

APS Funds SICAV p.l.c.

Interim Report and Unaudited Financial Statements for the period ended 30 June 2021

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Contents

	Page
Management and Administration	3
Description	5
Investment Manager's Report	6
Unaudited Financial Statements	
Unaudited Statements of Financial Position	16
Unaudited Statements of Changes in Net Assets Attributable to Shareholders	20
Unaudited Statement of Comprehensive Income	21
Unaudited Statements of Cash Flow	23
Notes to the Unaudited Financial Statements	25
Portfolio Statement	34
Statement of Changes in the Composition of the Portfolio	48
Information about the Scheme	49

Management and Administration

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REGISTERED OFFICE AND BUSINESS ADDRESS

APS Centre,
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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.*

SUB-INVESTMENT MANAGER

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

*Licensed to conduct Investment Services business by the Malta
Financial Services Authority.*

Management and Administration (continued)

ADMINISTRATOR AND COMPANY SECRETARY

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*Licensed to conduct Investment Services business by the
Malta Financial Services Authority.*

CUSTODIAN

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*Licensed to conduct Investment Services business by the
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BANKERS

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Description

APS Funds SICAV p.l.c. (the "Company") is a company organised as a multi-fund investment company with variable share capital pursuant to the Companies Act [Cap. 386 of the Laws of Malta] registered on 24 January 2008. The Company consists of four funds: the APS Income Fund, the APS Regular Income Ethical Fund, the APS Diversified Bond Fund and the APS Global Equity Fund. The Company is licensed by the Malta Financial Services Authority as a UCITS Collective Investment Scheme under the Investment Services Act 1994 [Cap. 370 of the Laws of Malta]. The APS Income Fund is listed on the Malta Stock Exchange. The Company has no employees.

Investment Manager's Report

The International Economy and Financial Market

The year 2021 started on the back of a strong close in financial markets and the impending arrival of vaccines to combat the pandemic, which augured well in terms of the economic recovery. In this environment, unemployment decreased as the economy reopened, and yields on long dated safe government bonds rose as signs of rising inflation started to become apparent in the second quarter. This however partly reversed late in the same quarter as the emergence of the Delta variant challenged the presumed outlook based on the reopening of the global economy.

In the first six months of 2021, the focus with regards to the pandemic ceased to centre on new cases, and shifted on progress of vaccinations across the world, with economies experiencing significantly varied success. By the end of the reporting period, the United States (US) had administered 327 million doses (covering 51% of the population), the United Kingdom (UK) had administered 77.6 million doses (covering 58.1% of the population), and the European Union (EU) had administered 364 million doses (41% of the population). Of these three geographies, the EU lagged in terms of vaccine rollout. Initial data seems to suggest that vaccines are effective at preventing hospitalisation.

As shown in Figure 1 below, financial markets entered a period of decreased volatility, with the Chicago Board Options Exchange Volatility Index (commonly referred to as VIX) closing the period at 15, reflecting improving sentiment which allowed risky assets to perform well in the first half of 2021.

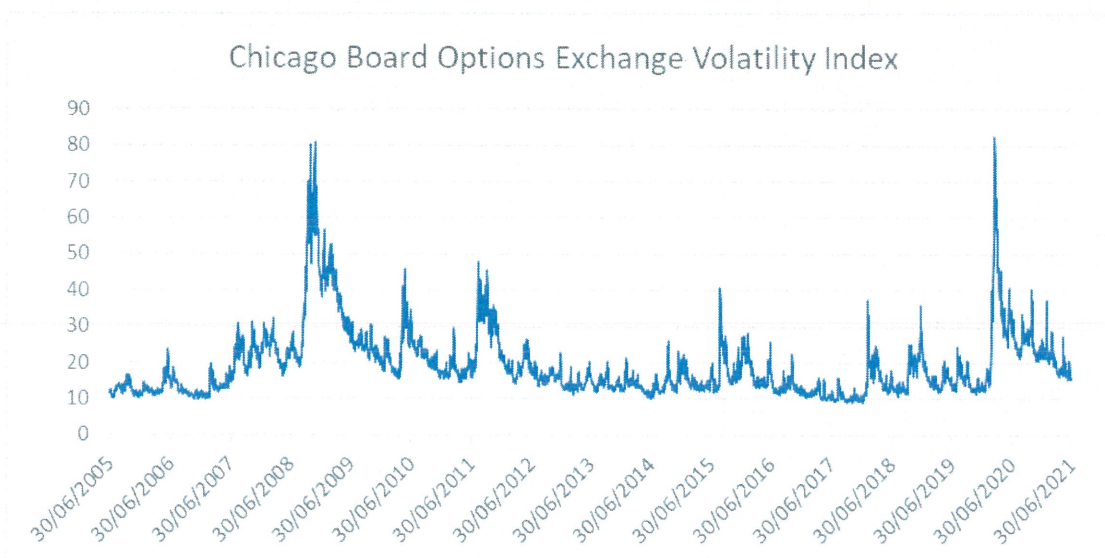


Figure 1

Source: Bloomberg

In terms of economic growth in the first half of 2021, the May 2021 Organisation for Economic Co-operation and Development (OECD) Economic Outlook forecasted the world economy to grow by 5.8%, a sharp increase of its forecast for 2021 from the December 2020 edition of 4.2%. The catalyst for the sharp upward revision over the first half of 2021 were the success of vaccine rollouts across developed markets and the US stimulus package which began in March 2021. The OECD forecasted the US economy to grow 6.9% in 2021 and 3.6% in 2022, while the UK economy was expected to grow 7.2% in 2021 and 5.5% in 2022. In its assessment, the International Monetary Fund (IMF), echoed the upgraded outlook of the OECD, with the former expecting the economy of the Euro Area to grow 4.4%

Investment Manager's Report (Continued)

in 2021 and 3.8% in 2022. Emerging markets and developing economies were expected to grow by 6.7% and 5.0% in 2021 and 2022 respectively.

Monetary policy remained very expansionary, with the US Federal Reserve (Fed) having updated its policy to start targeting average inflation, and to prioritise full employment over its price stability target. Fiscal policy also remained expansionary. This was a distinctive characteristic of the first half of 2021 with both fiscal and monetary policy aligned.

The potential consequences of this started to show as the market began to price in the effects of significant reflation across economies. As shown in Figure 2, the US 10-year yield increased, peaking at 1.74% in March. The speed of the rise in yields alarmed markets and instigated a global sell-off of high growth stocks. In March, the Fed's Chairman reaffirmed the Central Bank's commitment to keeping interest rates unchanged, describing spikes in inflation experienced through the reopening of the economy as transitory. This calmed markets, with the US 10-year yield settling at 1.47% at the end of the first half of 2021. However, despite this, in May the US inflation as measured by the Consumer Price Index rose to 5%, the fastest rise since 2008. This was followed by another surprise for the June data print, which rose to 5.4%, significantly surpassing expectations.

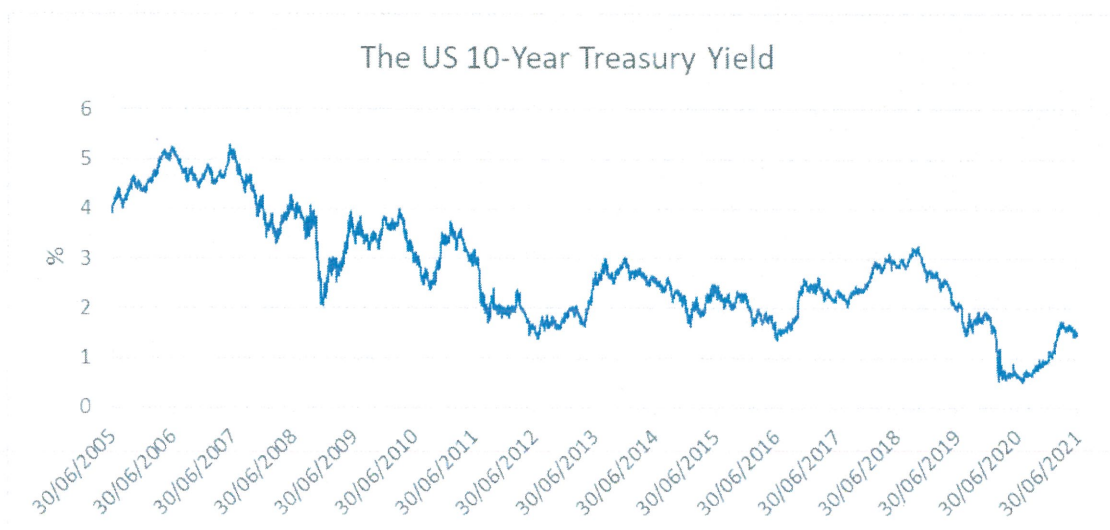


Figure 2

Source: Bloomberg

Vaccination and the reopening of economies led to a recovery in the unemployment rate in the first half of 2021. In the US, the unemployment rate stood at 6.7% at the end of 2020 and by the end of the first half of 2021 it fell to 5.9%. Within Europe, the Euro Area unemployment rate was 8.3% at the end of 2020, and 7.4% in the EU. By the end of May 2021, unemployment within the Euro Area was 7.9% and 7.3% in the EU. In the UK, unemployment was 5.2% at the end of 2020 and had fallen to 4.8% by the end of May 2021. The employment situation improved significantly as vaccines were rolled-out, but missed expectations on a few occasions. This was generally the result of an anomaly of worker shortages in developed economies despite elevated unemployment levels.

During the period under review, governments rolled out their fiscal policy packages to help their economies recover from the pandemic. In the EU, the package entitled NextGenerationEU was put together after an agreement was reached between EU member countries. This was the first time the European Commission was given the power to raise funds through the markets on behalf of the bloc, considered by proponents of further European integration to be a crucial step forward. This view was not universally shared, most notably from Austria, Denmark, the Netherlands and Sweden.

Investment Manager's Report (Continued)

Their main concern regarded the sharing of debt with countries that had historically tended to be more liberal in their fiscal spending. Meanwhile, the US rolled out the American Rescue Plan amounting to 3 trillion US Dollars. Brexit was concluded at midnight on the 1st January 2021. This saw an initial plunge in both imports and exports to the country as the new trading rules came into effect. Data showed that UK exports to the EU fell by 47% in January and February, whilst imports fell over 20%.

The benchmark 10-year government bond yield in the US climbed from 0.91% at the end of 2020 to 1.47% by the end of the first half of 2021. Meanwhile, yields on 10-year benchmark government debt issued by Germany and the UK, rose to -0.21% and 0.72% respectively. The yield on Japanese 10-year debt remained practically unchanged at 0.06%. Table 1 displayed below shows the changes in the benchmark 10-year yields on selected development market sovereign debt.

