

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.

---

# Offering Supplement

(the "Offering Supplement")

**8<sup>th</sup> July 2025**

relating to the offer of Investor Shares in

## APS Ethical Cautious 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 3<sup>rd</sup> September 2024.

---

APS ETHICAL CAUTIOUS 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

# Contents

|  |           |
|--|-----------|
| <b>Contents</b> .....                              | <b>ii</b> |
| <b>Important Information</b> .....                 | <b>3</b>  |
| Suitability of Investment.....                     | 3         |
| Restrictions on Distribution outside Malta .....   | 3         |
| <b>Interpretation</b> .....                        | <b>4</b>  |
| Definitions.....                                   | 4         |
| General .....                                      | 4         |
| <b>Key Features</b> .....                          | <b>5</b>  |
| The Sub-Fund and the Investor Shares .....         | 5         |
| Investment Objective, Policy and Restrictions..... | 5         |
| The Offering.....                                  | 9         |
| Fees.....  | 10        |
| Deadlines.....                                     | 11        |
| <b>The Offering</b> .....                          | <b>12</b> |
| Share Offer .....                                  | 12        |
| Purchase, Transfer and Exchange of Shares.....     | 12        |
| Redemption of Shares.....                          | 13        |
| Deferral of Redemption .....                       | 13        |
| Risk Factors.....                                  | 14        |
| Pricing.....                                       | 15        |
| Duration of the Sub-Fund .....                     | 15        |
| <b>Fees Payable by the Sub-Fund</b> .....          | <b>16</b> |
| Investment Management Fee .....                    | 16        |
| Administration Fees .....                          | 16        |
| Custody Fees.....                                  | 16        |
| Subscription Fee.....                              | 16        |
| Other Expenses.....                                | 17        |
| <b>General Information</b> .....                   | <b>18</b> |
| The Rights of Shareholders.....                    | 18        |
| Share Capital and Accounts .....                   | 18        |
| Access to information .....                        | 18        |
| Fractional Shares.....                             | 18        |
| Shares in other Sub-Funds of the Company .....     | 18        |
| Dividend Policy .....                              | 18        |
| Sub-Fund Expenses .....                            | 21        |
| Documents Available for Inspection .....           | 21        |
| <b>Directory</b> .....                             | <b>23</b> |
| <b>Appendix I</b> .....                            | <b>24</b> |

# 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 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>          | Five Classes of Investor Shares in the Sub-Fund:<br><br>Class A EUR Accumulator Shares<br>Class B EUR Distributor Shares<br>Class C EUR Accumulator Shares<br>Class D EUR Distributor Shares<br>Class P EUR Accumulator Shares |
| <b>Monthly Subscription Day</b> | On the last Subscription Day of each calendar month.   |
| <b>Redemption Day</b>           | Unless otherwise determined by the Directors, Wednesday of every week. Where Wednesday is not a Business Day, the Redemption Day shall be the following 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>         | Unless otherwise determined by the Directors, Wednesday of every week. Where Wednesday is not a Business Day, the Subscription Day shall be the following 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 Ethical Cautious 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>  | <p>The Sub-Fund is comprised of five Classes of Investor Shares:</p> <p>Class A EUR Accumulator Shares<br/> Class B EUR Distributor Shares<br/> Class C EUR Accumulator Shares<br/> Class D EUR Distributor Shares<br/> Class P EUR Accumulator Shares</p>  |
| <b>Base Currency</b>               | <p>Class A EUR Accumulator Shares: EUR<br/> Class B EUR Distributor Shares: EUR<br/> Class C EUR Accumulator Shares: EUR<br/> Class D EUR Distributor Shares: EUR<br/> Class P EUR Accumulator Shares: EUR</p>  |
| <b>Eligibility for Investment</b>  | <p>The Class A EUR Accumulator Shares, the Class B EUR Distributor Shares, Class C EUR Accumulator Shares and the Class D EUR Distributor Shares are available to Retail Investors.</p> <p>The Class P EUR Accumulator Shares is available to Professional Investors.</p>   |
| <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 the Investor Shares are voting shares.   |
| <b>Dividend Policy</b>             | It is intended that the Company will distribute dividends on 31 <sup>st</sup> March and 30 <sup>th</sup> September each year in respect of the Class B EUR Distributor Shares and Class D EUR Distributor Shares only.  |
| <b>Tax Status</b>                  | The Sub-Fund is classified as a Non-Prescribed Fund. Please refer to the Section of the Prospectus entitled "Taxation" for further details on the tax treatment of Non-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> | 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. |
|-----------------------------|--|

## Investment Policy

**There is no guarantee that the investment objective of the Sub-Fund will be achieved and investment results may vary substantially over time.**

The Sub-Fund will seek to achieve its investment objective by investing primarily in government and corporate bonds in any currency which may be at a fixed or floating rate, rated or unrated, and in direct equities. The Sub-Fund may also hold selected CISs, deposits and cash.

