a percentage of the portfolio as a whole, of enabling and transitional activities. The Sub-Fund while promoting environmental, social and governance characteristics does not have as its objective sustainable investment and does not commit to making investments in environmentally sustainable economic activities. Therefore, the “do not significant harm” principle does not apply to any of the investments underlying this Sub-Fund.

<sup>1</sup> Regulation (EU) 2019/2088 on Sustainability-Related Disclosures in the Financial Services Sector

<sup>2</sup> Commission Delegated Regulation (EU) 2022/1288 supplementing Regulation (EU) 2019/2088

<sup>3</sup> Regulation (EU) 2020/852 of 18 June 2020 on the establishment of a framework to facilitate sustainable investments amending Regulation (EU) 2019/2088



**Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852**

**Product name:** APS Ethical Fund

**Legal entity identifier:** 21380026MBR7DEG7S366

**Environmental and/or social characteristics**

**Sustainable investment** means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not lay down a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Did this financial product have a sustainable investment objective?	
<input checked="" type="radio"/> Yes	<input type="radio"/> No
<input type="radio"/> It made <b>sustainable investments with an environmental objective: ____%</b>	<input type="radio"/> It <b>promoted Environmental/Social (E/S) characteristics</b> and while it did not have as its objective a sustainable investment, it had a proportion of ____% of sustainable investments
<input type="radio"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy	<input type="radio"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
<input type="radio"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy	<input type="radio"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
	<input type="radio"/> with a social objective
<input type="radio"/> It made <b>sustainable investments with a social objective: ____%</b>	<input checked="" type="radio"/> It promoted E/S characteristics, <b>but did not make any sustainable investments</b>



**To what extent were the environmental and/or social characteristics promoted by this financial product met?**

The Product applies an Ethical Policy to promote environmental and social characteristics and may only invest in government and corporate entities as approved by the Ethical Policy. In the selection process in identifying an Investible Universe for the Product by:

- First, applying a negative filter by excluding corporations involved in certain industries and, for governments and supranationals which do not protect civil and political rights.
- Their performance is then analysed based on environmental (E), social (S) and governance (G) criteria.
- For corporations ReAPS Asset Management Limited (as Investment Manager of the Product) makes use of the service provided by Etica Sgr S.p.A. Etica Sgr S.p.A. determines a weighting for each measurement criterion, then assesses the corporations' performance against each criterion. A final score is the sum-product of the criteria ratings and the criteria weightings. The scoring system is industry-specific. An entry threshold is applied across all industries and countries: only corporations with a score above the threshold become part of the Investible Universe. Finally, Etica Sgr S.p.A. translates the score into a rating from A to D, where A is the best ESG rating.
- For governments, the Investment Manager applies an independent scoring to E, S and G component based on the Environmental Performance Index; social component on the Human Development Index; and the Worldwide Governance Indicators for the governance component. The scoring obtained for each E, S and G component is then aggregated to arrive at an overall ESG score (out of 100). The Investment Manager will be allowed to invest in instruments issued by countries that are considered eligible if the overall score exceeds the minimum score (of 50).



### How did the sustainability indicators perform?

The indicators applicable for corporations and government-related securities as of 31st December 2023 is reported as follows:

Corporations		
Ratings	% of Product Portfolio	% of Cohort
A	12%	24%
B	33%	66%
C	5%	9%
D	0%	1%

Governments and Supranationals				
Average Score	Environment	Social	Governance	Total Score
Product	<b>57.54</b>	<b>90.75</b>	<b>35.58</b>	<b>73.54</b>
Investible Universe	<b>53.15</b>	<b>83.99</b>	<b>30.68</b>	<b>67.13</b>

**Sustainability indicators** measure how the environmental or social characteristics promoted by the financial product are attained.

During the period under review no investment made in instruments that are not within the Investible Universe for corporations and governments.

