

The Directors of APS Funds SICAV p.l.c. whose names appear on the last page accept responsibility for the information contained in this Offering Supplement. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that this is the case) the information contained in this Offering Supplement is in accordance with the facts and does not omit anything likely to affect the accuracy of such information. The Directors accept responsibility accordingly.

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# Offering Supplement

(the "Offering Supplement")

**21<sup>st</sup> November 2022**

relating to the offer of Investor Shares in

## APS Income Fund

(the "Sub-Fund")

a Sub-Fund of

## APS Funds SICAV p.l.c.

(the "Company")

an open-ended collective investment scheme organised as a multi-fund public limited liability company with variable share capital registered under the laws of Malta and licensed by the Malta Financial Services Authority in terms of the Investment Services Act (Chapter 370, Laws of Malta). The Company qualifies as a 'Maltese UCITS' in terms of the Investment Services Act (Marketing of UCITS) Regulations (S.L. 370.18, Laws of Malta).

### ReAPS Asset Management Limited

(the "Investment Manager")

### Swissquote Financial Services (Malta) Limited

(the "Custodian")

### Swissquote Bank Limited (Affiliate of the Custodian)

(the "Sub-Custodian")

### Apex Fund Services (Malta) Ltd.

(the "Administrator")

**Important Notice:** This Offering Supplement may not be distributed unless accompanied by, and is to be read in conjunction with, the latest version of the Prospectus of the Company. Save as disclosed in this Offering Supplement, there has, as at the date indicated above, been no significant change and no significant new matter has arisen since publication of the Prospectus. The Investment Manager has also published one or more Key Investor Information Documents (each a "KIID") in respect of the Sub-Fund. This Offering Supplement is an updated version of the Offering Supplement dated 21<sup>st</sup> January 2022.

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APS INCOME FUND, A SUB-FUND OF APS FUNDS SICAV P.L.C. IS LICENSED AS A COLLECTIVE INVESTMENT SCHEME BY THE MALTA FINANCIAL SERVICES AUTHORITY ("MFSA") UNDER THE INVESTMENT SERVICES ACT (CAP. 370, LAWS OF MALTA) AND QUALIFIES AS A 'MALTESE UCITS' IN TERMS OF THE INVESTMENT SERVICES ACT (MARKETING OF UCITS) REGULATIONS (S.L. 370.18, LAWS OF MALTA). AUTHORISATION OF THE COMPANY AND ITS SUB-FUNDS BY THE MFSA DOES NOT CONSTITUTE A WARRANTY BY THE MFSA AS TO THE PERFORMANCE OF THE COMPANY AND ITS SUB-FUNDS AND THE MFSA SHALL NOT BE LIABLE FOR THE PERFORMANCE OR DEFAULT OF THE COMPANY AND ITS SUB-FUNDS.



APPROVED IN ACCORDANCE WITH ARTICLE 11 OF THE  
INVESTMENT SERVICES ACT CAP. 370

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# Important Information

**BEFORE PURCHASING ANY INVESTOR SHARES IN THE SUB-FUND DESCRIBED IN THIS OFFERING SUPPLEMENT, YOU SHOULD MAKE SURE THAT YOU FULLY UNDERSTAND THE NATURE OF THIS INVESTMENT, THE RISKS ASSOCIATED WITH IT AND YOUR OWN PERSONAL CIRCUMSTANCES. IF YOU ARE NOT CERTAIN ABOUT THE CONTENTS OF THIS OFFERING SUPPLEMENT, YOU SHOULD SEEK THE ADVICE OF A SUITABLY QUALIFIED ADVISOR. YOU SHOULD ALSO REFER TO THE LATEST VERSION OF THE PROSPECTUS WHICH ACCOMPANIES THIS OFFERING SUPPLEMENT AND WHICH DESCRIBES THE COMPANY AND PROVIDES GENERAL INFORMATION ABOUT OFFERS OF INVESTOR SHARES IN THE COMPANY. YOU SHOULD NOT TAKE ANY ACTION IN CONNECTION WITH THIS OFFER OF INVESTOR SHARES UNLESS YOU HAVE RECEIVED A COPY OF THE PROSPECTUS.**

**SUBSCRIPTIONS MAY BE MADE IN THE FORM OF LUMP SUM INVESTMENTS OR IN RESPECT OF THE CLASS A EUR (ACCUMULATOR) SHARES VIA THE MONTHLY INVESTMENT PLAN.**

## **Suitability of Investment**

Before investing in the Sub-Fund, you should inform yourself how you could be affected by: (a) any possible tax consequences; (b) any legal and regulatory requirements; (c) any applicable foreign exchange restrictions or exchange control requirements; (d) any governmental or other consents or formalities that you might require or otherwise encounter under the laws of your country of citizenship, residence or domicile and which might affect your acquisition, holding or disposal of Investor Shares or receipt by you of income from such Investor Shares.

The value of the Investor Shares will fluctuate, and there is no guarantee that you will make a profit, or that you will not make a loss, on your investment. Refer also to the Section of the Prospectus entitled "Risk Factors". The Risk Factors outlined in the Prospectus are sufficiently exhaustive to also cater for any specific risks which may apply for an investment in the Sub-Fund.