### ***Ethical Universe***

The Sub-Fund can only invest in government and in corporate entities that satisfy the ethical selection approach defined in the Ethical Policy of the Sub-Fund. The Sub-Fund promotes environmental, social and governance characteristics by selecting securities from an ethical universe.

The ethical universe is monitored by the Investment Manager and updated regularly, at least yearly, to ensure compliance with the ethical mandate of the Sub-Fund. For inclusion in the ethical universe, potential investments undergo screening against negative filtering criteria and are then analysed against environmental, social and governance criteria. This analysis is conducted using a blend of third-party data and the Investment Manager's own research from reputable monitors. Ongoing monitoring ensures continued adherence to the ethical principles outlined in the Ethical Policy. Should an organisation in which the Fund has invested deviate from the Fund's ethical principles, the Investment Manager will develop a strategy for divestment in an appropriate way, within a reasonable timeframe, not exceeding six months from discovery.

Details of the Ethical Policy adopted by the Investment Manager in the management of the assets of the Sub-Fund shall be provided to investors prior to investing in the Sub-Fund and thereafter upon request. The most recent version of the Ethical Policy adopted by the Investment Manager is also available at [www.apsbank.com.mt/ethical-cautious-fund](http://www.apsbank.com.mt/ethical-cautious-fund).

Any material changes to the Ethical Policy adopted by the Investment Manager can only be undertaken by approval from the Board of Directors, upon recommendation of the Investment Manager. All Shareholders in the Sub-Fund will be notified of any material changes in the Ethical Policy.

As the Sub-Fund promotes environmental, social and governance characteristics as defined in the Ethical Policy however does not have as its objective sustainable investment, it qualifies under Article 8 of the SFDR, but does not commit to making environmentally sustainable investments as defined in the Taxonomy Regulation. Therefore, the "do not significant harm" principle does not necessarily apply to any of the investments of this Sub-Fund. Further information is set out in the Pre-Contractual Disclosure in Appendix I to this Offering Supplement.

### ***Equities***

The Sub-Fund may invest up to 40% of total assets in direct equities, equity-related securities (including transferable securities related to, backed by, linked to the performance of or referenced to equities) and/or CISs whose main exposure is in equities. There will be no restriction on geographical allocation. Furthermore, there will not be any target market cap on the equities in which the Sub-Fund invests.

### ***Investment Grade Bonds***

The Sub-Fund may invest up to 100% of total assets in direct bonds and other debt securities (Sovereign and Corporate) or bond-related instruments (including transferable securities related to, backed by, linked to the performance of or referenced to bonds or other debt securities) whose credit rating is deemed to be investment grade by a reputable rating agency or, in the case of unrated bonds, are deemed to have an equivalent rating by the Investment Manager. The Sub-Fund may be fully invested in investment grade Bonds.

### ***High Yield Bonds***

The Sub-Fund may invest up to 40% of its total assets in high yield bonds, which are issues rated below investment grade, or non-rated debt instruments deemed by the Investment Manager to be of similar credit quality.

There will be no restriction on geographical allocation with respect to investments in bonds (whether investment grade or high yield bonds). 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 total 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".

The Sub-Fund may invest in government bonds both fixed and floating, inflation linked, rated and unrated.

The Sub-Fund may make use of derivatives for investment purposes (as well as for the purposes of Efficient Portfolio Management), as provided for below.

Duration, yield curve and currency investment strategies will be used. The Investment Manager will take over or under weight 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 may hedge the currency exposure arising from bond positions back to the Sub-Fund's base currency.

### ***Currency Exposures***

The Fund will always maintain at least 50% of total assets in the Sub-Fund's base currency.

From time to time, the Investment Manager may take currency positions where it sees potential value, relative to the base currency.

### ***Other information***

There is no geographic limitation to the investment universe. Most of the assets are publicly listed/traded on recognised markets with an active secondary market.

The Sub-Fund may invest in ancillary liquid assets such as cash, bank deposits, stocks, bonds, short term certificates, commercial paper, and treasury bills.

The Sub-Fund may invest in other CIS provided that any underlying CIS shall at least fall under Article 8 or 9 of the SFDR.

When the Sub-Fund invests in the units of another UCITS and/or other CISs, the maximum level of management fees that may be charged to the Sub-Fund, will not exceed 2.5% per annum of the net assets of such schemes.

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

The Fund may invest in financial derivative instruments (FDIs) for the purposes of Efficient Portfolio Management (EPM).

The Fund may invest in FDIs for the purposes of EPM. Permitted EPM transactions (excluding stock lending transactions) are transactions in FDIs (as described in the Prospectus) dealt in or traded on an Eligible Derivatives Market; off-exchange futures, options, swaps or forward currency transactions. For example, the Sub-Fund may use forward currency transactions to hedge foreign exchange and interest rate risk. Any forward transactions must be with an Approved Counterparty (eligible institutions, money market institutions or other counterparties with which a UCITS may contract etc.) and in accordance with the requirements of the Malta Financial Services Authority. 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 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".