Country	Generic 10-Year Yields as at the end of		Change
	31/12/2020	30/06/2021	
Germany	-0.57%	-0.21%	0.36%
Japan	0.02%	0.06%	0.04%
UK	0.20%	0.72%	0.52%
US	0.91%	1.47%	0.55%

Table 1

Global equities rose in the first half of 2021. During the period under review, the Dow Jones Industrial Average and the S&P 500 increased 12.73% and 14.41% respectively. Meanwhile, the technology heavy NASDAQ Composite climbed 12.54%. European markets shared in the recovery, with the EURO STOXX 50 gaining 14.40% and the UK's FTSE 100 rising 8.93%. At the same time, the Chinese market lagged in terms of performance as the Shanghai Stock Exchange Composite advanced by 4.52%. The sustainable investment segment slightly underperformed global equities in general, with the MSCI World SRI Net Return Index gaining 16.06% (measured in euro) compared to the MSCI World Index, which gained 16.64% (measured in euro).

Index	31/12/2020	30/06/2021	Price Change
Dow Jones Industrial Average	30,606.48	34,502.51	12.73%
S&P 500 Index	3,756.07	4,297.50	14.41%
NASDAQ Composite	12,888.28	14,503.95	12.54%
EURO STOXX 50 Index	3,552.64	4,064.30	14.40%
FTSE 100 Index	6,460.52	7,037.47	8.93%
Shanghai Stock Exchange Composite	532.09	556.15	4.52%
MSCI World SRI Net Return Index	3,288.40	3,816.56	16.06%
MSCI World Net Total Return Index	335.13	390.89	16.64%

Table 2

In the forex market, the value of the US dollar strengthened against the euro, driven primarily by the relatively less successful vaccine rollout in the EU. By the end of the first half of 2021, the euro had depreciated by 3.03% against the US dollar. The euro also weakened significantly against the pound sterling, whilst appreciating in value against the Japanese Yen.

Currency	31/12/2020	30/06/2021	Price Change
EUR per 1 AUD	0.6298	0.6324	0.41%
EUR per 1 GBP	1.1185	1.1667	4.31%
EUR per 100 JPY	0.7924	0.7591	-4.20%
EUR per 1 USD	0.8186	0.8434	3.03%

Table 3

Investment Manager's Report (Continued)

The Maltese Economy and Financial Market

The period under review was dominated by a weak equity market, the reinstatement of economic and social restrictions aimed at halting the spread of COVID-19, and a successful vaccination rollout.

In the first months of 2021, COVID-19 cases in Malta increased rapidly, forcing authorities to impose harsher measures in March. The combination of restrictions and a swift rollout of the vaccination programme saw cases decline significantly by the end of June. Having said this, the emergence of the Delta variant in Europe just as the summer season began had somewhat negatively affected sentiment on Malta's economic recovery as once more the number of cases began to increase across Europe. In June, Malta was added to the so called 'grey list' by the Financial Action Task Force. The spectre of a return to economically crippling restrictions to tame the Delta variant as well as the yet unclear repercussions of being grey-listed means that the Maltese economy is entering the second half of 2021 with headwinds on the horizon.

GDP figures for the first quarter of 2021 show that in real terms economic activity contracted by more than 1.8% when compared to the same period in the previous calendar year. Travel restrictions continued to have a negative impact on tourism, which pre-pandemic represented almost 16% of the Maltese economy and over 21% of total employment. Figure 3 compares the number of inbound tourists during the first five months of the current year to that in the same period during 2019 and 2020. Inbound tourism during the first five months of the year was 81.3% and 92.5% lower when compared to the same period in 2020 and 2019 respectively. In June, the seasonally adjusted unemployment rate remained unchanged at 3.6% when compared to the previous month, but lower than the 4.3% measured at the end of 2020. The rate of inflation as measured by the Harmonised Index of Consumer Prices (HICP) stood at 0.2% at the end of the period under review, marginally lower than the twelve-month moving average rate of 0.3%. In terms of government finances, the public deficit during the first five months of 2021 was of €690.8 million, 2.6% higher than the deficit recorded during the same period in the previous calendar year.

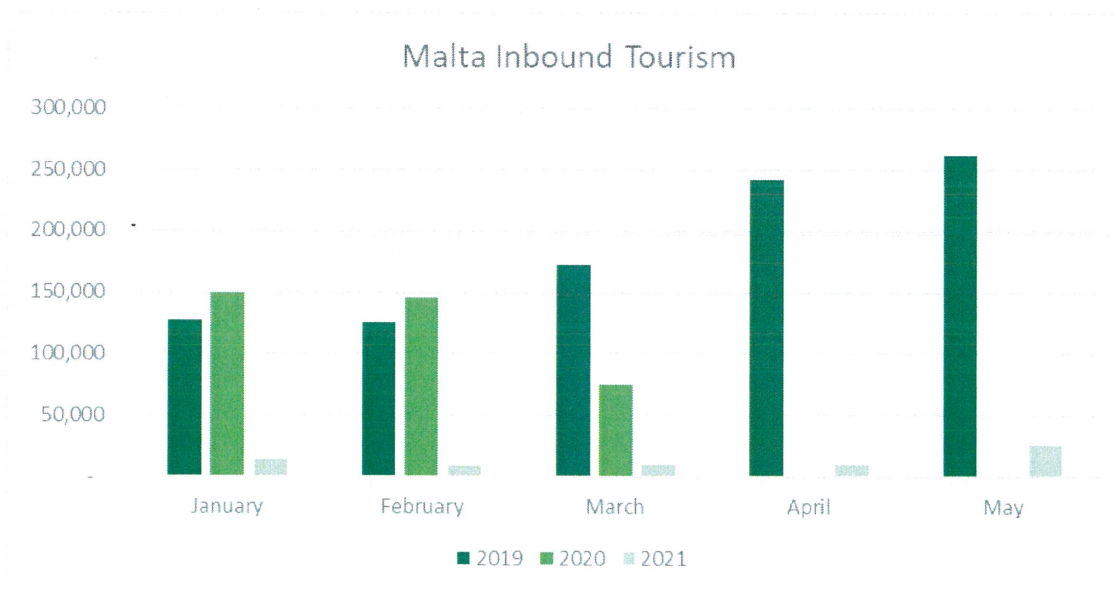


Figure 3

Source: National Statistics Office

Investment Manager's Report (Continued)

According to the Central Bank of Malta's (CBM) latest outlook for the Maltese Economy for the years 2021 to 2023, Malta's GDP would grow by 4.9% in 2021, 5.4% in 2022, and 4.7% in 2023. The CBM maintained its expectation that 2019 GDP levels would be reached in 2022. The main growth driver was expected to be domestic demand, with the outlook on the tourism sector remaining cautious. Employment growth was set to decelerate to 0.9% in 2021 before picking up in the following years. The CBM forecasted HICP inflation to decline to 0.3% in 2021. Fiscal policy was expected to remain very expansionary in 2021, mostly due to COVID-19 relief measures including the wage supplement scheme. By 2023, the public deficit is expected to contract to 4.2% of GDP and the debt-to-GDP ratio to reach 64%.

The Malta Stock Exchange Malta Government Stocks Index fell 4.16% in the first half of 2021. Table 4 shows that yields across the sovereign yield curve were higher at the end of June 2021 when compared to six months earlier, while the curve steepened as the rise in yields was more pronounced for longer tenors.

Yields on Maltese Sovereign Debt as at the end of			
Tenor	31/12/2020	30/06/2021	Change
2 Years	-0.36%	-0.34%	0.02%
3 Years	-0.32%	-0.25%	0.07%
4 Years	-0.26%	-0.16%	0.10%
5 Years	-0.20%	-0.06%	0.14%
7 Years	-0.03%	0.19%	0.22%
10 Years	0.27%	0.56%	0.29%
15 Years	0.66%	1.03%	0.37%
20 Years	0.91%	1.29%	0.38%

Table 4

Table 5 shows the spread between the yields on 10-year Maltese sovereign debt and that of a select group of Eurozone member countries. The yield difference between Maltese sovereign debt and French, German, Irish, and Spanish sovereign bonds tightened over the course of the period under review, meaning that Maltese ten-year debt had become relatively more expensive.

Additional Yield from Owning 10-Year Malta Sovereign Debt as at end			
Country	31/12/2020	30/06/2021	Change
France	0.61%	0.43%	-0.17%
Germany	0.84%	0.77%	-0.07%
Ireland	0.57%	0.40%	-0.17%
Italy	-0.27%	-0.26%	0.01%
Spain	0.22%	0.15%	-0.07%

Table 5

Corporate bond activity in the regulated main market of the Malta Stock Exchange amounted to more than €46 million worth of trades being executed during the first half of 2021. The Malta Stock Exchange Corporate Bonds Total Return Index, which captures both price and interest return, rose 2.33% during the first half of 2021. Table 6 shows the change in the yields of corporate bonds of major listed companies on the Regulated Main Market of the Malta Stock Exchange during the period under review.

Investment Manager's Report (Continued)

Yields on Selected Corporate Bonds Listed on the Malta Stock Exchange as at end			
Security	31/12/2020	30/06/2021	Change
3.25% APS Bank Ltd Subordinated 2030	2.81%	2.75%	-0.06%
3.50% Bank of Valletta plc Subordinated 2030	3.38%	3.12%	-0.26%
3.75% Bank of Valletta plc Subordinated 2031	3.35%	2.88%	-0.46%
3.75% Premier Capital plc Unsecured 2026	3.65%	3.34%	-0.32%
3.80% Hili Finance Company plc Sr Unsecured 2029	3.94%	3.80%	-0.14%
4.00% International Hotel Investments plc Secured 2026	3.67%	3.56%	-0.11%
4.00% International Hotel Investments plc Sr Unsecured 2026	4.39%	3.67%	-0.72%
4.00% MIDI Malta plc Secured 2026	3.50%	3.56%	0.06%
4.00% Stivala Group Finance plc Secured 2027	3.83%	3.55%	-0.28%
4.35% SD Finance plc Sr Unsecured 2027	4.35%	4.05%	-0.29%
5.75% International Hotel Investments plc Sr Unsecured 2025	5.48%	4.95%	-0.53%

Table 6

In the equity market, the Malta Stock Exchange Equity Total Return Index fell by 4.90% in the first half 2021. Meanwhile, the Malta Stock Exchange Equity Price Index registered a decline of 5.54%. Table 7 provides granular data on the performance of individual stocks that are traded on the Malta Stock Exchange.