An investment in the Investor Shares by you is best undertaken after you are satisfied, possibly after obtaining advice from a suitably qualified advisor, that you have properly assessed the merits and risks associated with the investment and that your financial resources are adequate to enable you to bear any potential losses that may arise. The contents of this Offering Supplement and of the Prospectus are not intended to contain, and should not be regarded as containing, advice relating to taxation, legal advice, investment advice or any other matter.

## **Restrictions on Distribution outside Malta**

The offer of Investor Shares pursuant to this Offering Supplement is deemed to be an offer of securities to the public in terms of the Companies Act, however, the distribution of this Offering Supplement, the Prospectus, the KIID and the offering of Investor Shares may be restricted in other jurisdictions. This Offering Supplement does not constitute, and may not be used for the purposes of, an offer or solicitation to anyone in any jurisdiction in which such offer or solicitation is not authorised, or to any person to whom it is unlawful to make such offer or solicitation. Persons to whose attention this Offering Supplement may come are required to inform themselves about, and to observe, such restrictions.

# Interpretation

## Definitions

Terms used in this Offering Supplement shall, unless otherwise defined or the context otherwise requires, have the same meaning as those defined in the Prospectus.

In this Offering Supplement, the following words shall have the meanings set opposite them:

<b>Business Day</b>	Any day that is not a Saturday or a Sunday and not a public or bank holiday in Malta. The Board may under the Prospectus determine additional Business Days for any particular year.
<b>Investor Shares</b>	Two Classes of Investor Shares in the Sub-Fund:  Class A EUR Accumulator Shares Class B EUR Distributor Shares
<b>Monthly Subscription Day</b>	Every 15 <sup>th</sup> of the month or the next Business Day in case where the 15 <sup>th</sup> of the month is not a Business Day.
<b>Redemption Day</b>	Every Business Day.
<b>Redemption Price</b>	The price at which Investor Shares shall be redeemed, which shall be equivalent to the NAV per Share at the Valuation Day on the relevant Redemption Day.
<b>Subscription Day</b>	Every Business Day.
<b>Subscription Price</b>	The price at which Investor Shares may be acquired, which shall be equivalent to the NAV per Share at the Valuation Day on the relevant Subscription Day.
<b>Valuation Day</b>	The Business Day immediately preceding a Subscription Day and/or a Redemption Day and such other day as the Directors may from time to time determine.

## General

This Offering Supplement shall, in addition, be subject to the same rules of interpretation as those set out in the Prospectus. Please see the Section of the Prospectus entitled “**Interpretation**” for further details.

# Key Features

## The Sub-Fund and the Investor Shares

<b>Name of the Sub-Fund</b>	APS Income Fund
<b>Segregation</b>	The Sub-Fund is a segregated portfolio whose assets and liabilities are to be treated as a patrimony separate from the assets and liabilities of each other sub-fund and of the Company. The Classes of the Sub-Fund do not constitute segregated portfolios. Please refer to the Prospectus for further details.
<b>Classes of Investor Shares</b>	The Sub-Fund is comprised of two Classes of Investor Shares:  Class A EUR Accumulator Shares Class B EUR Distributor Shares
<b>Base Currency</b>	Class A EUR Accumulator Shares: EUR Class B EUR Distributor Shares: EUR
<b>Eligibility for Investment</b>	The Class A EUR Accumulator Shares and the Class B EUR Distributor Shares are available to Retail Investors.
<b>Profile of Typical Investor</b>	The Sub-Fund is targeted for investors who want to assume low to moderate levels of risk and are willing to hold their investment for the medium to long term.
<b>Voting Rights</b>	The Founder Shares and Investor Shares are voting shares.
<b>Dividend Policy</b>	It is intended that the Company will declare dividends on the 30 <sup>th</sup> June and 31 <sup>st</sup> December each year in respect of the Class B EUR Distributor Shares only.
<b>Tax Status</b>	The Sub-Fund is classified as a Prescribed Fund. Please refer to the Section of the Prospectus entitled "Taxation" for further details on the tax treatment of Prescribed Funds and shareholdings in such funds.

Further details regarding the Investor Shares and the rights attaching thereto in respect of the Sub-Fund can be found in the Section entitled "General Information" below.

## Investment Objective, Policy and Restrictions

<b>Investment Objective</b>	<p>The Investment Objective of the Sub-Fund is to endeavour to maximise the total level of return to investors, minimising the volatility of the portfolio whilst having regard to attaining a desirable level of liquidity through investment.</p> <p><b>There is no guarantee that the investment objective of the Sub-Fund will be achieved and investment results may vary substantially over time.</b></p>
<b>Investment Policy</b>	The Sub-Fund will seek to achieve its investment objective by investing primarily in Malta Government Bonds and corporate bonds listed on the Malta Stock Exchange, predominantly in EURO currency and which may be at a fixed or floating rate, rated or unrated. The Sub-Fund may also hold selected equities, deposits and cash.

**Further to the authorisation granted by the MFSA, the Sub-Fund may invest up to 100% of its assets in different Transferable Securities or Money Market Instruments issued or guaranteed by the Government of Malta.**

#### ***Assets Situated in Malta***

In order to preserve the prescribed status of the Sub-Fund at all times, no less than 85% of the total assets (consisting of investments and cash) of the Sub-Fund shall consist of assets situated in Malta.