The 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 may not be leveraged through the use of Financial Derivative Instruments. As mentioned above FDIs shall only be used for hedging purposes and the reduction of risk.

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

The maximum level of leverage allowed by the Sub-Fund is up to 10%.

### **Approved Regulated Markets**

As per the Prospectus.



## The Offering

|   |  |
|---|--|
| <b>Number of Investor Shares on Offer</b> | <p>Class A EUR Accumulator Shares: up to 5,000,000,000 Shares</p> <p>Class B EUR Distributor Shares: up to 5,000,000,000 Shares</p> <p>Class C EUR Accumulator Shares: up to 5,000,000,000 Shares</p> <p>Class D EUR Distributor Shares: up to 5,000,000,000 Shares</p> <p>Class P EUR Accumulator Shares: up to 5,000,000,000 Shares</p>                                    |
| <b>Initial Offering Price</b>             | <p>Class A EUR Accumulator Shares: EUR1</p> <p>Class B EUR Distributor Shares: EUR1</p> <p>Class C EUR Accumulator Shares: EUR1</p> <p>Class D EUR Distributor Shares: EUR1</p> <p>Class P EUR Accumulator Shares: EUR1</p>  |
| <b>Initial Offering Period</b>            | <p>The Initial Offering Period for all classes except the Class P EUR Accumulator opened on 24<sup>th</sup> May 2012 and ended on the Closing Date of those classes being 20<sup>th</sup> July 2012.</p> <p>The Initial Offering Period for the Class P EUR Accumulator Shares opened on 3<sup>rd</sup> September 2024 and will end on the Closing Date.</p>                 |
| <b>Closing Date</b>                       | <p>The Closing Date in respect of all classes except the Class P EUR Accumulator Shares was 20<sup>th</sup> July 2012.</p> <p>The Closing Date in respect of the Class P EUR Accumulator Shares will be 24<sup>th</sup> September 2024, or such other earlier or later date as the Directors may in their sole and absolute discretion determine.</p>                        |
| <b>Minimum Holding</b>                    | <p><u>Lump Sum Investments:</u></p> <p>Class A EUR Accumulator Shares: EUR100,000</p> <p>Class B EUR Distributor Shares: EUR100,000</p> <p>Class C EUR Accumulator Shares: EUR2,000</p> <p>Class D EUR Distributor Shares: EUR2,000</p> <p>Class P EUR Accumulator Shares: EUR50,000</p> <p><u>Monthly Investment Plan:</u></p> <p>Class C EUR Accumulator Shares: EUR50</p> |
| <b>Minimum Initial Investment</b>         | <p><u>Lump Sum Investments:</u></p> <p>Class A EUR Accumulator Shares: EUR100,000</p> <p>Class B EUR Distributor Shares: EUR100,000</p> <p>Class C EUR Accumulator Shares: EUR2,000</p> <p>Class D EUR Distributor Shares: EUR2,000</p> <p>Class P EUR Accumulator Shares: EUR50,000</p> <p><u>Monthly Investment Plan:</u></p> <p>Class C EUR Accumulator Shares: EUR50</p> |
| <b>Minimum Additional Investment</b>      | <p><u>Lump Sum Investments:</u></p> <p>Class A EUR Accumulator Shares: EUR10,000</p> <p>Class B EUR Distributor Shares: EUR10,000</p> <p>Class C EUR Accumulator Shares: EUR100</p> <p>Class D EUR Distributor Shares: EUR100</p> <p>Class P EUR Accumulator Shares: EUR100</p>  |

|   |   |
|---|---|
|   | <p><u>Monthly Investment Plan:</u></p> <p>Class C EUR Accumulator Shares: EUR50</p>   |
| <b>Publication of NAV per Share</b>   | The NAV per Share will be published on the website of the Company and on the website and/ or platforms of data providers.   |
| <b>Listing</b>  | The Investor Shares are not listed on any recognised investment exchange.   |
| Further details regarding this offering of Investor Shares can be found in the Section entitled “The Offering” below. |   |
| <b>Fees</b>   |   |
| <b>Investment Management Fee</b>  | <p><u>Class A EUR Accumulator Shares/ Class B EUR Distributor Shares</u></p> <p>Up to 1% per annum, calculated on the NAV at each Valuation Day and payable quarterly in arrears.</p> <p><u>Class C EUR Accumulator Shares/ Class D EUR Distributor Shares</u></p> <p>Up to 1.3% per annum, calculated on the NAV at each Valuation Day and payable quarterly in arrears.</p> <p><u>Class P EUR Accumulator Shares</u></p> <p>Up to 2% per annum, calculated on the NAV at each Valuation Day and payable quarterly in arrears.</p> |
| <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 €25,000 and a maximum annual fee of €38,000.   |
| <b>Subscription Fee</b>   | <p><u>Class A EUR Accumulator Shares/ Class B EUR Distributor Shares</u></p> <p>Up to 2% of the subscription proceeds.</p> <p><u>Class C EUR Accumulator Shares/ Class D EUR Distributor Shares</u></p> <p>Up to 3.5% of the subscription proceeds.</p> <p><u>Class P EUR Accumulator Shares</u></p> <p>No Subscription Fee shall apply.</p>  |
| <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) two (2) Business Days following the relevant Monthly Subscription Day.</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 Business Day preceding the relevant Monthly Subscription Day.</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 five (5) classes of Investor Shares.