### ...and compared to previous periods?

The indicators applicable for corporations and government-related securities compared to previous period:

Corporations			
Ratings	% of Cohort 2023	% of Cohort 2022	Difference
A	<b>24%</b>	<b>41%</b>	<b>-17%</b>
B	<b>66%</b>	<b>45%</b>	<b>21%</b>
C	<b>10%</b>	<b>14%</b>	<b>-4%</b>
D	<b>1%</b>	<b>1%</b>	<b>0%</b>

Governments and Supranationals				
Average Score (Product)	Environment	Social	Governance	Total Score
2023	<b>57.54</b>	<b>90.75</b>	<b>35.58</b>	<b>73.54</b>
2022	<b>69.92</b>	<b>91.16</b>	<b>34.94</b>	<b>78.41</b>
Difference	<b>-12.38</b>	<b>-0.41</b>	<b>0.64</b>	<b>-4.87</b>

**Principal adverse impacts** are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

### What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?

N/A. The Product promotes environmental or social characteristics but does not have a sustainable investment objective and does not make sustainable investments.



● **How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?**

N/A. The Product promotes environmental or social characteristics but does not have a sustainable investment objective and does not make sustainable investments.

*How were the indicators for adverse impacts on sustainability factors taken into account?*

N/A. The Product promotes environmental or social characteristics but does not have a sustainable investment objective and does not make sustainable investments.

*Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

N/A. The Product promotes environmental or social characteristics but does not have a sustainable investment objective and does not make sustainable investments.

*The EU Taxonomy sets out a “do not significant harm” principle by which Taxonomy-aligned investments should not significantly harm EU Taxonomy objectives and is accompanied by specific Union criteria.*

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the Union criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the Union criteria for environmentally sustainable economic activities.

*Any other sustainable investments must also not significantly harm any environmental or social objectives.*

**How did this financial product consider principal adverse impacts on sustainability factors?**

The Investment Manager does not consider the PAIs of its investment decisions on sustainability factors, within the meaning of Article 4(1)(a) of SFDR, for the time being. The Investment Manager’s position on this matter will be reviewed on an ongoing basis.

**What were the top investments of this financial product?**

Largest investments	Sector	% Assets	Country
BUNDESSCHATZANWEISUNGEN Mar 25 2.5% - BKO 2 1/2 03/13/25 ALL GERMAN SE	Government	5.96%	Germany
UNITED KINGDOM GILT Oct 41 1.25% - UKT 1 1/4 10/22/41 LONDON	Government	5.77%	United Kingdom
US TREASURY N/B 2.5% 15/02/2045 - T 2 1/2 02/15/45 EUEUOTLX	Government	2.84%	United States
BUNDESREPUB. DEUTSCHLAND 15 Feb 2024 - DE0001102333	Government	2.80%	Germany
BUNDESREPUB. DEUTSCHLAND Feb 33 2.3% - DBR 2.3 02/15/33 ALL GERMAN SE	Government	2.78%	Germany
NEW ZEALAND GOVERNMENT May 32 2% - NZGB 2 05/15/32 FRANKFURT	Government	2.72%	New Zealand
FRANCE (GOVT OF) Oct 23 4.25% (BBG000H0RM7) - FRTR 4 1/4 10/25/23 MTS FRANCE	Government	2.58%	France
US TREASURY N/B Feb 39 3.5% (BBG000FJZ6G2) - T 3 1/2 02/15/39 FRANKFURT	Government	2.43%	United States