The majority of securities will be listed on the Malta Stock Exchange. However, the Sub-Fund can also invest in unlisted securities.

The Investment Manager can invest in bonds that have a credit rating issued by a credit rating agency and / or in unrated bonds.

#### ***Assets Situated Outside Malta***

The Sub-Fund may invest up to 15% of its total assets in assets situated outside Malta.

Bonds acquired and / or held under this cohort are rated and classified as investment grade by a reputable credit agency. Bonds rated below investment grade may be a focus at certain times.

#### ***Equities***

The Sub-Fund may invest up to 25% of its total assets in equities listed on the Malta Stock Exchange or any other Approved Regulated Market situated outside Malta.

#### ***General Provisions***

The Sub-Fund will be broadly diversified by industry and issuer. The allocation ranges are subject to change as the market evolves. No issuer will represent more than 10% of the Sub-Fund's net assets at any time save as described in the Investment, Borrowing and Leverage Restrictions set out in the Section of the Prospectus entitled "Investment Objectives, Policies and Restrictions".

Duration, yield curve and currency investment strategies will be used, depending on the asset allocation pursued by the Investment Manager. The Investment Manager will take positions to various points of the yield curve, in line with its team's views of interest rates and how these will cause the yield curve to change shape. In addition, the Investment Manager will usually hedge the majority of currency exposure arising from bond positions back to the Sub-Fund's base currency. From time to time, the Investment Manager may take modest currency positions where it sees potential value, relative to the base currency.

There is no geographic or sectorial limitation to the investment universe, albeit the Fund will be observing a prescribed status. Most of the assets are publicly listed/traded on Recognised Markets with an active secondary market.

The Sub-Fund will invest primarily in EUR-denominated assets or assets hedged back to EUR assets. However, at times, up to 25% of Sub-Fund total assets may be denominated in non-EUR currencies that may not be hedged back to EUR.

### ***Financial Derivative Instruments***

The Sub-Fund may make use of exchange traded or OTC financial derivative instruments (FDIs) (futures, swaps, options, forwards) for the purposes of Efficient Portfolio Management (EPM) and hedging.

Permitted EPM transactions (excluding stock lending transactions) are transactions in FDIs (as described in the Prospectus) dealt in or traded on an Approved Regulated Market or off-exchange (including futures, options, swaps or forward currency transactions). For example, the Sub-Fund may use forward currency transactions to hedge foreign exchange risk. Any forward transactions must be with an Approved Counterparty and in accordance with the requirements of the MFSA. There is no limit on the amount of the assets which may be used for EPM.

The purpose of an EPM transaction for the Sub-Fund must be to achieve one of the following in respect of the Sub-Fund:

- (i) Reduction of risk
- (ii) Reduction of cost
- (iii) The generation of additional capital or income for the Sub-Fund with no, or an acceptably low level of, risk
- (iv) The global exposure may not exceed the Net Asset Value of the Sub-Fund. Assets and cash can be used only once for cover.
- (v) They cannot result in a change to the Sub-Fund's investment objective or add substantial supplementary risks in comparison to the risks relative to the Sub-Fund identified in the Prospectus and this Supplement.
- (vi) The use of FDIs for the purpose of EPM is not otherwise expected to raise the risk profile of the Sub-Fund or result in higher volatility.

### **Investment and Borrowing Restrictions**

In pursuing its Investment Objective and Investment Policy, the Sub-Fund will be subject to the Investment, Borrowing and Leverage Restrictions set out in the Section of the Prospectus entitled "Investment Objectives, Policies and Restrictions".

Further to the authorisation granted by the MFSA in terms of SLC5.11 of Part BII of the Investment Services Rules for Retail Collective Investment Schemes, the Sub-Fund may invest up to 100% of its assets in different Transferable Securities or Money Market Instruments issued or guaranteed by the Government of Malta. In this regard, the Sub-Fund shall adhere to the principle of risk spreading and shall hold Transferable Securities from at least six different issues. Transferable Securities from any one issue may not account for more than 30 per cent (30%) of the Sub-Funds total assets.

Any global exposure of the Sub-Fund arising out of its FDI positions will be measured on the basis of the Commitment Approach as set out in the MFSA Rules.

### **Leverage**

The Sub-Fund will not be using Financial Derivative Instruments for investment purposes. As mentioned above FDIs shall only be used for EPM and hedging purposes.

Leverage will be calculated on the basis of the Commitment Approach.

### **Approved Regulated Markets**

As per the Prospectus.