The offering of Investor Shares in the Class A EUR Accumulator Shares, Class B EUR Distributor Shares, Class C EUR Accumulator Shares and Class D EUR Distributor Shares at the Initial Offering Price commenced on the 24<sup>th</sup> May 2012 and ended on the Closing Date of those classes being 20<sup>th</sup> July 2012.

The offering of Investor Shares in the Class P EUR Accumulator Shares at the Initial Offering Price commenced on 3<sup>rd</sup> September 2024 and will end on the Closing Date.

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 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.

If the Subscription Application is not received as required, 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 in cash 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.

If payment in full in Cleared Funds in respect of an application has not been received by the relevant Settlement Date or in the event of non-clearance, any allotment or issue of Shares made in respect of such application shall be cancelled and the Directors may charge the Subscriber for any expense incurred by the Company and for any loss to the Sub-Fund arising out of such non-receipt or non-clearance. Monies returned will be at the risk and expense of 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 C 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 the applicable Settlement Date, as set out under the 'Key Features' – 'Deadlines' above. All payments in cash 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. Investor Shares will be issued on the relevant Monthly Subscription Day.

If payment in full in Cleared Funds in respect of an application has not been received by the relevant Settlement Date or in the event of non-clearance, any allotment or issue of Shares made in respect of such application shall be cancelled and the Directors may charge the Subscriber for any expense incurred by the Company and for any loss to the Sub-Fund arising out of such non-receipt or non-clearance. Monies returned will be at the risk and expense of the Subscriber.

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:

### **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.

### **Equity Risk**

Investment in equities run the risk that the market prices of investments will decline. The market prices of equities may decline for reasons that directly relate to the issuing company, such as poor management performance or reduced demand for its goods or services. They also may decline due to factors that affect a particular industry, such as a decline in demand, labour or raw material shortages, or increased production costs. In addition, market prices may decline as a result of general market conditions not specifically related to a company or industry, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates, or adverse investor sentiment generally. Equities generally have significant price volatility and the market prices of equities can decline in a rapid or unpredictable manner.

### **Equity-Related Securities**

The Sub-Fund may invest in equity-related securities. These are generally traded on an exchange and are thus subject to general market conditions, such as liquidity and trading appetite in respect of the said instruments. There is also the risk that investments in these instruments may be adversely affected by changes in the inflationary, political and exchange rate conditions of the underlying assets.

### **Investment in other Collective Investment Schemes**

The Sub-Fund may invest in other CIS. Such investment exposes the Sub-Fund to risks related to the investments held by the underlying CIS in its portfolio apart from risks related to the holding of the units/shares of the CIS. The Investment Manager will seek to invest in underlying CIS which offer units/shares that may be redeemed within a reasonable timeframe, however there can be no assurance that the liquidity of the underlying CIS will always be sufficient to meet redemption requests. Any lack of liquidity may affect the liquidity of the Shares of the Sub-Fund. Also, as an investor in the underlying CIS, the Sub-Fund will bear, along with the other investors, its portion of the expenses of such CIS, including the management, performance and/or other fees, as applicable. These fees will be in addition to the investment management fees and other expenses which the Sub-Fund bears directly with its own operations. The Sub-Fund may also be charged a subscription and/or redemption fees on account of the Sub-Fund's investment in the underlying CIS. While the Investment Manager seeks to invest in CIS that are consistent with the objectives of the Sub-Fund, investment decisions are made independently at the level of the underlying CIS and solely subject to the investment strategy and/or restrictions applicable to those underlying CIS. This may imply that the underlying CIS may be leveraged either by using FDIs or through borrowing. The use of leverage increases the volatility of the value of the underlying CIS' portfolio (and accordingly the value of the units/shares of the underlying CIS) and thus the risk of losing capital. There is no guarantee that the selection of the underlying CIS will result in diversification of investment strategies (or holdings) and that the positions taken by the

underlying CIS will always be consistent.