**Asset allocation** describes the share of investments in specific assets.



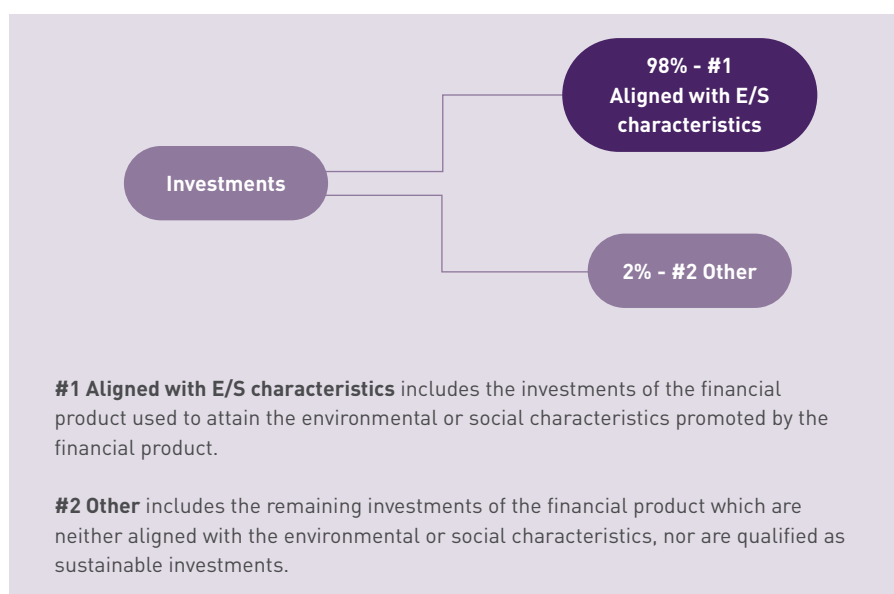
Largest investments	Sector	% Assets	Country
REPUBLIC OF AUSTRIA Mar 51 0.75% - RAGB 0 3/4 03/20/51 VIENNA	Government	2.41%	Austria
US TREASURY N/B Nov 29 3.875% - T 3 7/8 11/30/29 FRANKFURT	Government	2.19%	United States
EUROPEAN BK RECON & DEV Dec 25 4.6% - EBRD 4.6 12/09/25 LONDON	Government	2.00%	Supranational
MICROSOFT CORP - MSFT UW	Technology	1.91%	United States
US TREASURY N/B Feb 36 4.5% (BBG000FLF6H8) - T 4 1/2 02/15/36 FRANKFURT	Government	1.92%	United States
Croatia 2.75% 01/27/2030 Corp - CROATI 2 3/4 01/27/30 EUEUOTLX	Government	1.69%	Croatia
ASML HOLDING NV - ASML NA	Technology	1.11%	Netherlands



## What was the proportion of sustainability-related investments?

### What was the asset allocation?

During the reference period, the Product held on average 68% in Investment Grade Bonds and 7% in High Yield Bonds with 22% in Equities. Cash (including derivative instruments for hedging purposes) accounted for the remaining 2%. In terms of the criteria defined in the Ethical Policy of the Product the exposures imply that the percentage of the investments aligned with the E/S characteristics (#1) promoted was, on average, 98% during the reference period. This includes exposure to Corporates and Government (including Supranationals) related securities. The remaining investment aligned with other (#2) was, on average, 33% during the reference period. This includes cash and financial derivatives.



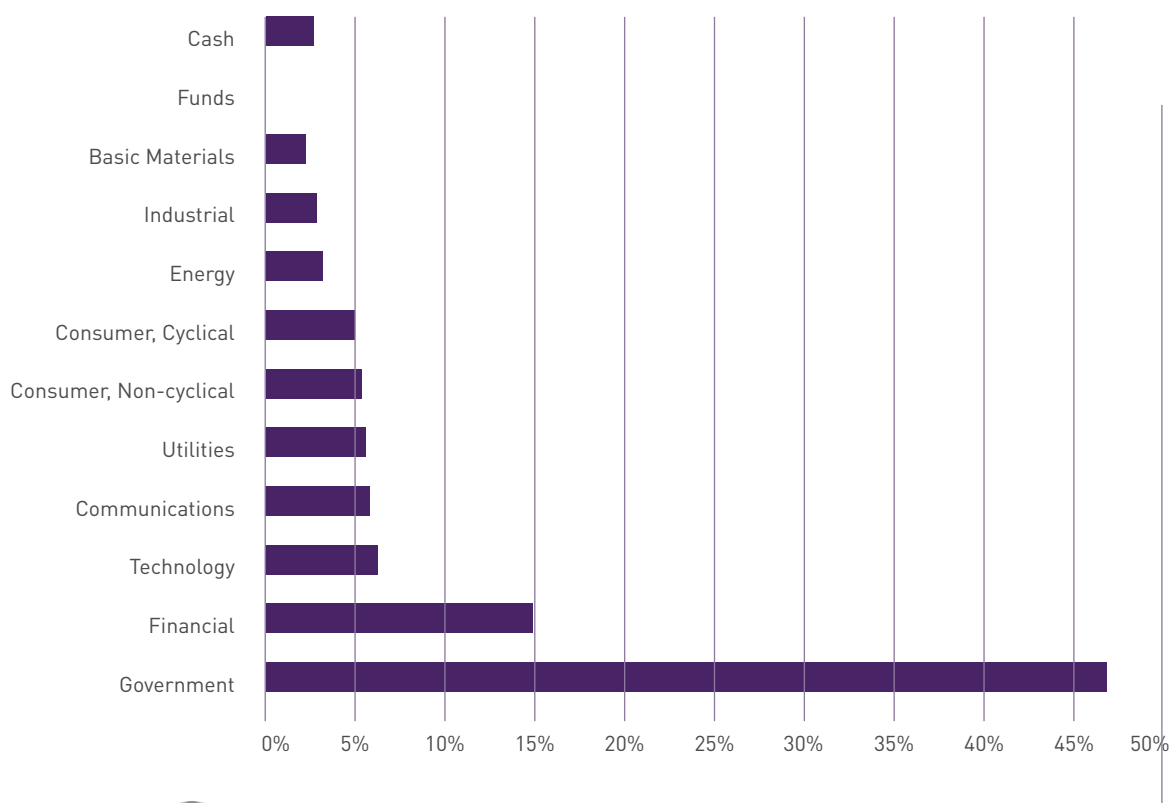
The list includes the investments constituting **the greatest proportion of investments** of the financial product during the reference period which is: 1 January 2023 to 31 December 2023