## The Offering

<b>Number of Investor Shares on Offer</b>	Class A EUR Accumulator Shares: 50,000,000 Shares Class B EUR Distributor Shares: 50,000,000 Shares
<b>Initial Offering Price</b>	Class A EUR Accumulator Shares: EUR100 Class B EUR Distributor Shares: EUR100
<b>Initial Offering Period</b>	The Initial Offering Period opened on the 24 <sup>th</sup> March, 2008 and closed on the Closing Date.
<b>Closing Date</b>	21 <sup>st</sup> April, 2008.
<b>Minimum Holding</b>	<u><b>Lump Sum Investments:</b></u>  Class A EUR Accumulator Shares: EUR2,000 Class B EUR Distributor Shares: EUR2,000  <u><b>Monthly Investment Plan:</b></u>  Class A EUR Accumulator Shares: EUR50
<b>Minimum Initial Investment</b>	<u><b>Lump Sum Investments:</b></u>  Class A EUR Accumulator Shares: EUR2,000 Class B EUR Distributor Shares: EUR2,000  <u><b>Monthly Investment Plan:</b></u>  Class A EUR Accumulator Shares: EUR50
<b>Minimum Additional Investment</b>	<u><b>Lump Sum Investments:</b></u>  Class A EUR Accumulator Shares: EUR100 Class B EUR Distributor Shares: EUR100  <u><b>Monthly Investment Plan:</b></u>  Class A EUR Accumulator Shares: EUR50
<b>Publication of NAV per Share</b>	The NAV per Share will be published on the website of the Company and most recognised data providers
<b>Listing</b>	<p>The Investor Shares are listed on the Malta Stock Exchange. The Directors may, at any time and at their sole discretion, decide to de-list the Investor Shares on the Malta Stock Exchange. The Directors, at any time and at their sole discretion, may decide to apply to list the Sub-Fund on one or more stock exchanges.</p> <p>The Investor Shares are not in the process of seeking admissibility to listing the Investor Shares on any other recognised investment exchange (other than the Malta Stock Exchange).</p>

Further details regarding this offering of Investor Shares can be found in the Section entitled "The Offering" below.

## Fees

<b>Investment Management Fee</b>	Up to 0.75% per annum, calculated on the NAV at each Valuation Day and payable quarterly in arrears.
<b>Custody Fee</b>	0.040% p.a. for the first €100 million of NAV and 0.035% p.a. to be



	applied above €100 million of NAV, subject to a minimum monthly fee of €1,000.
<b>Administration Fee</b>	0.065 % for the first €50 million of NAV, 0.05% for the following tranche up to €100 million of NAV and 0.04% to be applied above €100 million of NAV of the Sub-Fund subject to an annual minimum fee of EUR 30,000 and a maximum annual fee of EUR 48,000.
<b>Subscription Fee</b>	Up to 1.5% of the subscription proceeds.
<b>Switching Fee</b>	Up to a maximum charge equal to the difference between the maximum chargeable Subscription Fee applied on the New Shares and the Subscription Fee applied on the Original Shares at the time of subscription, where the Subscription Fee applied on the New Shares is higher than the Subscription Fee applied on the Original Shares. Provided that no Switching Fee shall be applied, nor any rebate shall be applicable, in case where the Subscription Fee applied on the New Shares is lower than the Subscription Fee applied on the Original Shares.
<b>Redemption Fee</b>	Nil. Provided that the Directors reserve the right to introduce a Redemption Fee in future.
Further details regarding the fees chargeable to the Sub-Fund can be found in the Section entitled "Fees Payable by the Sub-Fund" below	

## Deadlines

<b>Settlement Date, Subscriptions</b>	<p><u><i>Lump Sum Investments:</i></u></p> <p>4 p.m. (CET) on the Business Day preceding the relevant Subscription Day.</p> <p><u><i>Monthly Investment Plan:</i></u></p> <p>4 p.m. (CET) on the 10<sup>th</sup> day of the month or, if this is not a Business Day, the next Business Day thereafter.</p>
<b>Settlement Date, Redemptions</b>	Close of business fourteen (14) Business Days following the relevant Redemption Day.
<b>Subscription Notice Deadline</b>	<p><u><i>Lump Sum Investments:</i></u></p> <p>4 p.m. (CET) on the Business Day preceding the relevant Subscription Day.</p> <p><u><i>Monthly Investment Plan:</i></u></p> <p>4 p.m. (CET) on the 10<sup>th</sup> day of the month or, if this is not a Business Day, the next Business Day thereafter.</p>
<b>Redemption Notice Deadline</b>	4 p.m. (CET) on the Business Day preceding the relevant Redemption Day.

# The Offering

## Share Offer

This Offering Supplement is supplemental to, and must be read in conjunction with the Prospectus issued by the Company.

The Offering Supplement constitutes an offer of Investor Shares in the Sub-Fund which is comprised of two (2) classes of Investor Shares.

The offering of the Investor Shares at the Initial Offering Price commenced on the 24<sup>th</sup> March, 2008 and closed on 21<sup>st</sup> April, 2008.

During the Offering Period which commenced on the first Business Day after the Closing Date and shall remain open until such time as the Directors determine otherwise, the offer is for Investor Shares at the Subscription Price applicable on the relevant Subscription Day.

## Purchase, Transfer and Exchange of Shares

Subscriptions may be made in the form of lump sum investment or in respect of the Class A EUR Accumulator Shares via the monthly investment plan.

### Lump Sum Investments

Investor Shares can be purchased at the prevailing Subscription Price, by submission to the Company at the office of the Administrator of the relevant and properly completed Subscription Application prior to the cut off time for receipt of applications for the relevant Share Class and subject to receipt of Cleared Funds prior to the Settlement Date.

If the Subscription Application is not received as required or Cleared Funds in respect of the application has not been received by the relevant Settlement Date, the Subscription Application may be rejected or held over until the next Subscription Day at the discretion of the Company. In the event that an application is rejected, any application monies received will be returned without interest by telegraphic transfer to the remitting bank at the discretion of the Company at the risk and expense of the Subscriber. Subject to the satisfaction of the requirements set out above, Investor Shares shall be issued to successful Subscribers on the relevant Subscription Day.