### **Investments in High Yield Bonds**

The Sub-Fund may be investing in high yield bonds, which be more volatile than higher-rated bonds of similar maturity. These bonds may also be subject to greater levels of credit or default risk. Additionally, the value of high yield bonds can be adversely affected by overall economic conditions, such as an economic downturn or a period of rising interest rates. Furthermore, high yield bonds may be less liquid and more difficult to value or sell at an advantageous time or price.

### **Ethical Investments**

The Sub-Fund applies an Ethical Policy for investment which may mean that the Sub-Fund may be unable to invest in instruments issued by certain sovereigns, corporates and/ or industries due to the ethical principles of the Ethical Policy. This may result in the Sub-Fund having a range of investments which are eligible for it to invest in that is narrower than would otherwise be the case, and this may in turn affect the Sub-Fund's performance. Where an investment is identified as no longer meeting the Ethical Policy, the Investment Manager will seek to sell the investment. The prices at which such an investment can be sold in these circumstances may be lower than the prices that might otherwise have been realised for the investment if such a sale was not required.

**IT IS RECOMMENDED THAT PROSPECTIVE INVESTORS CONSULT THEIR OWN ADVISORS ON LEGAL, TAX AND FINANCIAL ISSUES THAT ARE RELEVANT FOR THEIR SPECIFIC SITUATION, AS THE INFORMATION HEREIN SHOULD BE REGARDED AS GENERAL INFORMATION. INVESTMENT IN THE SUB-FUND SHOULD BE REGARDED AS A LONG TERM INVESTMENT. THERE CAN BE NO GUARANTEE THAT THE INVESTMENT OBJECTIVE OF THE SUB-FUND SET OUT HEREIN WILL BE ACHIEVED.**

**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 as follows:

### Class A EUR Accumulator Shares/ Class B EUR Distributor Shares

Up to 1% per annum, calculated on the NAV at each Valuation Day

### Class C EUR Accumulator Shares/ Class D EUR Distributor Shares

Up to 1.3% per annum, calculated on the NAV at each Valuation Day

### Class P EUR Accumulator Shares

Up to 2% per annum, calculated on the NAV at each Valuation Day

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 25,000 (excluding VAT thereon if any) and a maximum fee EUR 38,000 (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

### Class A EUR Accumulator Shares/ Class B EUR Distributor Shares

Up to 2% of the subscription proceeds.

### Class C EUR Accumulator Shares/ Class D EUR Distributor Shares

Up to 3.5% of the subscription proceeds.



Class P EUR Accumulator Shares

No Subscription Fee shall apply.

**Other Expenses**

The Sub-Fund will also be subject to other fees including, its pro-rata share of the Directors; Company Secretary Fees, Compliance Officer, AML Related expenses 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 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 and the Class D 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: 31<sup>st</sup> March and 30<sup>th</sup> September (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 and/ or Class D 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/ or Class D 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 and/ or Class D 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 and/ or Class D 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 and/ or Class D 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 and/ or Class D 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 and/ or Class D 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 and/ or Class D 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 and/ or Class D 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 and Class D EUR Distributor Shares generally contains an element representing the accrued income earned by those Class B EUR Distributor Shares and/or Class D EUR Distributor Shares since the start of the relevant Interim Period. This means that investors buying Class B EUR Distributor Shares and/ or Class D 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 and Class D 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 and Class D 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 and Class D 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 and/ or Class D 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 and/ or Class D EUR Distributor Shares 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 and/ or Class D 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><br><b>Dr. Graziella Bray</b><br><b>Dr. Etienne Borg Cardona</b>   |
| <b>Registered Office</b>                           | APS Centre<br>Tower Street<br>Birkirkara BKR4012<br>Malta  |
| <b>Investment Manager</b>                          | <b>ReAPS Asset Management Limited</b><br>APS Centre<br>Tower Street<br>Birkirkara BKR4012<br>Malta   |
| <b>Custodian</b>                                   | <b>Swissquote Financial Services (Malta) Limited,</b><br>Pender Gardens<br>St Andrews Street<br>St Julians STJ 1901<br>Malta   |
| <b>Sub-Custodian</b>                               | <b>Swissquote Bank Limited (Affiliate of the Custodian),</b><br>Ch. De La Cretaux 33<br>Gland CH-1196<br>Switzerland   |
| <b>Administrator, Registrar and Transfer Agent</b> | <b>Apex Fund Services (Malta) Ltd.</b><br>Quad Central, Q3 Level 9<br>Triq L-Esportaturi<br>Zone 1, Central Business District<br>Birkirkara CBD 1040<br>Malta            |
| <b>Company Secretary</b>                           | <b>Apex Corporate &amp; Advisory Services Ltd</b><br>Quad Central, Q3 Level 9<br>Triq L-Esportaturi<br>Zone 1, Central Business District<br>Birkirkara CBD 1040<br>Malta |
| <b>Auditors</b>                                    | <b>Deloitte Audit Limited</b><br>Deloitte Place<br>Triq l-Intornjatur<br>Central Business District<br>Birkirkara CBD 3050<br>Malta                                       |
| <b>Legal Advisors</b>                              | <b>Saliba Stafrace Legal</b><br>9/4 Britannia House<br>Old Bakery Street<br>Valletta VLT 1450<br>Malta   |