### In which economic sectors were the investments made?

During the reference period, the Product was mainly exposed to government-related instruments (47%) whereas for corporate holdings the main sectoral exposure was the financial sector (15%).



Below is a chart representing the average exposure in the Product to different sectors during the reference period.



**Enabling activities** directly enable other activities to make a substantial contribution to an environmental objective.

**Transitional activities** are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.



### To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

The Product has no minimum share of investments aligned with the EU Taxonomy, i.e. 0% minimum target.

**Does the financial product invest in fossil gas and/ or nuclear energy related activities that comply with the EU Taxonomy<sup>1</sup>?**

- ☐ Yes:
 ☐ In fossil gas
 ☐ In nuclear energy
- ☒ No

<sup>1</sup> Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left-hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

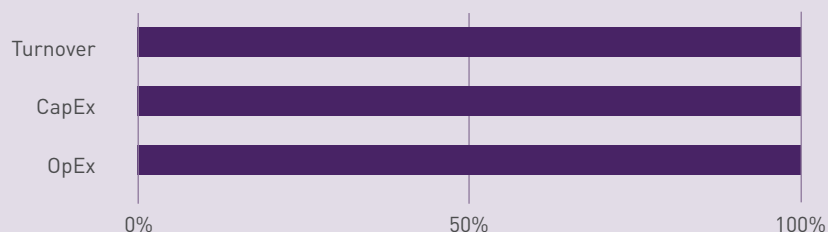


Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflects the “greenness” of investee companies today.
- **capital expenditure** (CapEx) shows the green investments made by investee companies, relevant for a transition to a green economy.
- **operational expenditure** (OpEx) reflects the green operational activities of investee companies.

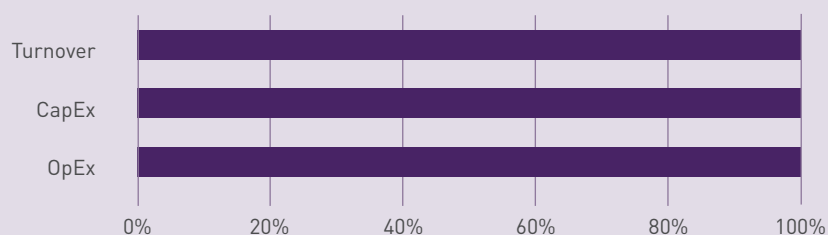
The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds\*, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.

#### 1. Taxonomy-alignment of investments including sovereign bonds\*



- Taxonomy aligned investments
- Other investments

#### 2. Taxonomy-alignment of investments excluding sovereign bonds\*



- Taxonomy aligned investments
- Other investments

\*For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures



are sustainable investments with an environmental objective that **do not take into account the criteria** for environmentally sustainable economic activities under Regulation (EU) 2020/852.