No application will be capable of withdrawal after acceptance by the Administrator, unless such withdrawal is approved by the Directors acting in their absolute discretion. In such circumstances, the Company may charge the Subscriber for any expense incurred by the Company and for any loss to the Sub-Fund arising out of such withdrawal.

The Administrator will generally issue written confirmation of ownership to a Shareholder within seven (7) Business Days after the applicable Subscription Day.

Payment should be effected as described in the Subscription Application which are available from the Investment Manager and/ or the Administrator. At the Company's discretion, payments may be accepted other than in cash. All payments for Investor Shares must be made in the base currency of that class of Investor Shares and be received in Cleared Funds in any event before the Settlement Date. Any applicable bank charges will be borne by the Subscriber.

Full details of the application and subscription process appear in the Section of the Prospectus entitled "**Purchase, Exchange and Transfer of Shares**".

A Subscription Application and other related documentation will be provided upon request by the Administrator, the Investment Manager or by an Authorised Distributor.

### Monthly Investment Plan

A monthly investment plan can be established in respect of the Class A EUR Accumulator Shares by

completing the relevant section of the Subscription Application and is made through regular monthly subscriptions. The Investor should arrange for a standing order from his bank account in favour of the Company. The subscription amount should be received by the Company by not later than 4 p.m. (CET) on the 10<sup>th</sup> day of the month or, if this is not a Business Day, the next Business Day thereafter. Any payments received after that date will be invested in the next Monthly Subscription Day. Class A EUR Accumulator Shares will be issued on the relevant Monthly Subscription Day.

In the case of subscriptions via the monthly investment plan, written confirmation of ownership will not be issued but investors will be sent every six months, as at 30 June and 31 December, a statement giving full details of the transactions made during the previous six-month period together with a valuation of such holdings as at these dates.

## **Redemption of Shares**

Investors are directed to the Prospectus where the procedures relating to the Redemption of Investor Shares and the conditions applicable thereto are outlined.

Investor Shares can be redeemed at the prevailing Redemption Price, by submission to the Company at the office of the Administrator of the relevant and properly completed Redemption Notice before the Redemption Notice Deadline. Redemption requests received after the cut off time for receipt of redemption requests will be processed on the following Redemption Day.

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

Full details of the redemption process appear in the Section of the Prospectus entitled “**Redemption of Shares**”.

A Redemption Notice and other related documentation will be provided upon request by the Administrator, the Investment Manager or by an Authorised Distributor.

## **Deferral of Redemption**

The Directors may in their exclusive discretion limit the total amount of redemptions effected on any Redemption Day to 10% of the outstanding Investor Shares in the Sub-Fund on that day (in each case before processing request for the issue of the Investor Shares or requests for redemptions of such Investor Shares for such Redemption Day). In such circumstances the Company or its authorised agent may scale down pro rata the number of Investor Shares to be redeemed in response to each request for redemption to the extent necessary to ensure that the foregoing limit is not exceeded, and shall carry forward the balance for redemption as at the next Redemption Day and so on to each succeeding Redemption Day until each request has been complied with in full. Requests for redemption carried forward from an earlier Redemption Day shall have priority over later requests.

## **Risk Factors**

Investors are directed to the Prospectus where the risk factors applicable to investment in shares of the Company, including in Investor Shares, are explained. In addition to the risk factors set out in the Prospectus, investors should note the additional risk factor outlined below:

### **Investments on the Malta Stock Exchange**

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

Some Maltese companies that are listed on the Malta Stock Exchange may impose, through their constitutional documents, a limit on the equity holding that any one particular investor may, directly or

indirectly hold in such companies. Hence, the investor should be aware that the Investment Manager might be restricted in implementing the Sub-Fund's investment policies due to such impositions.

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

### **Regulatory Regime**

The securities of issuers may be subject to a lower level of regulation than securities issued in more developed markets and may not be subject to the same high level reporting requirements as in countries with more developed markets and regulatory schemes. Moreover, supervision of stock exchanges, securities brokers and issuers of securities may be less stringent than in countries with a more developed market.

### **Smaller Companies**

The companies in which the Sub-Fund will invest may include small companies, and some of the listed companies in which the Sub-Fund invests may have low market capitalisations. Investment in the securities of smaller companies can involve greater risks than is customarily associated with investment in larger, more established companies. In particular, smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on a small number of key individuals. In addition, the market for stock in smaller listed companies is often less liquid than that for stock in larger listed companies, bringing with it potential difficulties in acquiring, valuing and disposing of such stock.

### **Investment in Unlisted Companies**

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

**THERE CAN BE NO GUARANTEE THAT THE INVESTMENT OBJECTIVE OF THE SUB-FUND SET OUT HEREIN WILL BE ACHIEVED.**

**POTENTIAL INVESTORS ARE EXPECTED TO BE AWARE OF THE RISKS OF INVESTING IN THE SUB-FUND AND ANY PERSON CONSIDERING AN INVESTMENT IN THE SUB-FUND MUST HAVE THE FINANCIAL SOPHISTICATION AND EXPERTISE TO EVALUATE ITS MERITS.**

### **Pricing**

The calculation of the NAV of the Sub-Fund and of the NAV per Share shall be effected by the Administrator at each Valuation Day on every Subscription Day and Redemption Day in such manner as is stated in the Prospectus under the section entitled "**Net Asset Value Calculation**". The NAV per Share will be available from the Administrator and will be published on the website of the Company.