Index / Security	31/12/2020	30/06/2021	Price Change
MSE Equity Total Return Index	8,471.33	8,056.53	-4.90%
MSE Equity Price Index	4,131.09	3,902.03	-5.54%
Bank of Valletta plc	0.95	0.9	-5.79%
BMIT Technologies plc	0.46	0.49	7.69%
FIMBank plc	0.5	0.32	-36.00%
GO plc	3.39	3.36	-0.83%
Grand Harbour Marina plc	0.7	0.66	-5.71%
Harvest Technology plc	1.48	1.53	3.38%
HSBC Bank Malta plc	0.89	0.8	-9.81%
International Hotel Investments plc	0.72	0.65	-9.72%
Lombard Bank Malta plc	2.29	1.9	-17.18%
Main Street Complex plc	0.5	0.49	-2.40%
Malita Investments plc	0.86	0.86	-0.35%
Malta International Airport plc	6.2	6.4	3.23%
Malta Properties Company plc	0.49	0.54	10.43%
MaltaPost plc	1.29	1.2	-6.98%
Mapfre Middlesea plc	2.46	2.14	-13.01%
Medserv plc	0.79	0.75	-5.06%
MIDI plc	0.45	0.37	-17.41%
PG plc	1.96	2.21	12.96%
Plaza Centres plc	0.96	0.85	-11.73%
RS2 Software plc	2	1.92	-4.00%
Santumas Shareholdings plc	1.39	1.39	0.00%
Simonds Farsons Cisk plc	7.8	8.75	12.18%
Tigné Mall plc	0.85	0.75	-11.76%
Trident Estates plc	1.66	1.48	-10.84%

Table 7

Investment Manager's Report (Continued)

Portfolio Activity Review

APS Income Fund

Investment Objective

The investment objective of the Sub-Fund is to maximise the total level of return for investors, minimising the volatility of the portfolio and attaining a desirable level of liquidity through investment. The Sub-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 Sub-Fund may also hold selected equities, deposits and cash.

Sub-Fund Performance

Accumulator Share Class

During the period from 31 December 2020 to 30 June 2021, the share price of the APS Income Fund Accumulator Shares decreased by 0.34% from €190.2051 to €189.5618.

Distributor Share Class

During the period from 31 December 2020 to 30 June 2021, the share price of the APS Income Fund Distributor Shares decreased by 1.31% from €128.0337 to €126.3573. This resulted from a combination of negative investment returns and the distribution of a dividend amounting to €1.24635 per share during the six-month period ending 30 June 2021.

Sub-Fund Overview

The Net Asset Value of the Sub-Fund increased from €89.0 million to €89.3 million during the first six months of 2021.

During the period under review, the Investment Manager crystallised gains on selected positions in international bonds that had performed well and reinvested the proceeds into more attractively priced international bonds while at the same time initiating small exposures in international equities.

In the local market, the Investment Manager increased exposure to selected corporate bonds and one equity security, while the exposure to Malta Government Stocks was decreased. The Sub-Fund was also active in the primary market with successful participation in an auction for Malta Government Stocks and an application for GO p.l.c.'s debut bond issue.

At the end of 30 June 2021, the Sub-Fund's asset allocation was made up as follows:

- Local corporate bonds – 35.64%
- Local equities – 22.26%
- Local government bonds – 21.75%
- International corporate bonds – 9.80%
- International Equities – 1.30%
- International government bonds – 2.77%
- Term deposits – 2.61%
- Cash – 3.87%

Investment Manager's Report (Continued)

APS Regular Income Ethical Fund

Investment Objective

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

Sub-Fund Performance

Class A – Accumulator Share Class

During the period from 31 December 2020 to 30 June 2021, the share price of the APS Regular Income Ethical Fund Class A Shares increased by 3.10% from €1.4945 to €1.5408.

Class B – Distributor Share Class

During the period from 31 December 2020 to 30 June 2021, the share price of the APS Regular Income Ethical Fund Class B Shares increased by 2.41% from €1.1795 to €1.2079. The Share Class distributed a dividend of €0.00792 per share during the six-month period ending 30 June 2021.

Class C – Accumulator Share Class

During the period from 31 December 2020 to 30 June 2021, the share price of the APS Regular Income Ethical Fund Class C Shares increased by 3.06% from €1.4883 to €1.5338.

Class D – Distributor Share Class

During the period from 31 December 2020 to 30 June 2021, the share price of the APS Regular Income Ethical Fund Class D Shares increased by 2.38% from €1.1766 to €1.2046. The Share Class distributed a dividend of €0.00780 per share during the six-month period ending 30 June 2021.

Sub-Fund Overview

The Sub-Fund's investment process applies rigorous ethical screening over and above the traditional investment selection process. The Investment Manager adopts a two-tiered approach to ethical screening. The Manager first excludes companies operating in certain industries which are not permitted as per the Ethical Policy. This is followed by positive screening, where the Investment Manager selects those companies which have high Environmental, Social and Governance (ESG) scores. A similar ethical screening process is also applied to Sovereign issuers.

The Net Asset Value of the Sub-Fund increased from €36.3 million to €39.1 million during the six-month period under review.

During the period under review, the Investment Manager increased its equity exposure, crystallised gains on selected credit positions and reinvested the proceeds into more attractively priced bonds. The Investment Manager increased exposure to high yield credit in multiple phases. The Investment Manager initiated a new position in Hungarian sovereign debt, exposing the portfolio to the Hungarian Forint. The Investment Manager also increased exposure to the Australian Dollar by initiating a position in Australian sovereign debt and decreased exposure to the US Dollar. Over the period under review, the Investment Manager increased portfolio duration.

At the end of June 2021, the Sub-Fund's asset allocation was made up as follows:

- Corporate bonds – 35.69%
- Government and supranational bonds – 28.77%
- Equities – 28.70%
- Collective Investment Schemes – 0.04%
- Cash – 7.12%

Investment Manager's Report (Continued)

APS Diversified Bond Fund

Investment Objective

The investment objective of the Sub-Fund is to endeavour to maximise the total return, primarily through investment in international debt instruments rated Baa2 or lower by a reputable rating agency, or if unrated, deemed by the Investment Manager to be of equivalent credit quality.

Sub-Fund Performance

Class A – Accumulator Share Class

During the period from 31 December 2020 to 30 June 2021, the share price of the APS Diversified Bond Fund Class A Shares increased by 0.52% from €1.1251 to €1.1310.

Class B – Distributor Share Class

During the period from 31 December 2020 to 30 June 2021, the share price of the APS Diversified Bond Fund Class B Shares decreased by 0.51% from €1.0177 to €1.0125. This resulted from a combination of positive investment returns and the distribution of a dividend amounting to €0.01038 per share during the six-month period ending 30 June 2021.

Class C – Accumulator Share Class

During the period from 31 December 2020 to 30 June 2021, the share price of the APS Diversified Bond Fund Class C Shares increased by 0.52% from €1.0996 to €1.1053.

Class D – Distributor Share Class

During the period from 31 December 2020 to 30 June 2021, the share price of the APS Diversified Bond Fund Class D Shares decreased by 0.51% from €1.0176 to €1.0124. This resulted from a combination of positive investment returns and the distribution of a dividend amounting to €0.01037 per share during the six-month period ending 30 June 2021.

Class G – Distributor Share Class

During the period from 31 December 2020 to 30 June 2021, the share price of the APS Diversified Bond Fund Class G Shares decreased by 0.76% from £1.0262 to £1.0184. This resulted from a combination of positive investment returns and the distribution of a dividend amounting to £0.01010 per share during the six-month period ending 30 June 2021.

Sub-Fund Overview

The Net Asset Value of the Sub-Fund increased from €49.9 million to €51.4 million during the first half of 2021.

During the period under review, the Investment Manager crystallised gains on selected credit positions that had performed well and reinvested the proceeds into more attractively priced bonds while at the same time increasing the Sub-Fund's exposure to high yield credit. The Investment Manager also increased the Sub-Fund's duration to reflect its views on the direction of interest rates. Over the course of the period, the Investment Manager initiated exposure to selected non-euro currencies, while at the same time altered the Sub-Fund's allocation to other non-euro currencies that were already held in the Sub-Fund.

At the end of the period under review, the Sub-Fund's asset allocation was made up as follows:

- Government and supranational bonds – 38.71%
- Corporate bonds – 56.96%
- Cash – 4.33%

Investment Manager's Report (Continued)

APS Global Equity Fund

Investment Objective

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

Sub-Fund Performance

Accumulator Share Class

During the period from 31 December 2020 to 30 June 2021, the share price of the APS Global Equity Fund Accumulator Shares increased by 11.91% from €1.0524 to €1.1777.

Distributor Share Class

During the period from 31 December 2020 to 30 June 2021, the share price of the APS Global Equity Fund Distributor Shares increased by 11.90% from €1.0525 to €1.1778. The Sub-Fund did not distribute a dividend during the period ending 30 June 2021.

Sub-Fund Overview

The Net Asset Value of the Sub-Fund increased from €5.7 million to €9.1 million during the period under review.

The Investment Manager deployed cash as net subscriptions continued to flow into the Sub-Fund. The Investment Manager increased exposure in the earlier months of 2021 in anticipation of the reopening of economies around the world due to successful vaccination drives. Exposure was increased through allocations to companies operating in sectors such as consumer cyclicals, industrials, commodities, and financials, as well as increased exposure to shares issued by companies located in Japan. Throughout the period the Investment Manager looked to increase exposure to growth stocks opportunistically during periods of share price weakness as a result of bouts of market volatility.

At the end of the period under review, the Sub-Fund's asset allocation was made up as follows:

- Equity – 95.83%
- Cash – 4.17%

The Funds' performance figures listed above have been rounded to two decimal places whilst the fund prices are listed to four decimal places, as stipulated in the Prospectus. Past performance is not necessarily indicative of future results. Some of the opinions expressed herein are of a forward-looking nature and should not be interpreted as investment advice. The Manager has obtained the information contained in this document from sources believed to be reliable but has not independently verified the information contained herein and therefore its accuracy cannot be guaranteed. The Manager makes no guarantees, representations or warranties and accepts no responsibility or liability as to the accuracy or completeness of the information contained in this document. The Manager has no obligation to update, modify or amend this article 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; International Monetary Fund; National Statistics Office Malta; Organisation for Economic Co-operation and Development; Malta Stock Exchange; and World Travel and Tourism Council.