#### What was the share of investments made in transitional and enabling activities?

N/A. The minimum share of investments of the Product in transitional activities and/ or enabling activities is 0%.

#### How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?

N/A. Investments in environmentally sustainable economic activities (i.e. taxonomy aligned investments) shall be 0%.

#### What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

The Product has no minimum share of investments aligned with the EU Taxonomy, i.e. 0% minimum target.

#### What was the share of socially sustainable investments?

The Product has no minimum share of investments in socially sustainable investments, i.e. 0% minimum target.





### **What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?**

The ‘other’ investments include cash and financial derivatives. Due to the nature of the characteristics of the instruments, no minimum environmental or social safeguards are applicable. The derivatives are for hedging purposes.



### **What actions have been taken to meet the environmental and/or social characteristics during the reference period?**

The Investment Manager invested in corporations which are listed in the Investible Universe (as provided by Etica Sgr S.p.A.), which also includes the exclusion criteria, and carried out ongoing checks to ensure that corporations are within the Investible Universe. Corporations no longer featuring in the Investible Universe would have been divested. The list of Investible Universe is updated by Etica Sgr S.p.A. at least on an annual basis. In view of the size of the Product, the influence that the Investment Manager can exert on the investment behaviour of investee companies to be negligible. For this reason, the Investment Manager does not currently exert any further influence on the investee companies beyond the pure allocation function of the amount invested.



### **How did this financial product perform compared to the reference benchmark?**

#### **How does the reference benchmark differ from a broad market index?**

No specific index is designated as a reference benchmark for this Product.

#### **How did this financial product perform with regard to the sustainability indicators to determine the alignment of the reference benchmark with the environmental or social characteristics promoted?**

No specific index is designated as a reference benchmark for this Product.

#### **How did this financial product perform compared with the reference benchmark?**

No specific index is designated as a reference benchmark for this Product.

#### **How did this financial product perform compared with the broad market index?**

No specific index is designated as a reference benchmark for this Product.

**Reference benchmarks** are indexes to measure whether the financial product attains the environmental or social characteristics that they promote.



# Remuneration Disclosure

## Remuneration Policy of the Company

For the purposes of SLC 1.9 of Appendix II to Part B of the Standard Licence Conditions for Retail Collective Investment Schemes, the total, fixed remuneration paid to the Company's three Directors during the financial year ended 31 December 2023 is disclosed on page 49. The Directors of the Company who held office during the year under review are listed on page 6.

Other Identified Staff (defined in the section below) consist of the Compliance Officer and the Money Laundering Reporting Officer. None of these individuals are directly employed by the Company. The Compliance Officer is contracted through APS Bank p.l.c. and is seconded to the Company. Apex Fund Services (Malta) Limited, serving as Administrator, provides Money Laundering Reporting Officer services to the Company. Consequently, the Money Laundering Reporting Officer of Apex Fund Services (Malta) Limited acts in the same capacity for the Company. The Company reimburses APS Bank p.l.c. and Apex Fund Services (Malta) Limited for their respective services.

During the financial year ended 31 December 2023, the total, fixed, contribution paid by the Company towards the remuneration of these Identified Staff, totalling 2 beneficiaries, amounted to €66,317.

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

## Remuneration Policy of the Investment Manager

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

The remuneration provisions are:

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

ReAPS is the subsidiary of APS Bank p.l.c. and thus forms part of APS Group. The remuneration structure of ReAPS is governed by APS Group Remuneration policy.

ReAPS' Remuneration Policy covers all those staff who fall into the 'Identified Staff' Category only. The term 'Identified Staff' is broadly defined in the UCITS Directive and includes senior management, risk takers, control functions, and other employees in same remuneration bracket, whose professional activities have a material impact on the company's risk profile or of the UCITS it manages. These include the ReAPS' Board of Directors, Senior Management, staff members who have the ability to materially affect the risk profile of ReAPS or its clients ("Risk Takers") which include Committee members, Portfolio Managers and Assistant Portfolio Managers, and Senior Staff engaged in Control Functions.

No material issues were identified during the latest review of ReAPS' Remuneration Policy. Furthermore, there were no material changes to the Remuneration Policy during the period under review.