## Appendix I

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

### Sustainable investment

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

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

## Environmental and/or social characteristics

**Does this financial product have a sustainable investment objective?**

☒ ☐ **Yes**

☐ ☒ **No**

☐ It will make a minimum of **sustainable investments with an environmental objective:** \_\_\_\_%

- ☐ in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy

☐ It will make a minimum of **sustainable investments with a social objective:** \_\_\_\_%

☐ It **promotes Environmental/Social (E/S) characteristics** and while it does not have as its objective a sustainable investment, it will have a minimum proportion of \_\_\_\_% of sustainable investments

- ☐ with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy
- ☐ with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy
- ☐ with a social objective

☒ It promotes E/S characteristics, but **will not make any sustainable investments**

**What environmental and/or social characteristics are promoted by this financial product?**



The Sub-Fund invests in securities issued by corporates or governments that satisfy the (ethical) selection approach defined in the Ethical Policy. It promotes E, S and G characteristics by selecting securities issued by corporates or countries in a universe of issuers by:

- excluding issues by corporates and governments which do not pass the positive evaluation screening test on E, S and G components by the investment manager (step 2 of the selection process following the negative screening detailed below);
- limiting exposure to certain business activities, by excluding corporates deriving significant revenues from total revenue (>10%) from coal mining, tobacco production and distribution, military equipment and firearms, life termination services or products and human embryonic stem cell research gambling operations and products, alcohol production and distribution and pornography and adult entertainment services; and



- excluding issues by governments which do not pass the (negative) screening tests on its civil and political rights.

For corporate issues: The investment manager uses a best-in-class approach to select within each industry the corporates that have the best overall ESG score compared within its peers within the industry. For each ESG pillar, several indicators are used (as detailed below). The weight of the each Environmental (E), Social (S) and Governance (G) pillar depends on the materiality of each pillar for the industry of the corporation analysed.

For government issues: Issuing countries are classified according to the overall ESG score. The scoring is obtained by aggregating the score for each Environmental (E), Social (S) and Governance (G) pillar and (issues by) governments are included in the universe if they meet or exceed the minimum threshold.

The investment manager will, after undertaking this analysis, take steps to either include or exclude governments or corporates from the universe which is updated at least on an annual basis. Further monitoring continues to be made on a periodical basis, to confirm that the governments and corporations in the universe continue to adhere to the above criteria.

The Sub-Fund may also invest in other funds provided that any underlying fund falls under Article 8 or 9 of the SFDR.

The product is actively managed by the investment manager. No reference benchmark is used for the purposes of attaining the E, S and G characteristics.

● ***What sustainability indicators are used to measure the attainment of each of the environmental or social characteristics promoted by this financial product?***

The Sub-Fund promotes all E, S and G pillars. The investment manager purses a best-in-class approach, considering the following exclusions.

Companies involved in the following business activities are excluded (if turnover >10% of total turnover):

- coal mining, tobacco production and distribution, military equipment and firearms, life termination services or products, human embryonic stem cell research gambling operations and products, alcohol production and distribution and/ or pornography and adult entertainment services.

Companies are then assessed on their ESG performance ("positive evaluation") which is measured based on the following indicators:

- Environment pillar: environmental strategy, accidental pollution, green products, biodiversity, water, energy, atmospheric emissions, waste, local pollution, transportation, use & disposal of products, product safety, and environmental standards in the supply chain.
- Social pillar: information to customers, customer relations, supplier relations, social standards in the supply chain, fundamental human rights, fundamental labour rights, non-discrimination, child & forced labour, social dialogue, employee participation, reorganisation, career management, working hours, remuneration, social and economic development, societal impact of products/services and general interest causes.
- Governance pillar: board of directors, audit and internal controls, fair shareholder treatment, executive remuneration, anti-competition, anti-corruption, lobbying, career management, fundamental labour rights, health and safety and social and economic development.

Compliance with the exclusion criteria and positive evaluation is conducted by the investment manager through the use of an independent ESG data provider.

For governments, countries with insufficient score (exclusion if "Partially Free" or "Restrained") according to the Freedom House ([www.freedomhouse.org](http://www.freedomhouse.org)) are

excluded. The investment manager shall then assess the ESG performance based on the Environmental Performance Index (<http://epi.yale.edu>) for the E pillar, the Human Development Index (<http://hdr.undp.org>) for the S pillar, and the Worldwide Governance Indicators ([www.govindicators.org](http://www.govindicators.org)) for the G pillar.

The above applies to direct investment in issuers.