UNAUDITED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

	APS Funds SICAV p.l.c. Combined Statement		APS Income Fund		APS Regular Income Ethical Fund	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	€	€	€	€	€	€
ASSETS						
Financial assets at fair value through profit or loss	176,919,663	166,627,502	82,837,284	82,954,312	36,557,340	33,288,683
Term Deposits at fair value through profit or loss	800,000	1,050,000	800,000	1,050,000	-	-
Term Deposits at amortised cost	1,500,000	1,500,000	1,500,000	1,500,000	-	-
Accrued income	1,506,668	1,492,354	825,734	677,953	227,865	286,333
Other debtors	2,206,700	-	1,873,500	-	-	-
Cash and cash equivalents	7,303,398	10,575,181	1,701,227	2,965,592	2,856,087	2,821,381
Total assets	190,236,429	181,245,037	89,537,745	89,147,857	39,641,292	36,396,397
LIABILITIES						
Financial liabilities at fair value through profit or loss	321,721	-	-	-	54,949	-
Accrued expenses	496,377	399,805	229,535	194,106	126,184	105,440
Other creditors	123,338	52,463	-	1,674	15,864	37,562
	941,436	452,268	229,535	195,780	196,997	143,002
Represented by:						
Net assets attributable to holders of redeemable shares	189,294,993	180,792,769	89,308,210	88,952,077	39,444,295	36,253,395

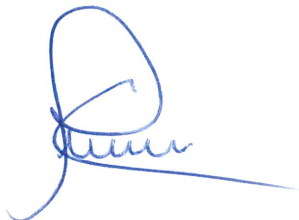
UNAUDITED STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

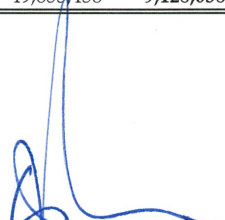
	APS Diversified Bond Fund		APS Global Equity Fund	
	30.06.2021	31.12.2020	30.06.2021	31.12.2020
	€	€	€	€
ASSETS				
Financial assets at fair value through profit or loss	48,777,754	45,367,654	8,747,285	5,016,853
Term Deposits at fair value through profit or loss	-	-	-	-
Term Deposits at amortised cost	-	-	-	-
Accrued income	442,756	525,649	10,313	2,419
Other debtors	333,200	-	-	-
Cash and cash equivalents	2,246,263	4,061,068	498,621	725,940
Total assets	51,799,973	49,954,371	9,256,219	5,745,212
LIABILITIES				
Financial liabilities at fair value through profit or loss	175,286	-	91,486	-
Accrued expenses	103,963	85,686	36,695	14,573
Other creditors	107,474	13,227	-	-
	386,723	98,913	128,181	14,573
	51,413,250	49,855,458	9,128,038	5,730,639
Net assets attributable to holders of redeemable shares	51,413,250	49,855,458	9,128,038	5,730,639

Represented by:

Net assets attributable to holders of redeemable shares



Mr. Tony Meilak
Chairman



Mr. Etienne Borg Cardona
Director

	APS Funds SICAV p.l.c. Combined	APS Income Fund	APS Regular Income Ethical Fund	APS Diversified Bond Fund	APS Global Equity Fund
Salient Statistics					
Shares in issue as at 30 June 2021 (note 7)					
Founder Shares	1,200,000	-	-	-	-
Accumulator	1,167,949.462	116,244.632	-	-	1,051,704.830
Distributor	7,236,555.660	532,399.905	-	-	6,704,155.755
Accumulator – Class A	4,072,100.068	-	3,554,927.737	517,172.331	-
Distributor – Class B	49,834,461.342	-	9,019,936.696	40,814,524.646	-
Accumulator – Class C	8,274,691.620	-	5,512,832.941	2,761,858.679	-
Distributor – Class D	17,254,396.997	-	12,136,085.180	5,118,311.817	-
Distributor – Class G	1,066,458.598	-	-	1,066,458.598	-
		€	€	€	€
Net asset value as at 30 June 2021		89,308,210	39,444,295	51,413,250	9,128,038
Net asset value as at 31 December 2020		88,952,077	36,253,395	49,855,458	5,730,639
Net asset value as at 31 December 2019		90,200,909	34,230,992	46,448,989	-
Net asset value per Accumulator share as at 30 June 2021		€189.5618	-	-	€1.1767
Net asset value per Distributor share as at 30 June 2021		€126.3573	-	-	€1.1769
Net asset value per Accumulator Class A share as at 30 June 2021		-	€1.5406	€1.1310	-
Net asset value per Distributor Class B share as at 30 June 2021		-	€1.2078	€1.0125	-
Net asset value per Accumulator Class C share as at 30 June 2021		-	€1.5336	€1.1053	-
Net asset value per Distributor Class D share as at 30 June 2021		-	€1.2045	€1.0124	-
Net asset value per Distributor Class G share as at 30 June 2021		-	-	£1.0184	-
Net asset value per Accumulator share as at 31 December 2020		€190.2051	-	-	€1.0524
Net asset value per Distributor share as at 31 December 2020		€128.0337	-	-	€1.0525
Net asset value per Accumulator Class A share as at 31 December 2020		-	€1.4945	€1.1251	-
Net asset value per Distributor Class B share as at 31 December 2020		-	€1.1795	€1.0177	-
Net asset value per Accumulator Class C share as at 31 December 2020		-	€1.4883	€1.0996	-
Net asset value per Distributor Class D share as at 31 December 2020		-	€1.1766	€1.0176	-
Net asset value per Distributor Class G share as at 31 December 2020		-	-	£1.0262	-

	APS Funds SICAV p.l.c. Combined	APS Income Fund	APS Regular Income Ethical Fund	APS Diversified Bond Fund	APS Global Equity Fund
Net asset value per Accumulator share as at 31 December 2019		€193.7937	-	-	-
Net asset value per Distributor share as at 31 December 2019		€133.1133	-	-	-
Net asset value per Accumulator Class A share as at 31 December 2019		-	€1.4731	€1.0982	-
Net asset value per Distributor Class B share as at 31 December 2019		-	€1.1834	€1.0159	-
Net asset value per Accumulator Class C share as at 31 December 2019		-	€1.4680	€1.0733	-
Net asset value per Distributor Class D share as at 31 December 2019		-	€1.1811	€1.0158	-
Net asset value per Distributor Class G share as at 31 December 2019		-	-	-	-

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six month period ended 30 June 2021

	APS Funds SICAV p.l.c. Combined Statement		APS Income Fund	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	€	€	€	€
Net assets at beginning of period	180,792,769	170,882,090	88,952,077	90,200,909
Issue of shares	10,469,558	6,494,539	2,960,277	3,582,474
Redemption of shares	(2,626,465)	(3,689,021)	(1,652,823)	(2,786,019)
Net equalisation	27,339	9,775	7,121	(2,066)
Net increase/(decrease) in net assets during the period	631,792	(6,065,004)	(958,442)	(3,939,317)
Net assets at end of period	189,294,993	167,632,379	89,308,210	87,055,981

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six month period ended 30 June 2021

	APS Regular Income Ethical Fund		APS Diversified Bond Fund	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	€	€	€	€
Net assets at beginning of period	36,253,395	34,230,992	49,855,458	46,448,989
Issue of shares	2,988,981	1,463,945	1,898,210	1,448,120
Redemption of shares	(784,832)	(721,100)	(173,285)	(181,902)
Net equalisation	10,188	3,094	8,311	8,747
Net increase/(decrease) in net assets during the period	976,563	(881,642)	(175,444)	(1,244,045)
Net assets at end of period	39,444,295	34,095,289	51,413,250	46,479,909

UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO SHAREHOLDERS

For the six month period ended 30 June 2021

	APS Global Equity Fund	
	30.06.2021	30.06.2020
	€	€
Net assets at beginning of period	5,730,639	-
Issue of shares	2,622,090	-
Redemption of shares	(15,525)	-
Net equalisation	1,719	-
Net increase in net assets during the period	789,115	-
Net assets at end of period	9,128,038	-

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME*for the six month period ended 30 June 2021*

	APS Funds SICAV p.l.c. Combined Statement		APS Income Fund	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	€	€	€	€
Income				
Interest income	5,194	56,333	5,194	41,573
Dividend income	606,096	449,630	237,872	180,555
Net gain/(loss) on financial assets at fair value through profit or loss	2,573,594	(4,064,275)	85,865	(2,833,238)
	3,184,884	(3,558,312)	328,931	(2,611,110)
Expenses	(984,714)	(890,144)	(441,509)	(450,524)
Net Income/(Loss)	2,200,170	(4,448,456)	(112,578)	(3,061,634)
Finance costs-distributions to shareholders (note 6)	(1,295,960)	(1,438,127)	(655,725)	(720,533)
Tax expense on income	(272,418)	(178,421)	(190,139)	(157,150)
Net increase/(decrease) in net assets during the period	631,792	(6,065,004)	(958,442)	(3,939,317)

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME*for the six month period ended 30 June 2021*

	APS Regular Income Ethical Fund		APS Diversified Bond Fund	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	€	€	€	€
Income				
Interest income	-	8,384	-	6,376
Dividend income	219,068	155,701	40,234	113,374
Net gain/(loss) on financial assets at fair value through profit or loss	1,220,437	(615,370)	493,447	(615,667)
	<u>1,439,505</u>	<u>(451,285)</u>	<u>533,681</u>	<u>(495,917)</u>
Expenses	<u>(251,665)</u>	<u>(237,074)</u>	<u>(218,661)</u>	<u>(202,546)</u>
Net Income/(Loss)	1,187,840	(688,359)	315,020	(698,463)
Finance costs-distributions to shareholders (note 6)	(159,539)	(175,291)	(480,696)	(542,303)
Tax expense on income	(51,738)	(17,992)	(9,768)	(3,279)
Net increase/(decrease) in net assets during the period	<u>976,563</u>	<u>(881,642)</u>	<u>(175,444)</u>	<u>(1,244,045)</u>

UNAUDITED STATEMENT OF COMPREHENSIVE INCOME*for the six month period ended 30 June 2021*

	APS Global Equity Fund	
	30.06.2021	30.06.2020
	€	€
Income		
Interest income	-	-
Dividend income	108,922	-
Net gain on financial assets at fair value through profit or loss	773,845	-
	<u>882,767</u>	<u>-</u>
Expenses	<u>(72,879)</u>	<u>-</u>
Net Income	809,888	-
Finance costs-distributions to shareholders (note 6)	-	-
Tax expense on income	(20,773)	-
Net increase in net assets during the period	<u>789,115</u>	<u>-</u>

UNAUDITED STATEMENT OF CASHFLOWS*for the six month period ended 30 June 2021*

	APS Funds SICAV p.l.c. Combined Statement		APS Income Fund	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	€	€	€	€
Net cash (used in)/generated from operating activities	(9,818,436)	2,691,927	(1,921,541)	1,184,201
Net cash generated from financing activities	<u>6,546,653</u>	<u>1,349,230</u>	<u>657,176</u>	<u>73,856</u>
Movements in cash and cash equivalents	(3,271,783)	4,041,157	(1,264,365)	1,258,057
Cash and cash equivalents at beginning of period	<u>10,575,181</u>	<u>8,585,620</u>	<u>2,965,592</u>	<u>1,702,904</u>
Cash and cash equivalents at end of period	<u>7,303,398</u>	<u>12,626,777</u>	<u>1,701,227</u>	<u>2,960,961</u>