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

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

Investment Managers that are significant in terms of their size or of the size of the

UCITS that they manage, their internal organisation and the nature, scope and complexity of their activities will also need to establish a 'Remuneration Committee'. Following due consideration of ReAPS' size, internal organisation as well as the nature, scope and complexity of its activities, the Board of Directors of ReAPS applied for a derogation from MFSA to be exempt from having a ReAPS' Remuneration Committee. The Authority had in the first instance granted the derogation on May 2018 on the basis that ReAPS would rely on the Group's Remuneration Committee. The Authority extended the renewal to this derogation until December 2025.

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

### a. Remuneration Structure for Directors

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

### b. Remuneration Structure for Staff Members

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

#### Fixed Remuneration

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

#### Variable Remuneration

Staff members may have a variable component to their remuneration in addition to their fixed remuneration. The relation between fixed and variable remuneration shall not exceed twenty-five (25) per cent of the fixed component for each individual. Staff members are also eligible to share awards issued by the Parent under the Executive Share Incentive Plan ("ESIP") as approved by APS Bank p.l.c. Annual General Meeting of 28 April 2022.



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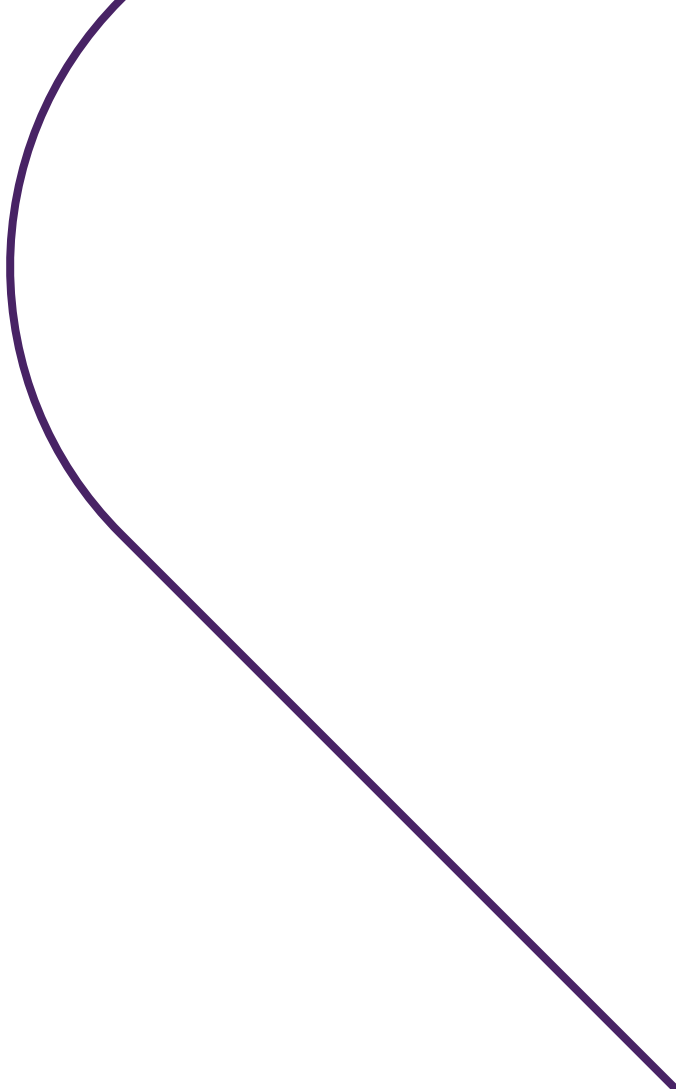
ReAPS provides both UCITS and non-UCITS related services to its clients. The figure disclosed hereunder covers the whole range of services offered by ReAPS. Staff members of ReAPS are seconded from APS Bank p.l.c. and ReAPS reimburses APS Bank p.l.c. for these services at cost. This fee is based on the time allocated by these staff members to perform their duties in relation to their activities.

The number of Identified Staff during the financial year 31 December 2023 amounted to 15. The total remuneration amounted to €522,267 fixed and €56,393 variable during the financial year ended 31 December 2023.









**APS FUNDS SICAV P.L.C.**

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