### **Duration of the Sub-Fund**

The Duration of the Sub-Fund is indefinite.

# Fees Payable by the Sub-Fund

## Investment Management Fee

The Company will pay the Investment Manager an Investment Management Fee of 0.75% per annum of the NAV of the Sub-Fund.

The Investment Management Fee will accrue at every Valuation Day and shall be payable quarterly in arrears.

The Investment Manager will be reimbursed for all properly incurred and approved out-of-pocket expenses.

## Administration Fees

The Company shall pay the Administrator out of the assets of each Sub-Fund an administration fee (the "Administration Fee") of 0.065% of the Sub-Fund's Net Asset Value first EUR 50 million, 0.05% up to EUR 100 million and 0.04% applied above EUR 100 million of NAV, subject to a minimum annual fee of EUR 30,000 (excluding VAT thereon if any) and a maximum fee EUR 48,000 (excluding VAT thereon if any). The Administration Fee is calculated by reference to the Net Asset Value at each Valuation Day and shall be payable monthly in advance.

In addition to the Administration Fee, the Administrator is also entitled to receive out of the assets of each Sub-Fund agreed upon fixed fees for the preparation of unaudited financial statements for the Sub-Fund, investor transactions and maintenance of investor accounts.

The Company shall be responsible for all disbursements and reasonable out-of-pocket expenses incurred by the Administrator in the proper performance of its duties.

## Custody Fees

The Company shall pay the Custodian out of the assets of each Sub-Fund a custody fee (the "Custody Fee") of 0.040% p.a. for the first €100 million of NAV and 0.035% p.a. will be applied above €100 million of NAV, subject to a minimum monthly fee of €1,000.

The Company shall be responsible for all disbursements and reasonable out-of-pocket expenses incurred by the Custodian in the proper performance of its duties.

## Subscription Fee

Up to 1.5% of the subscription proceeds.

## Other Expenses

The Sub-Fund will also be subject to other fees including, its pro-rata share of the Directors'; Company Secretary Fees and other operating expenses relating to the Company generally as set out in the Prospectus.

# General Information

## The Rights of Shareholders

The rights of Shareholders are stated in the Memorandum and Articles and in the Companies Act, and include (inter-alia) the right to receive notice of, and to attend and to vote at, meetings of the Company as summarised below.

The Investor Shares in the Sub-Fund carry the right to vote at general meetings of the Company. The Investor Shares entitle Shareholders to participate in the movements, both positive and negative, in the value of the assets of the Sub-Fund as well as the receipt of dividends as set out hereunder.

The Founder Shares also carry the right to vote at general meetings of the Company but do not carry a right to participate in any dividends or other distributions of the Company or in the assets of the Company on a winding up (other than to the surplus, if any, that may remain after payment of all amounts due to creditors and holders of the Investor Shares).

## Share Capital and Accounts

All amounts received by the Company on the issue of Investor Shares, initially and subsequently, will be credited as share capital of the Company and will form part of the NAV of the Sub-Fund. Separate accounts are kept for the assets of the Sub-Fund.

## Access to information

The Investment Manager may, with the consent of the Company, grant certain Shareholders, including, without limitation, those deemed to involve a significant or strategic relationship, additional information and reporting. Such information and reporting may provide the recipient greater insights into the Company and the Sub-Fund's activities than is included in standard reports to Shareholders, thereby enhancing the recipient's ability to make investment decisions with respect to the Company and the Sub-Funds and with respect to the investment of its own assets.

## Fractional Shares

Fractional Shares for this Sub-Fund will be issued rounded to three (3) decimal places.

## Shares in other Sub-funds of the Company

The Company is constituted as a multi-fund investment company with variable share capital. As of the date of this Offering Supplement, the Company has made an offering of Investor Shares in other sub-funds.

## Dividend Policy

### General

It is intended that the Company will distribute dividends in respect of the Class B EUR Distributor Shares in such amounts and with such frequency as may be determined by the Directors in accordance with the Prospectus and this Offering Supplement. It is envisaged, but no guarantee is given, that most or all of the net income of the Sub-Fund will be declared on a six monthly basis (each being an "Interim Period") ending as follows: 30<sup>th</sup> June and 31<sup>st</sup> December (each a "Dividend Cut-Off Date") and this in the form of interim dividends. At each annual general meeting, a final dividend may, if recommended by the Directors and approved by the Shareholders, also be paid.

Only those Shareholders listed on the Company's register of members at close of business on the relevant Dividend Cut-Off Date (or on the last Business Day immediately preceding Dividend Cut-Off Date if the said date does not fall on a Business Day) shall be entitled to receive the respective dividend payments for the relevant Interim Period. Payments shall be effected in the Base Currency unless a different arrangement has been agreed to by the Custodian.

Payment of a dividend will be made in the name of the Shareholder or, in the case of joint holders in the name of the first-named joint holder. Payment to the first-named joint holder shall be as effective a discharge to the Company, the Investment Manager and the Custodian as if such first-named joint holder had been a sole holder. Without prejudice to the foregoing, joint holders may request that dividends be apportioned amongst the joint holders in which case, and if accepted by the Company, the holders shall bear all extra costs in that regard.