UNAUDITED STATEMENT OF CASHFLOWS*for the six month period ended 30 June 2021*

	APS Regular Income Ethical Fund		APS Diversified Bond Fund	
	30.06.2021	30.06.2020	30.06.2021	30.06.2020
	€	€	€	€
Net cash (used in)/generated operating activities	(1,998,394)	(351,220)	(3,062,898)	1,858,946
Net cash generated from financing activities	<u>2,033,100</u>	<u>543,542</u>	<u>1,248,093</u>	<u>731,832</u>
Movements in cash and cash equivalents	34,706	192,322	(1,814,805)	2,590,778
Cash and cash equivalents at beginning of period	<u>2,821,381</u>	<u>2,879,333</u>	<u>4,061,068</u>	<u>4,002,183</u>
Cash and cash equivalents at end of period	<u>2,856,087</u>	<u>3,071,655</u>	<u>2,246,263</u>	<u>6,592,961</u>

UNAUDITED STATEMENT OF CASHFLOWS

for the six month period ended 30 June 2021

	APS Global Equity Fund	
	30.06.2021	30.06.2020
	€	€
Net cash used in operating activities	(2,835,603)	-
Net cash generated from financing activities	<u>2,608,284</u>	-
Movements in cash and cash equivalents	(227,319)	-
Cash and cash equivalents at beginning of period	<u>725,940</u>	-
Cash and cash equivalents at end of period	<u>498,621</u>	-

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**1. CORPORATE INFORMATION**

APS Funds SICAV p.l.c. ("the Company") 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 SV78. The registered address of the Company is APS Centre, Tower Street, Birkirkara, BKR4012, Malta. The Company consists of four Funds, the APS Income Fund, the APS Regular Income Ethical Fund, the APS Diversified Bond Fund and the APS Global Equity Fund ("the Sub-Funds"), and is licensed by the Malta Financial Services Authority as a Collective Investment Scheme under the Investment Services Act [Cap. 370 of the Laws of Malta]. The APS Income Fund was launched on 22 April 2008, the APS Regular Income Ethical Fund was launched on 24 May 2012, the APS Diversified Bond Fund was launched on 23 October 2017 and the APS Global Equity Fund was launched on the 28 September 2020. Only the shares of the APS Income Fund are listed on the Official List of the Malta Stock Exchange.

2. BASIS OF PREPARATION

These unaudited condensed financial statements have been prepared in accordance with International Accounting Standard ("IAS") 34 'Interim Financial Reporting' as adopted for use in the European Union and are consistent with the accounting policies used in the preparation of the 2020 audited financial statements. They have also been prepared in accordance with the requirements of the Malta Financial Services Authority's Investment Services Rules for Retail Collective Investment Schemes. These unaudited financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, comprising financial investments and certain term deposits, which are stated at their fair values.

In line with International Financial Reporting Standards, the Company presented assets and liabilities in order of their liquidity since this presentation is reliable and more relevant to this Company. This presentation is also in line with the terms of Section 3(3) of the Third Schedule of the Companies Act, (Cap. 386 of the Laws of Malta). Financial investments at fair value through profit and loss are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or in accordance to the Investment Manager's recommendations. All other assets and liabilities are expected to be realised within one year.

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

Effects of COVID-19 on the interim financial statements

The situation with the COVID-19 pandemic continued to evolve during the period under review. Whilst the year ending December 2020 was mostly characterised with efforts to simultaneously contain the spread of the virus, limit the economic damage and develop an effective vaccine, the first six months of 2021 saw both the emergence of new strain variants, resurgence in infection rates as well as the deployment of the inoculation effort. The threat of economic closure owing to rising infection rates remained ever present, but state authorities worldwide adopted a more tailored approach in order to try to stem the spread of the virus.

The Manager attempted to use opportunities available in capital markets in order to generate income and returns for investors invested in the Sub-Funds, while managing risk. As a result, throughout the period under review the Sub-Funds did not experience abnormal investor activity. On the contrary, client interest remained strong, and at no point were the Sub-Funds at a risk of not being able to meet client requests for a return of their investment. Liquidity at the Sub-Fund level was also proactively managed by allocations in cash, bank deposits and liquid instruments dealt in the international markets. More detail on the strategy employed by the Investment Manager is found in the Manager's Report.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**2. BASIS OF PREPARATION (continued)****Effects of COVID-19 on the interim financial statements (continued)**

After taking into consideration the performance and outlook for the Sub-Funds, the board of directors, while continuing to closely monitor developments, remains of the view that the impact of the current challenging economic environment does not cast doubt upon the Company's ability to continue operating as a going concern for the foreseeable future.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**Interest income**

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

Dividend income

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

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

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

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

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

Expenses

Expenses are recognised on an accrual basis.

Foreign exchange translation

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

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

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".

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

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

Equalisation

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

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

Financial Instruments*(a) Financial Assets*

The Company classifies its financial assets as subsequently measured at amortised cost or measured at 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.

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Financial Instruments (continued)***(a) Financial Assets (continued)*Financial assets at FVTPL (continued)

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

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

*(b) Financial liabilities*Financial liabilities measured at amortised cost

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

Financial liabilities measured at FVTPL

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

Recognition, derecognition and measurement

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

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

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

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial Instruments (continued)

Recognition, derecognition and measurement (continued)

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

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

Impairment

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

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

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

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

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

A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Company considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions. To the extent applicable, the Company has applied the low credit risk assumption for the following classes of financial assets – cash at bank and term deposits.

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

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

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

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

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

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

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

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

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

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

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

Share capital

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

Cash and cash equivalents

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

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Significant accounting judgements, estimates and assumptions**

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

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

Going concern

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

Functional currency

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

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

4. INTERNATIONAL FINANCIAL REPORTING STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

Amendments to IFRS 9 (as part of the 2018 - 2020 Annual Improvements Cycle) - Financial Instruments
The amendments clarify which fees an entity includes when it applies the '10 per cent test' in assessing whether to derecognise a financial liability. This is not yet endorsed by the EU.

5. NET ASSET VALUE PER SHARE

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

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

6. DIVIDEND DISTRIBUTION

Distributions reflected in the relative Statement of Comprehensive Income for the period ended 30 June 2021:

	Ex-dividend date	Rate per Share	Distribution paid
APS Income Fund Distributor Shares	30 December 2020	€1.2464	€655,725
APS Regular Income Ethical Fund Distributor Shares Class EUR B	23 March 2021	€0.0079	€69,167
APS Regular Income Ethical Fund Distributor Shares Class EUR D	23 March 2021	€0.0078	€90,372
APS Diversified Bond Fund Distributor Shares Class EUR B	23 March 2021	€0.0103	€421,096
APS Diversified Bond Fund Distributor Shares Class EUR D	23 March 2021	€0.0103	€48,028
APS Diversified Bond Fund Distributor Shares Class GBP G	23 March 2021	£0.0101	€11,572

Distributions reflected in the relative Statement of Comprehensive Income for the period ended 30 June 2020:

	Ex-dividend date	Rate per Share	Distribution paid
APS Income Fund Distributor Shares	30 December 2019	€1.3966	€720,533
APS Regular Income Ethical Fund Distributor Shares Class EUR B	24 March 2020	€0.0092	€76,373
APS Regular Income Ethical Fund Distributor Shares Class EUR D	24 March 2020	€0.0091	€98,918
APS Diversified Bond Fund Distributor Shares Class EUR B	24 March 2020	€0.0123	€495,862
APS Diversified Bond Fund Distributor Shares Class EUR D	24 March 2020	€0.0123	€46,441

During the period ended 30 June 2021 a final dividend of €1.31244 per share which amounted to a distribution of €698,744 was declared by the Directors on 28 June 2021 with respect to the distributor shares of the APS Income Fund. This declared distribution will be reflected in the Statement of Comprehensive Income for the year ending 31 December 2021.

7. CASH AND CASH EQUIVALENTS

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

	30.06.2021	% of net assets	30.06.2020	% of net assets
	€		€	
APS Funds SICAV p.l.c.	7,303,398	3.86	12,626,777	7.53
APS Income Fund	1,701,227	1.90	2,960,961	3.40
APS Regular Income Ethical Fund	2,856,087	7.24	3,071,655	9.01
APS Diversified Bond Fund	2,246,263	4.37	6,592,961	14.18
APS Global Equity Fund	498,621	5.46	-	-

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

NOTES TO THE UNAUDITED FINANCIAL STATEMENTS

7. CASH AND CASH EQUIVALENTS (continued)

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

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

PORTFOLIO STATEMENT**APS INCOME FUND**

	Market Value 30.06.2021 €	% of net assets
Quoted Local Equities		
Bank of Valletta p.l.c.	826,410	0.93
BMIT Technologies p.l.c.	245,245	0.27
GO p.l.c.	1,881,150	2.11
HSBC Bank Malta p.l.c.	678,907	0.76
Malita Investments p.l.c.	1,006,812	1.13
Malta International Airport p.l.c.	5,263,117	5.89
Mapfre Middlesea p.l.c.	295,123	0.33
Medserv p.l.c.	750,000	0.84
PG p.l.c.	1,912,638	2.14
Plaza Centres p.l.c.	566,257	0.63
RS2 Software p.l.c.	2,501,284	2.80
Simonds Farsons Cisk p.l.c.	2,215,771	2.48
Tigné Mall p.l.c.	1,332,299	1.49
Trident Estates p.l.c.	407,909	0.46
Quoted Foreign Equities		
Enel S.p.A.	339,909	0.38
Industria De Diseno Textil S.A.	430,795	0.48
Total Energies Ord.	394,523	0.44
Quoted Local Corporate Bonds		
5.80% International Hotel Investments p.l.c. Unsecured Bonds 2021	176,900	0.20
5.00% Mediterranean Investments Holding p.l.c. Unsecured Bonds 2022	289,481	0.32
5.80% International Hotel Investments p.l.c. Unsecured Bonds 2023	346,724	0.39
6.00% Medserv p.l.c. Secured Notes 2020-2023 Series 1 Tranche 1	320,900	0.36
5.50% Mediterranean Investments Holding p.l.c. Unsecured Bonds 2023	252,500	0.28
6.00% AX Investments p.l.c. Unsecured Bonds 2024	930,862	1.04
5.00% Hal Mann Vella Group p.l.c. Secured Bonds 2024	928,595	1.04
6.00% International Hotel Investments p.l.c. Unsecured Bonds 2024	1,168,650	1.31
5.30% Mariner Finance p.l.c. Unsecured Bonds 2024	265,860	0.30
5.00% Tumas Investments p.l.c. Unsecured Bonds 2024	226,160	0.25
4.50% Hili Properties p.l.c. Unsecured Bonds 2025	252,048	0.28
5.75% International Hotel Investments p.l.c. Unsecured Bonds 2025	199,027	0.22
4.50% Izola Bank p.l.c. Unsecured Bonds 2025	1,206,748	1.35
4.25% Corinthia Finance p.l.c. Unsecured Bonds 2026	85,472	0.10