The Sub-Fund may invest in other funds provided that any underlying fund falls under Article 8 or 9 of the SFDR.

● ***What are the objectives of the sustainable investments that the financial product partially intends to make and how does the sustainable investment contribute to such objectives?***

Not applicable. The Sub-Fund does not have a sustainable investment objective and does not make sustainable investments.

● ***How do the sustainable investments that the financial product partially intends to make, not cause significant harm to any environmental or social sustainable investment objective?***

This question and related questions below are not applicable, as the Sub-Fund does not have a sustainable investment objective.

— *How have the indicators for adverse impacts on sustainability factors been taken into account?*

Not applicable.

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

Not applicable.

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

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

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

**Principal adverse impacts**

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



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

☐ Yes

☒ No

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



## What investment strategy does this financial product follow?

The Sub-Fund's investment objective is to maximise total return, minimising volatility and to attain a desirable level of liquidity following ethical principles according to its Ethical Policy. It can invest in sovereign and corporate securities and may hold other funds, deposits, and cash. These securities may be denominated in any currency provided that the Sub-Fund is to maintain at least 50% of its total asset value in euro.

The Sub-Fund may be fully invested in government or corporate bonds rated investment grade by a reputable rating agency, or in the case of unrated bonds, are deemed to have an equivalent rating by the investment manager. It may invest up to 40% of its total assets in high yield bonds and also up to 40% of its total assets in direct equities (and equity-related securities) and/ or other funds whose main exposure is in equities. The sub-fund may make use of exchange traded or OTC financial derivatives for the purpose of efficient portfolio management.

The Sub-Fund is actively managed and shall not follow any index or benchmark.

More information on the general investment policy of the Sub-Fund can be found in the Investment Objective and Policy section of the Offering Supplement.

- ***What are the binding elements of the investment strategy used to select the investments to attain each of the environmental or social characteristics promoted by this financial product?***

The binding elements to the investment strategy consists of the following elements:

- The Sub-Fund must adhere to the Ethical Policy.
- The Sub-Fund will not invest in securities issued by corporates deriving significant revenue (>10%) from "excluded" activities. The excluded activities are:
  - coal mining
  - tobacco production and distribution
  - military equipment and firearms
  - life termination services or products
  - human embryonic stem cell research
  - gambling operations and products
  - alcohol production and distribution
  - pornography and adult entertainment services
- After the negative screening (as per above), the Sub-Fund may invest in issues of companies that satisfy the positive evaluation conducted by the investment manager.
- The Sub-Fund will also not invest in securities issued by governments which do not pass the (negative) screening tests on its civil and political rights.
- Issues by governments must then satisfy the positive evaluation carried out by the investment manager to be eligible for investment by the Sub-Fund.

The binding elements monitored on an ongoing basis. The investment manager is required to develop a strategy to divest exposure to corporates or governments which deviate from the Ethical Policy within a reasonable timeframe.

The Sub-Fund may invest in other funds if these fall under Article 8 or 9 of the SFDR.

- ***What is the committed minimum rate to reduce the scope of the investments considered prior to the application of that investment strategy?***

The Sub-Fund does not commit to a minimum rate to reduce the scope of investments prior to the application of the investment strategy.

**The investment strategy** guides investment decisions based on factors such as investment objectives and risk tolerance.

**Good governance** practices include sound management structures, employee relations, remuneration of staff and tax



**Asset Allocation** describes the share of investments in specific assets

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies
- **capital expenditure** (CapEx) showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure** (OpEx) reflecting green operational activities of investee companies.

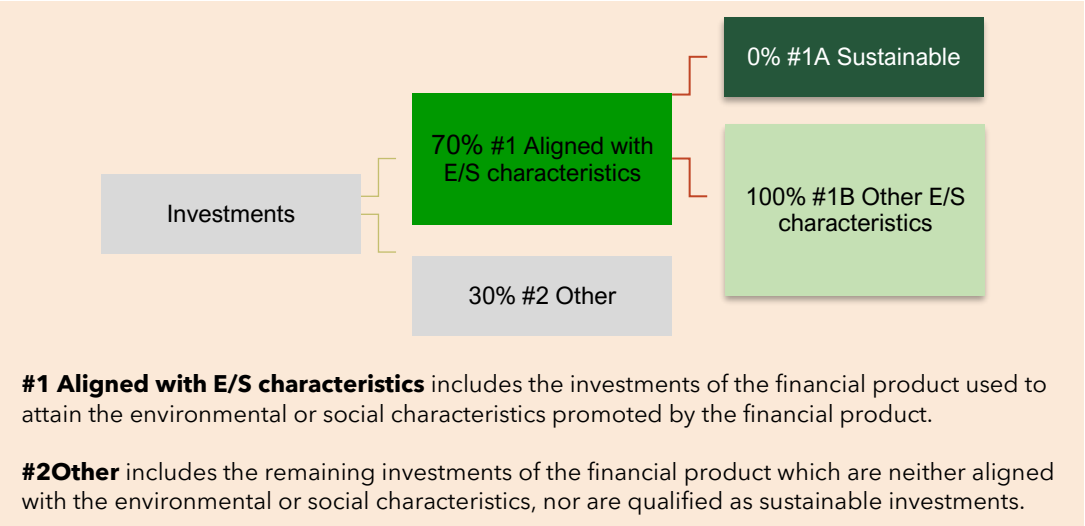
- **What is the policy to assess good governance practices of the investee companies?**  
 Good governance practices of investee companies are addressed in various layers of the security selection process to be included in the universe. Companies are screened for good governance with respect to sound management structures, employee relations, remuneration of staff and tax compliance through the analysis of the following indicators:
  - audit and internal controls
  - board of directors
  - fair shareholder treatment
  - executive remuneration
  - anti-competition
  - anti-corruption
  - lobbying
  - career management
  - fundamental labour rights
  - health and safety, and
  - social and economic development.
 The investment manager applies a minimum threshold for each indicator and only corporates that exceed the threshold are included in the universe.