Payments of dividends can be made through either:

- i. the direct crediting of the Shareholder's bank account, or
- ii. the re-investment in further Class B EUR Distributor Shares,

as indicated by the subscriber in the Subscription Agreement. Notwithstanding the foregoing, the Directors reserve the right to stipulate a threshold below which dividend payments will be automatically re-invested.

The Sub-Fund will pay the Custodian or any other paying agent a fee to cover the operation of distribution of dividends. Please refer to the Section entitled "Fees Payable by the Sub-Fund" above for further details.

Where the Shareholder has opted for direct crediting of dividends and the relative direct credit is rejected for any reason outside the Company's control, the Company shall: (a) re-invest the proceeds of the direct credit, less any bank charges if applicable, in further Class B EUR Distributor Shares and in the name of the Shareholder(s) on the next Subscription Day following the date that notice of the rejection was received; (b) be deemed to have been given notice from the Shareholder that any future dividends will be automatically re-invested, and the resulting Class B EUR Distributor Shares added to the Shareholder's holding in accordance with the Prospectus; and (c) send a statement to the Shareholder reflecting the re-investment of the aforesaid dividend proceeds. Nonetheless the Shareholder may, at any time inform the Company of alternative arrangements for the direct crediting of subsequent dividends.

Shareholders may also elect to have their dividends (less any withholding tax deductible upon payment thereof) reinvested in further Class B EUR Distributor Shares in the Sub-Fund. Reinvestment of dividends shall be effected on the next Subscription Day following the day on which the relevant dividend will be payable to the Shareholder and shall be effected at the applicable Offering Price.

If a Shareholder wishes to alter his instructions regarding the payment or re-investment of dividends, he should provide the Company with written instructions at least seven (7) clear Business Days prior to the relevant Dividend Cut-Off Date. The Company, the Investment Manager and the Custodian shall not be responsible for any loss or delay in transmission and dividends or any amount payable to Shareholders shall not bear interest against the Company.

Any dividend payments which remain unclaimed after a period of twelve (12) years from the date of payment shall then be transferred to and become part of the Sub-Fund's assets and neither the payee, Shareholder nor their successor(s) in title shall have any right thereto other than as part of the NAV per Share.

Shareholders entitled to receive dividend payments will, on or after the payment date, be sent a Dividend Certificate which shall include details in respect of the income distributed including, if required by any applicable legislation, a statement of how much of the amount to which they are entitled represents any tax deducted in respect of that income.

All payments are subject to any pledge of the Class B EUR Distributor Shares duly constituted and notified to the Company as well as to any applicable fiscal laws and regulations - your attention is drawn to the section in the Prospectus entitled "Taxation" and to the part hereof entitled "Taxation".

All dividend payments shall be effected in accordance with the Licence Conditions or any other applicable MFSA requirements.

#### **Allocation of Income**

Pursuant to the Company's Memorandum and Articles, the income available for allocation in respect of the Class B EUR Distributor Shares shall be the sum recommended by the Directors which shall not be in excess of the income received or receivable by the Sub-Fund in respect of assets (whether in the form of dividends,

interest or otherwise) during the relevant period less appropriate expenses in accordance with the Act and the Licence Conditions, nor in excess of the amount available for distribution in accordance with applicable laws and regulations.

In terms of the Licence Conditions, the amount available for allocation is to be calculated by taking the aggregate of the income property received or receivable by the Sub-Fund in respect of the Interim Period or Accounting Period and:

- i. including therein any income equalisation amount received by the Custodian on the Class B EUR Distributor Shares created during the relevant period, including any resulting from the final valuation;
- ii. adding the Investment Manager's, or the Company's, best estimate of any relief from tax on expenses properly payable out of income of the Sub-Fund in respect of the relevant period;
- iii. deducting the aggregate of all the Investment Manager's, the Custodian's and the Administrator's remuneration in respect of the Sub-Fund properly paid or payable in respect of the relevant period;
- iv. deducting the aggregate of the payments out of income property paid or payable in respect of the relevant period;
- v. deducting such provision for taxation as the Investment Manager, or the Company, after consulting the Auditors considers appropriate;
- vi. deducting the aggregate of those parts of the Redemption Proceeds of Class B EUR Distributor Shares redeemed during the relevant period (including any redeemed by relation to the final valuation) as were attributable to the addition of income property to the calculation of the Redemption Price including any income equalisation amount paid by the Custodian on redemption;
- vii. deducting (or disregarding) and carrying forward of any potential income, if the Custodian and the Investment Manager, or the Company, agree that, because adequate information is normally not available about how that income accrues, it ought generally not to be accounted for on an accrued basis;
- viii. deducting (or disregarding) and carrying forward of any potential income, if the Custodian and the Investment Manager, or the Company, agree that that income is not likely to be received by the Custodian until twelve (12) months after the income allocation date, provided the Auditors are satisfied that the Custodian has made and intends to continue to make all proper efforts to obtain its receipt; and
- ix. adjusting for the re-allocation of the expenses from the "income account" to the "capital account". The Custodian, in consultation with the Investment Manager, or the Company, shall exercise reasonableness in effecting these re-allocations.