APS INCOME FUND (continued)

	Market Value 30.06.2021 €	% of net assets
Quoted Local Corporate Bonds (continued)		
4.00% International Hotel Investments p.l.c. Secured Bonds 2026	416,058	0.47
4.00% International Hotel Investments p.l.c. Unsecured Bonds 2026	476,199	0.53
4.50% Medserv p.l.c. Unsecured Bonds 2026	509,450	0.57
4.00% MIDI p.l.c. Secured Bonds 2026	1,183,404	1.33
3.90% Plaza Centres p.l.c. Unsecured Bonds 2026	209,000	0.23
3.75% Premier Capital p.l.c. Unsecured Bonds 2026	2,520,624	2.82
4.00% Eden Finance p.l.c. Unsecured Bonds 2027	1,893,089	2.12
5.00% MeDirect Bank (Malta) p.l.c. Unsecured Bonds 2022-2027	1,029,180	1.15
3.50% Simonds Farsons Cisk p.l.c. Unsecured Bonds 2027	650,946	0.73
4.35% SD Finance p.l.c. Unsecured Bonds 2027	2,250,966	2.52
4.00% Stivala Group Finance p.l.c. Secured Bonds 2027	839,168	0.94
3.75% Tumas Investments p.l.c. Unsecured Bonds 2027	554,199	0.62
4.00% Exalco Finance p.l.c. Secured Bonds 2028	569,439	0.64
4.15% Phoenixia Finance Company p.l.c. Unsecured Bonds 2023 - 2028	1,428,400	1.60
3.75% AX Group p.l.c. Unsecured Bonds 2029 Series 2	466,344	0.52
4.00% MeDirect Bank (Malta) p.l.c. Sub Unsecured Bonds 2024-2029	604,000	0.68
3.65% Stivala Group Finance p.l.c. Secured Bonds 2029	92,718	0.10
3.75% TUM Finance p.l.c. Secured € Bonds 2029	711,949	0.80
3.25% APS Bank p.l.c. Unsecured Subordinated Bonds 2025 - 2030	1,351,765	1.51
3.50% Bank of Valletta p.l.c. Subordinated Notes 2030 Series 1 Tranche 1	2,482,094	2.78
3.50% Bank of Valletta p.l.c. Subordinated Notes 2030 Series 2 Tranche 1	1,509,456	1.69
4.00% Cablenet Communication Systems p.l.c. Unsecured Bonds 2030	1,081,600	1.21
3.75% Bank of Valletta p.l.c. Unsecured Subordinated Bonds 2026-2031	904,800	1.01
3.50% GO p.l.c. Unsecured Bonds 2031	954,200	1.07
Quoted Foreign Bonds		
5.125% Petroleos Mexicanos 2023	579,961	0.65
7.50% Sunac China Holdings 2024	434,800	0.49
4.625% Rolls-Royce 2026	490,770	0.55
5.00% Virgin Media 2027	423,250	0.47
5.75% Melco Resorts Finance 2028	445,341	0.50
3.625% Sappi Papier Holding GmbH 2028	400,236	0.45
6.25% Banca Popolare di Sondrio 2029	441,732	0.49
3.00% ZF Europe Finance 2029	522,735	0.59
5.625% NGG Finance 2073	455,929	0.51
4.50% Repsol International Finance B.V. 2075	492,480	0.55
4.875% Vodafone Group 2078	444,460	0.50

APS INCOME FUND (continued)

	Market Value 30.06.2021 €	% of net assets
Quoted Foreign Bonds (continued)		
2.875% Merck KGaA 2079	437,080	0.49
3.375% Aroundtown S.A. Perpetual	830,960	0.93
2.875% AT&T Inc. Perpetual	407,452	0.46
3.25% BPC Capital Markets Perpetual	535,000	0.60
4.875% CPI Property Group S.A. Perpetual	417,138	0.47
5.625% SES S.A. Perpetual	437,000	0.49
3.50% Volkswagen International Finance N.V. Perpetual	432,000	0.48
Quoted MGS Bonds (5 to 15 years)		
1.50% Malta Government Stock 2027 (I)	4,345,600	4.87
4.80% Malta Government Stock 2028 (I)	288,270	0.32
4.50% Malta Government Stock 2028 (II)	805,759	0.90
5.10% Malta Government Stock 2029 (I)	1,027,166	1.15
2.30% Malta Government Stock 2029 (II)	2,118,341	2.37
1.00% Malta Government Stock 2031 (V)	4,513,710	5.05
1.00% Malta Government Stock 2035 (II)	1,006,300	1.13
2.50% Malta Government Stock 2036 (I)	100,312	0.11
Quoted MGS Bonds (over 15 years)		
2.10% Malta Government Stock 2039 (I)	4,939,719	5.53
3.00% Malta Government Stock 2040 (I)	113,283	0.13
2.40% Malta Government Stock 2041 (I)	92,117	0.10
Foreign Government Bonds		
3.00% Republic of Hungary 2024	857,372	0.96
1.25% Republic of Italy 2026	846,369	0.95
4.75% Russian Federation 2026	767,518	0.86
Term Deposits		
APS Bank p.l.c.	1,300,000	1.46
Izola Bank p.l.c.	1,000,000	1.12

APS REGULAR INCOME ETHICAL FUND

	Market Value 30.06.2021 €	% of net assets
Quoted Foreign Equities		
ABB Ltd.	314,991	0.80
AbbVie Inc.	259,210	0.66
Adidas AG	321,748	0.82
Allianz SE	193,476	0.49
AXA S.A.	363,545	0.92
Banco Bilbao Vizcaya Argentaria	292,768	0.74
Bayerische Motoren Werke AG	714,480	1.81
Barratt Developments p.l.c.	242,952	0.62
Boliden AB	324,394	0.82
Bristol-Myers Squibb Co.	198,788	0.50
Citigroup Ord.	184,945	0.47
Cisco Systems Inc.	223,461	0.57
Covestro AG	185,164	0.47
Danone S.A.	276,071	0.70
Delta Airlines Inc.	189,690	0.48
Deutsche Post AG	372,840	0.95
Endesa S.A.	204,600	0.52
Enel S.p.A.	242,792	0.62
Euronext N.V.	357,630	0.91
GlaxoSmithKline p.l.c.	201,871	0.51
ING Group N.V.	380,999	0.97
Industria De Diseno Textil S.A.	202,028	0.51
Intesa Sanpaolo S.p.A.	362,813	0.92
KBC Group N.V.	321,500	0.82
Microsoft Corp.	753,839	1.91
NextEra Energy Inc.	185,380	0.47
Nissan Motor Co. Ltd.	167,540	0.42
Orange S.A.	90,093	0.23
Sanofi S.A.	353,440	0.90
SAP SE	391,314	0.99
Samsung Electronics	178,968	0.45
Schaeffler AG	280,080	0.71
SK Telecom Co. Ltd.	225,135	0.57
Sony Group Corp.	188,555	0.48
Taylor Wimpey p.l.c.	203,678	0.52

APS REGULAR INCOME ETHICAL FUND (continued)

	Market Value	% of net assets
	30.06.2021	
Quoted Foreign Equities (continued)	€	
Total Energies SE	551,645	1.40
The Walt Disney Company	385,366	0.98
Viatis Inc.	144,600	0.37
Yara International ASA	288,667	0.73
Quoted Foreign Bonds		
2.50% Citycon Treasury B.V. 2024	369,992	0.94
2.00% Imerys S.A. 2024	318,957	0.81
6.30% International Finance Corp. 2024	480,189	1.22
3.75% Stellantis N.V. 2024	219,918	0.56
2.50% Banco Santander S.A. 2025	324,806	0.82
0.875% EasyJet 2025	301,695	0.76
1.25% Goldman Sachs Group Inc. 2025	619,896	1.57
1.625% RCI Banque S.A. 2025	146,507	0.37
2.50% Thyssenkrupp 2025	229,050	0.58
10.125% Carnival Corp. 2026	361,801	0.92
1.50% International Airlines Group 2027	364,492	0.92
2.125% Intercontinental Hotels Group p.l.c. 2027	290,072	0.74
2.25% Grifols S.A. 2027	183,458	0.47
4.125% Verizon Communications Inc. 2027	263,765	0.67
2.00% Barclays p.l.c. 2028	205,024	0.52
3.75% Faurecia S.A. 2028	263,290	0.67
1.25% Informa p.l.c. 2028	355,313	0.90
3.625% Sappi Papier Holding GmbH 2028	200,118	0.51
2.50% Stora Enso Oyj 2028	372,204	0.94
3.375% Schaeffler AG 2028	330,831	0.84
1.375% Societe Generale S.A. 2028	304,881	0.77
1.25% Svenska Handelsbanken AB 2028	356,979	0.91
6.25% Banca Popolare di Sondrio 2029	220,866	0.56
1.75% Cellnex Telecommunications 2030	198,154	0.50
6.25% Munich Reinsurance Company 2042	317,970	0.81
4.25% Aquarius & Investments p.l.c. 2043	273,573	0.69
5.125% AXA S.A. 2043	143,093	0.36
3.099% Allianz SE 2047	340,278	0.86
4.375% Mapfre S.A. 2047	348,606	0.88
4.625% NN Group N.V. 2048	285,600	0.72
5.625% NGG Finance p.l.c. 2073	358,230	0.91
4.50% Repsol International Finance B.V. 2075	295,488	0.75

APS REGULAR INCOME ETHICAL FUND (continued)