**What is the asset allocation planned for this financial product?**

The Sub-Fund may invest directly up to 100% of its total assets in investment grade bonds. It may invest up to 40% of total assets in high yield bonds and up to 40% of total assets in equities. A moving cash balance and the use of financial derivative instruments with the purpose of hedging are also part of the planned asset allocation.

At least 70% of the investments is expected to be aligned with the E/S characteristics (#1). These include exposure to issues by corporates and governments (including supranational) related securities. The Sub-Fund may also invest in other funds. The maximum percentage of the investments aligned with other (#2) is 30%. Other (#2) includes the 20% cash and 10% financial derivatives. The Sub-Fund does not intend to invest in sustainable investments, resulting in 0% of sustainable investments and 100% investments in other E/S characteristics (#1B).

See the flow chart below for a graphical representation.



- **How does the use of derivatives attain the environmental or social characteristics promoted by the financial product?**  
 The Sub-Fund does not use derivatives for the attainment of its environmental or social characteristics rather for hedging purposes.



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

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

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

☐

Yes:

☐

In fossil gas

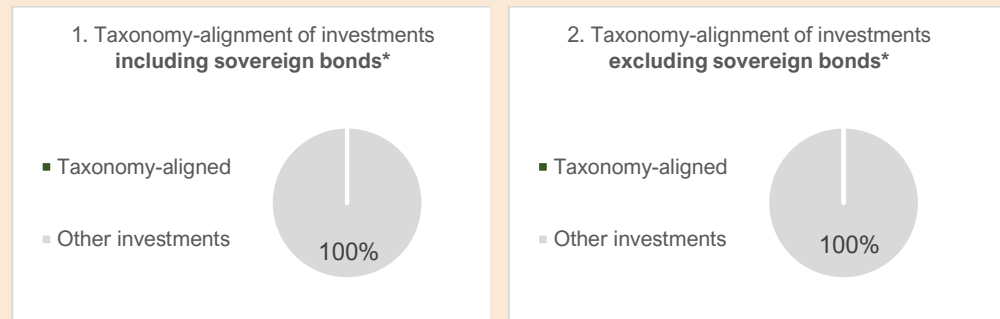
☐

In nuclear energy

☒

No

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



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

### What is the minimum share of investments in transitional and enabling activities?

The minimum share of investments of the Sub-Fund in transitional activities is 0%.  
The minimum share of investments of the Sub-Fund in enabling activities is 0%.



## What is the minimum share of sustainable investments with an environmental objective that are not aligned with the EU Taxonomy?

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



## What is the minimum share of socially sustainable investments?

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

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



## What investments are included under “#2 Other”, what is their purpose and are there any minimum environmental or social safeguards?

Cash and financial derivatives can be held for a maximum of 30%. Due to the nature of the characteristics of the instruments, no minimum environmental or social safeguards are applicable. The derivatives are not used to achieve the E/S characteristics of the product but instead used for hedging purposes.



## Is a specific index designated as a reference benchmark to determine whether this financial product is aligned with the environmental and/or social characteristics that it promotes?

No specific index is designated as a reference benchmark to determine whether the Product is aligned with environmental and social characteristics promoted.

- ***How is the reference benchmark continuously aligned with each of the environmental or social characteristics promoted by the financial product?***

Not applicable.

- ***How is the alignment of the investment strategy with the methodology of the index ensured on a continuous basis?***

Not applicable.

- ***How does the designated index differ from a relevant broad market index?***

Not applicable.

- ***Where can the methodology used for the calculation of the designated index be found?***

Not applicable.

## Where can I find more product specific information online?

More Product-specific information can be found at <https://www.apsbank.com.mt/ethical-cautious-fund/>.



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