At the end of each relevant accounting period, the Custodian shall transfer the positive balance, if any, in the "income account" to an account to be known as the "distribution account". If however, the average payment to Shareholders of the Sub-Fund by way of income during the relevant accounting period would amount to less than fifteen Euro (EUR15) or their equivalent, the Custodian may, acting on the advice of the Investment Manager or the Company, (a) carry the balance in "income account" forward to the next relevant accounting period (and to regard it as received at the start of that period), or (b) credit the income to the "capital account" in which case it will be represented in the NAV per Share.

The Directors may decide to distribute all or part of the balance in the "distribution account" and shall either directly or through the Investment Manager instruct the Custodian accordingly. In that case the Custodian shall carry the remaining balance in the "distribution account" forward to the next relevant accounting period.

On or before the relevant income allocation date, the Custodian shall allocate the available income to the Shareholders rateably in accordance with the number of Class B EUR Distributor Shares held by them on the Dividend Cut-Off Date.

#### **Income Allocation Dates**

Any income which stands to be allocated to the income account in respect of an Interim Period shall be so allocated by not later than two (2) months after the end of each Interim Period as specified in this Prospectus for the purposes of dividend distributions, and in respect of the Accounting Period, the allocation shall be



made by not later than two (2) months after the end of the Accounting period.

### **Equalisation Account**

The Offering Price of any Class B EUR Distributor Shares generally contains an element representing the accrued income earned by those Class B EUR Distributor Shares since the start of the relevant Interim Period. This means that investors buying Class B EUR Distributor Shares buy a percentage of net income, and the corresponding portion of the Offering Price (the equalisation payment) will be notionally credited by the Company to an equalisation account for the Sub-Fund.

The equalisation account will be maintained in order to ensure that equal amounts are distributed in respect of each Class B EUR Distributor Share notwithstanding different dates of issue.

When an equalisation payment has been effected, any subsequent dividends in relation to the relevant Class B EUR Distributor Shares shall include an amount corresponding to the aforesaid equalisation payments and paid out of the equalisation account. However, the said amount shall not be included as part of the dividend in the event that the Directors exercise their discretion (as described hereunder) not to consider equalisation when determining distributions.

The Redemption Price of any Class B EUR Distributor Shares will also include an equalisation payment in respect of the net income of the Sub-Fund since the start of the relevant Interim Period up to the date of redemption, and upon the redemption of any Class B EUR Distributor Shares based on that Redemption Price, a sum equal to that part of the Redemption Price of a Class B EUR Distributor Share which reflects net income (if any) accrued up to its date of redemption will be deemed to be an equalisation charge and debited to the equalisation account.

In the absence of significant fluctuations between the redemption and issue of Class B EUR Distributor Shares, the Directors may choose not to consider equalisation when determining distributions to Shareholders or to pay to such Shareholders any excess of equalisation credits over debits. Any fluctuations between redemption and issue of shares that could have an effect of one per cent (1%) or more on the NAV per Share shall be considered significant.

### **Sub-Fund Expenses**

The fees and expenses incurred in connection with the establishment of the Sub-Fund, the application for licensing of the Sub-Fund, the preparation and publication of the Offering Supplement and all legal costs and out of pocket expenses in relation thereto shall be borne by the Company.

### **Documents Available for Inspection**

Copies of the following documents shall be available for inspection at the registered office of the Company or at the offices of the Administrator (see Directory at last page hereof) during normal business hours:

- (1) Memorandum & Articles of Association, and Certificate of Incorporation of the Company;
- (2) The latest Prospectus, and Offering Supplements for all Sub-Funds;
- (3) All Key Investor Information Documents;
- (4) Investment Management Agreement;
- (5) Custody Agreement;
- (6) Administration Agreement;
- (7) Investment Services Act; and
- (8) The latest Annual and Half Yearly report of the Company.

# Directory

<b>Directors of the Company</b>	<b>Mr. David Galea Souchet</b> <b>Dr. Graziella Bray</b> <b>Mr. Etienne Borg Cardona</b>
<b>Registered Office</b>	APS Centre, Tower Street, Birkirkara BKR4012, Malta
<b>Investment Manager</b>	<b>ReAPS Asset Management Limited</b> APS Centre, Tower Street, Birkirkara BKR4012, Malta
<b>Custodian</b>	<b>Swissquote Financial Services (Malta) Limited</b> Palazzo Spinola, 46 St. Christopher Street, Valletta VLT 1464, Malta.
<b>Sub-Custodian</b>	<b>Swissquote Bank Limited. (Affiliate of the Custodian)</b> Ch. De La Cretaux 33, Gland CH-1196, Switzerland.
<b>Administrator, Registrar and Transfer Agent</b>	<b>Apex Fund Services (Malta) Ltd.</b> Quad Central, Q3 Level 9, Triq L-Esportaturi, Zone 1, Central Business District Birkirkara CBD 1040 Malta
<b>Company Secretary</b>	<b>Apex Corporate &amp; Advisory Services Ltd</b> Quad Central, Q3 Level 9, Triq L-Esportaturi, Zone 1, Central Business District Birkirkara CBD 1040 Malta
<b>Auditors</b>	<b>Deloitte</b> Deloitte Place, Mrieħel Bypass. Mrieħel