	Market Value 30.06.2021 €	% of net assets
Quoted Foreign Bonds (continued)		
4.50% Lanxess AG 2076	331,433	0.84
3.375% EnBW Energie Baden-Wuerttemberg 2077	346,375	0.88
4.875% Vodafone Group 2078	253,977	0.64
2.875% Merck KGaA 2079	437,080	1.11
1.75% Orsted A/S 3019	194,750	0.49
4.375% Accor S.A. Perpetual	210,362	0.53
3.375% Aroundtown S.A. Perpetual	311,610	0.79
2.875% AT&T Inc. Perpetual	203,726	0.52
5.375% Electricite de France S.A. Perpetual	337,500	0.86
1.375% Engie S.A. Perpetual	203,916	0.52
2.124% Ferrovial Netherlands B.V. Perpetual	199,250	0.51
3.625% Infineon Technologies Perpetual	219,600	0.56
2.88% OMV AG Perpetual	317,301	0.80
4.247% Repsol International Finance B.V. Perpetual	165,308	0.42
4.25% Solvay S.A. Perpetual	215,460	0.55
3.125% SSE p.l.c. Perpetual	270,313	0.69
2.13% Unibail-Rodamco-Westfield SE Perpetual	297,990	0.76
5.75% UnipolSai Assicurazioni S.p.A. Perpetual	236,500	0.60
Foreign Government Bonds		
1.25% Republic of Italy 2026	1,375,349	3.49
3.75% Republic of South Africa 2026	382,988	0.97
2.75% Romanian Government International Bond 2026	364,558	0.92
1.625% US Treasury 2026	362,907	0.92
1.75% US Treasury 2029	1,524,567	3.87
1.25% Government of Canada 2030	540,650	1.37
2.75% Republic of Croatia 2030	692,718	1.76
0.625% Republic of Cyprus 2030	907,853	2.30
1.50% Commonwealth of Australia 2031	1,584,780	4.02
2.50% US Treasury 2045	636,666	1.61
2.75% US Treasury 2047	448,283	1.14
0.00% Federal Republic of Germany 2050	413,978	1.05
1.625% US Treasury 2050	1,583,637	4.01
Foreign Collective Investment Scheme		
Etica Azionario I	14,461	0.04

APS REGULAR INCOME ETHICAL FUND (continued)

	Notional Amount	Fair Value	% of net assets
Derivatives - Forward Forex Contracts			
Sale of Australian Dollars against Euro maturing on 20 August 2021	690,000	5,342	0.01
Sale of United States Dollars against Euro maturing on 20 August 2021	3,150,000	(54,949)	(0.14)

APS DIVERSIFIED BOND FUND	Market Value 30.06.2021 €	% of net assets
Quoted Local Corporate Bonds		
6.00% Medserv p.l.c. Secured and Guaranteed Notes 2020-2023 Series 1 Tranche 1	200,000	0.39
4.00% International Hotel Investments p.l.c. Unsecured Bonds 2026	245,466	0.48
4.50% Medserv p.l.c. Unsecured Bonds 2026	94,500	0.18
4.35% SD Finance p.l.c. Unsecured Bonds 2027	253,750	0.49
4.00% Exalco Finance p.l.c. Secured Bonds 2028	94,907	0.18
4.15% Phoenicia Finance Company p.l.c. Unsecured 2023-2028	291,900	0.57
4.00% MeDirect Bank (Malta) p.l.c. Subordinated Unsecured Bonds 2024–2029	103,000	0.20
3.75% TUM Finance p.l.c. Secured Bonds 2029	101,000	0.20
3.50% Bank of Valletta p.l.c. Subordinated Notes 2030 Series 1 Tranche 1	309,000	0.60
4.00% Cablenet Communication Systems p.l.c. Unsecured Bonds 2030	239,200	0.47
3.50% GO p.l.c. Unsecured Bonds 2031	98,000	0.19
Quoted Foreign Bonds		
3.875% Arcelik A.S. 2021	201,454	0.39
3.25% Teva Pharmaceutical Finance Netherlands B.V. 2022	201,704	0.39
1.875% Adler Real Estate AG 2023	300,546	0.58
3.125% Gaz Capital S.A. 2023	211,242	0.41
5.125% Pemex 2023	263,619	0.51
4.60% RZD Capital p.l.c. 2023	375,687	0.73
5.25% Stellantis N.V. 2023	227,359	0.44
6.75% Times China Holding 2023	259,615	0.50
6.30% International Finance Corp. 2024	878,395	1.71
3.25% Nemak SAB de CV 2024	203,360	0.40
4.75% SoftBank Group Corp. 2024	223,461	0.43
7.50% Sunac China Holdings 2024	260,880	0.51
2.875% Altareit S.A. 2025	319,167	0.62
1.35% CNCP Global Capital Ltd. 2025	460,503	0.90
0.875% EasyJet 2025	377,119	0.73
2.875% Ryanair 2025	411,109	0.80
2.50% Thyssenkrupp 2025	254,500	0.50
10.125% Carnival Corp. 2026	233,420	0.45
2.652% Nissan Motor Co. 2026	490,082	0.95
4.625% Rolls-Royce 2026	272,650	0.53
4.25% Playtech p.l.c. 2026	257,383	0.50
2.20% Altria Group Inc. 2027	432,558	0.84
2.25% BNP Paribas S.A. 2027	108,920	0.21

APS DIVERSIFIED BOND FUND (continued)

	Market Value 30.06.2021 €	% of net assets
Quoted Foreign Bonds (continued)		
2.25% Grifols S.A. 2027	305,763	0.59
2.125% Imperial Brands Finance p.l.c. 2027	427,708	0.83
2.25% Ineos Styrolution Group GmbH 2027	246,838	0.48
2.125% Intercontinental Hotels Group p.l.c. 2027	376,019	0.73
4.75% KFC Holding 2027	220,758	0.43
4.00% Matterhorn Telecommunications 2027	257,145	0.50
2.75% NTPC Ltd. 2027	482,576	0.94
4.00% Oil India International 2027	267,528	0.52
4.125% Verizon Communications Inc. 2027	383,658	0.75
5.00% Virgin Media Secured 2027	241,857	0.47
5.50% Ziggo B.V. 2027	162,922	0.32
3.00% CEZ AS 2028	348,333	0.68
3.125% Contour Global Power Holdings S.A. 2028	253,988	0.49
3.75% Faurecia S.A. 2028	263,290	0.51
1.25% Informa p.l.c. 2028	456,831	0.89
5.75% Melco Resorts Finance 2028	267,204	0.52
3.375% Schaeffler AG 2028	330,831	0.64
3.625% Sappi Papier Holding GmbH 2028	250,148	0.49
6.25% Banca Popolare di Sondrio 2029	220,866	0.43
3.125% BAT International Finance 2029	456,866	0.89
3.875% Netflix Inc. 2029	241,668	0.47
5.125% Service Corp. International 2029	229,305	0.45
3.00% ZF Europe Finance 2029	313,641	0.61
1.00% Banco Bilbao Vizcaya Argentaria S.A. 2030	503,210	0.98
1.75% Cellnex Telecommunications 2030	297,231	0.58
2.05% Province of Ontario 2030	964,260	1.88
2.031% Prosus N.V. 2032	461,039	0.90
1.45% Philip Morris International 2039	481,955	0.94
4.375 % Mapfre S.A. 2047	464,808	0.90
4.625% NN Group N.V. 2048	357,000	0.69
5.625% NGG Finance 2073	358,230	0.70
3.50% Bertelsmann 2075	327,000	0.64
4.50% Repsol International Finance B.V. 2075	399,456	0.78
4.50% Lanxess AG 2076	427,656	0.83
3.375% EnBW Energie Baden-Wuerttemberg 2077	458,438	0.89
4.875% Vodafone Group 2078	253,977	0.49
2.875% Merck KGaA 2079	437,080	0.85

APS DIVERSIFIED BOND FUND (continued)

	Market Value 30.06.2021 €	% of net assets
Quoted Foreign Bonds (continued)		
1.75% Orsted A/S 3019	307,500	0.60
4.375% Accor S.A. Perpetual	315,543	0.61
3.375% Aroundtown S.A. Perpetual	415,480	0.81
2.875% AT&T Inc. Perpetual	305,589	0.59
3.25% BP Capital Markets p.l.c. Perpetual	428,000	0.83
3.75% CPI Property Perpetual	318,988	0.62
5.375% Electricite de France S.A.	450,000	0.88
2.875% Eurofins Scientific SE Perpetual	256,148	0.50
2.124% Ferrovial Netherlands B.V. Perpetual	249,063	0.48
1.50% Grand City Perpetual	293,190	0.57
5.25% HSBC Holdings p.l.c. Perpetual	367,063	0.71
3.625% Infineon Tech. Perpetual	329,400	0.64
3.75% Intesa Sanpaolo S.p.A. Perpetual	299,604	0.58
2.88% OMV AG Perpetual	423,068	0.82
5.75% Phoenix Holdings Group p.l.c. Perpetual	548,495	1.07
4.375% Cooperative Rabobank V.A. Perpetual	444,216	0.86
5.625% SES S.A. Perpetual	273,125	0.53
4.25% Solvay S.A. Perpetual	215,460	0.42
3.125% SSE p.l.c. Perpetual	324,375	0.63
2.13% Unibail-Rodamco-Westfield SE Perpetual	397,320	0.77
5.38% Unicredit S.p.A. Perpetual	371,770	0.72
5.75% UnipolSai Assicurazioni S.p.A. Perpetual	275,000	0.53
8.00% Virgin Money UK p.l.c. Perpetual	311,489	0.61
3.50% Volkswagen International Finance N.V. Perpetual	432,000	0.84
Quoted MGS Bond (5 to 15 years)		
4.50% Malta Government Stock 2028 (II)	380,105	0.74
Foreign Government Bonds		
5.625% North Macedonia Government International Bond 2023	477,408	0.93
3.00% Republic of Hungary 2024	768,678	1.50
3.375% Republic of Indonesia 2025	408,947	0.80
2.875% Russian Federation 2025	436,704	0.85
1.25% Republic of Italy 2026	1,904,328	3.70
3.75% Republic of South Africa 2026	492,413	0.96
2.75% Republic of Romania 2026	497,124	0.97
7.6003% Arab Republic Of Egypt 2029	418,300	0.81

APS DIVERSIFIED BOND FUND (continued)

	Market Value 30.06.2021 €	% of net assets
Foreign Government Bonds (continued)		
0.70% Republic of Philippines 2029	497,745	0.97
8.50% United Mexican States 2029	861,974	1.68
2.75% Republic of Croatia 2030	923,624	1.80
1.50% US Treasury 2030	595,576	1.16
0.625% Republic of Cyprus 2030	1,208,770	2.35
1.50% Commonwealth of Australia 2031	2,472,255	4.81
1.125% US Treasury 2031	1,329,170	2.59
1.625% US Treasury 2050	2,963,670	5.76

Exchange Traded Funds

iShares JP Morgan EM Local Government Bond UCITS ETF	789,855	1.54
iShares JP Morgan USD EM Bond EUR Hedged UCITS ETF	518,495	1.01

	Notional Amount	Fair Value	% of net assets
Derivatives - Forward Forex Contracts			
Purchase of Sterling against Euro Maturing on 28 July 2021 (class GBP G)	(66,816)	(62)	0.00
Purchase of Sterling against Euro Maturing on 28 July 2021 (class GBP G)	(1,001,826)	6,901	0.01
Sale of Australian Dollars against Euro maturing on 20 August 2021	1,535,000	21,287	0.04
Sale of United States Dollars against Euro maturing on 20 August 2021	8,510,000	(175,224)	(0.34)

APS GLOBAL EQUITY FUND

	Market Value 30.06.2021 €	% of net assets
Quoted Foreign Equities		
ABB Ltd.	98,793	1.08
Abbott Laboratories Ord.	90,915	1.00
Airbus SE	113,211	1.24
Air Products and Chemicals Inc.	143,126	1.57
Alibaba Group Holding Ltd. ADR	168,284	1.84
Alphabet Inc.	234,730	2.57
Amazon.com Inc.	179,856	1.97
American Tower Corp.	71,983	0.79
Apple Inc.	191,138	2.09
AT&T Inc.	89,309	0.98
AXA S.A.	63,300	0.69
BAE Systems p.l.c.	120,442	1.32
Barratt Developments p.l.c.	32,612	0.36
Banco Bilbao Vizcaya Argentaria S.A.	63,494	0.70
Bayerische Motoren Werke AG	165,224	1.81
Boliden AB	130,341	1.43
Bristol-Myers Squibb Co.	136,301	1.49
British American Tobacco p.l.c.	65,235	0.71
Broadcom Inc.	207,481	2.27
China Telecommunications Corporation Ltd.	86,578	0.95
Cisco Systems Inc.	125,585	1.38
Citigroup Inc.	169,613	1.86
Coca-Cola Co.	55,119	0.60
Covestro AG	127,436	1.40
Danone S.A.	89,471	0.98
Delta Airlines Inc.	89,227	0.98
Digital Realty Trust Inc.	69,781	0.76
Deutsche Post AG	169,327	1.86
Dufry	114,780	1.26
Enel S.p.A.	119,657	1.31
Euronext N.V.	267,672	2.93
Exxon Mobil Corp.	206,332	2.26
Fedex Corp.	198,486	2.17
General Electric Co.	111,719	1.22
GlaxoSmithKline p.l.c.	120,488	1.32
Goldman Sachs Group Inc.	200,024	2.19

APS GLOBAL EQUITY FUND (continued)

	Market Value 30.06.2021 €	% of net assets
Quoted Foreign Equities (continued)		
Hilton Worldwide Holdings Inc.	72,623	0.80
Industria De Diseno Textil S.A.	73,354	0.80
ING Groep N.V.	208,574	2.28
Innovative Industrial Properties Inc.	78,445	0.86
International Consolidated Airlines Group	86,574	0.95
Intesa Sanpaolo S.p.A.	98,363	1.08
Johnson & Johnson	86,545	0.95
KBC Group N.V.	36,137	0.40
Koninklijke Philips N.V.	78,941	0.86
Lloyds Banking Group p.l.c.	54,863	0.60
Microsoft Corp.	249,909	2.74
Nestle S.A.	106,896	1.17
Newmont Mining Corp.	50,559	0.55
NextEra Energy Inc.	77,365	0.85
Nissan Motor Co. Ltd.	32,251	0.35
NVIDIA Corp.	149,780	1.64
Phoenix Group Holdings p.l.c.	85,176	0.93
Pulmonx Corp.	66,372	0.73
Roche Holding AG	75,358	0.83
Rolls-Royce Holdings p.l.c.	59,552	0.65
Samsung Electronics Co. Ltd.	64,669	0.71
Sanofi S.A.	107,357	1.18
SAP SE	64,033	0.70
Siemens AG	95,538	1.05
SK Telecom Co. Ltd. ADR	116,673	1.28
Sony Group Corp.	57,517	0.63
Sony Group Corp. ADR	22,955	0.25
Southwest Airlines Co.	84,343	0.92
Taiwan Semiconductor Manufacturing Co. Ltd. ADR	152,494	1.67
Taylor Wimpey p.l.c.	81,995	0.90
Telefonica S.A.	89,634	0.98
Tencent Holdings Ltd.	44,389	0.49
The Walt Disney Company	112,646	1.23
THK Co. Ltd.	73,038	0.80
Total Energies Ord.	155,253	1.70
Toyota Motor Corp. ADR	88,755	0.97

APS GLOBAL EQUITY FUND (continued)

	Market Value 30.06.2021 €	% of net assets	
Quoted Foreign Equities (continued)			
Unilever p.l.c.	130,027	1.42	
Viatis Inc.	125,634	1.38	
Vinci S.A.	107,538	1.18	
VISA Inc.	138,412	1.52	
Walmart Inc.	98,937	1.08	
Wynn Resorts Ltd.	116,330	1.27	
Yara International	104,411	1.14	
	Notional Amount	Fair Value	% of net assets
Derivatives - Forward Forex Contracts			
Sale of Sterling against Euro maturing on 20 August 2021	405,000	(5,681)	(0.06)
Sale of Swiss Francs against Euro maturing on 20 August 2021	300,000	(1,759)	(0.02)
Sale of United States Dollars against Euro maturing on 20 August 2021	4,600,000	(84,046)	(0.92)

STATEMENT OF CHANGES IN THE COMPOSITION OF THE PORTFOLIO

The composition of the portfolio, detailed in the Portfolio Statement on pages 33 to 46, in comparison with the Portfolio Statement as at 31 December 2020 stood as follows:

	% of net assets 30.06.2021	% of net assets 31.12.2020
<i>APS Income Fund</i>		
Quoted Local Equities	22.26	22.50
Quoted Foreign Equities	1.30	-
Quoted Local Corporate Bonds	35.09	33.10
Quoted Foreign Bonds	9.66	8.99
Quoted Malta Government Bonds	21.67	25.83
Foreign Government Bonds	2.77	2.92
Term Deposits	2.58	2.87
	% of net assets 30.06.2021	% of net assets 31.12.2020
<i>APS Regular Income Ethical Fund</i>		
Quoted Foreign Equities	28.70	24.24
Quoted Foreign Bonds	36.50	38.52
Quoted Malta Government Bonds	-	1.38
Foreign Government Bonds	27.43	19.51
Foreign Collective Investment Schemes	0.04	0.03
Exchange Traded Funds	-	8.14
Forwards	(0.13)	-
	% of net assets 30.06.2021	% of net assets 31.12.2020
<i>APS Diversified Bond Fund</i>		
Quoted Local Corporate Bonds	3.95	3.83
Quoted Foreign Bonds	55.97	56.08
Quoted Malta Government Bonds	0.74	1.28
Foreign Government Bonds	31.62	20.35
Exchange Traded Funds	2.54	9.22
Forwards	(0.29)	0.24
	% of net assets 30.06.2021	% of net assets 31.12.2020
<i>APS Global Equity Fund</i>		
Quoted Foreign Equities	95.83	86.18
Forwards	(1.00)	1.36

Information about the Scheme

1. AUTHORISATION

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

2. INCOME

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

3. UP-FRONT CHARGE AND OTHER FEES

APS Income Fund

Initial Fee

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

APS Regular Income Ethical Fund

Initial Fee

An initial charge of up to 2% of the amount invested in Class A - Accumulator/Class B - Distributor shares.

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

APS Diversified Bond Fund

Initial Fee

An initial charge of up to 2% of the amount invested in Class A - Accumulator/Class B - Distributor shares.

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

APS Global Equity Fund

Initial Fee

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

Information about the Scheme

Management fee

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

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

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

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

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

Administration fee

The Company in conjunction with the Investment Manager appointed BOV Fund Services Limited as Administrator to the Company to provide administration services, under an agreement signed on 7 April 2017 and revised on 23 October 2017, 25 May 2018, 23 January 2020 and 16 April 2020.

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

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

In respect of the APS Diversified Bond Fund, the Administrator shall receive a fixed fee of €16,500 per annum for the first two years from the date of the launch of the sub-fund. Thereafter, the Administrator shall receive for its services a fee calculated as 0.14% per annum of the net asset value. This fee is subject to a minimum fee of €21,000 per annum and a maximum fee of €41,500 per annum.

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

Information about the Scheme

Custodian fee

As from 11 November 2019, the Company appointed Swissquote Financial Services (Malta) Limited to act as Custodian of the Company.

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

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

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

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

4. TAX EXPENSE

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

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

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

In respect of distributions by the Company to the shareholders, dividends paid from Malta source taxed profits, Malta source profits which are exempt from tax up to the level of the ultimate shareholder, or profits received by the Company from the foreign income account of another Maltese company should not be subject to a withholding tax or to a further tax in the hands of the shareholders.

Information about the Scheme

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

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

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

5. RISK WARNINGS

Market Fluctuations

Investment in the Fund should be regarded as a long-term investment. The Fund's investments are subject to normal market fluctuations and the risks inherent in all investments, and 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 Fund, including the currency in which it is determined, may fall as well as rise.

Erosion of Capital

When redeeming a holding in the Funds, or part thereof, an investor should be aware that these redemptions will be made from the sale of shares in the Funds and 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 she/he may not get back the amount he invested. Hence, investment in the 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 Fund, may adversely affect the value of investments and the income (if any) derived therefrom.

Investment on the Malta Stock Exchange

The Funds may invest in equity and debt securities quoted on the Malta Stock Exchange, which is a relatively new market, when compared to more established markets. In addition, the investments that can be made on the Malta Stock Exchange are limited. This may lead to an exposure to a particular security or industry sector, which is higher than that normally associated with a diversified portfolio.

Information about the Scheme

This may expose the Funds to higher levels of volatility and may adversely affect the performance of the Funds. Despite the fact that such securities are listed, the market in these securities may be illiquid.

Some Maltese companies listed on the Malta Stock Exchange impose, through their constitutional documents, a ceiling on the equity holding that any one particular investor may, directly or indirectly hold in such companies. In this respect investors should be aware that the Investment Manager might be restricted in implementing the Fund's investment policies by virtue of such impositions.

The trading volumes on emerging stock exchanges such as the Malta Stock Exchange are substantially less than the world's leading stock markets. Accordingly, the buying and selling of securities may be time consuming and may need to be effected at unfavourable prices. Although it is not envisaged that this should create any difficulty in valuing the Funds' investments, reduced secondary market liquidity may have an adverse effect on the market price of such securities and the Company's ability to dispose of 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 Fund is closely linked to the performance of the Maltese market.

Investments in smaller companies

The Funds may invest in the securities of smaller companies, which securities 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 one or two key individuals. This may result in investments in such securities being volatile.

Investments in unquoted companies

Funds investing in the securities of unquoted companies can be subject to risks not normally associated with quoted securities. These risks are mainly related to the illiquidity of unquoted investments.

6. SCHEME PARTICULARS

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

7. MANAGER'S STATEMENT

In the opinion of the Manager, this Interim Report and Unaudited Financial Statements contain all the information necessary to enable the investors to make an informed judgement of the results and activities of the Company for the period ended 30 June 2021, and does not omit any matter or development of significance.