

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 January 2022

relating to the offer of Investor Shares in

## APS Diversified Bond 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 15<sup>th</sup> June 2020.

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**APS DIVERSIFIED BOND 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.**

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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 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:  Class A EUR Accumulator Shares Class B EUR Distributor Shares Class C EUR Accumulator Shares Class D EUR Distributor Shares Class G GBP Distributor 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 Diversified Bond 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 five Classes of Investor Shares:  Class A EUR Accumulator Shares Class B EUR Distributor Shares Class C EUR Accumulator Shares Class D EUR Distributor Shares Class G GBP Distributor Shares
<b>Base Currency</b>	Class A EUR Accumulator Shares: EUR Class B EUR Distributor Shares: EUR Class C EUR Accumulator Shares: EUR Class D EUR Distributor Shares: EUR Class G GBP Distributor Shares: GBP
<b>Reference Currency</b>	The base currency of the Sub-Fund is Euro.
<b>Eligibility for Investment</b>	The Class A EUR Accumulator Shares, the Class B EUR Distributor Shares, Class C EUR Accumulator Shares, the Class D EUR Distributor Shares and the Class G GBP Distributor Shares are available to Retail Investors.
<b>Profile of Typical Investor</b>	The Sub-Fund is targeted for investors who want to assume moderate to high levels of risk and are willing to hold their investment for the medium to long term.
<b>Voting Rights</b>	Yes.
<b>Dividend Policy</b>	It is intended that the Company will distribute dividends semiannually on the 31st March and 30th September each year in respect of the Class B EUR Distributor Shares, Class D EUR Distributor Shares and Class G GBP 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 achieve long-term capital growth, together with income, mainly through investment in debt instruments issued worldwide by companies and governments.
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## Investment Policy

For the purposes of this Offering Supplement, debt instruments include fixed rate bonds, zero coupon bonds, inflation-linked bonds, dual currency bonds, bonds with variable coupon payments, hybrid bonds, fixed-to-float coupon bonds, contingent convertible bonds, and perpetual bonds. These instruments may be unlisted or listed as per the Approved Regulated Market definition provided in the Prospectus.

**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 debt-instruments in any currency which may pay a fixed or floating rate coupon and which will be rated or unrated. The Sub-Fund may also invest in UCITS-eligible Sukuk (Sharia-compliant debt-like instruments) listed on the Approved Regulated Markets list. Whilst UCITS-eligible Sukuk do not represent an ownership of debt, any restrictions outlined in this Offering Supplement relating to bonds, shall likewise be applicable to Sukuk investments. The Sub-Fund may also hold deposits and cash, and selected CISs (that are UCITS CIS and/or UCITS eligible CISs) and ETFs as provided in the Prospectus, insofar as these would contribute to the Sub-Fund achieving its overall investment objective.

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

The Sub-Fund may invest in bonds (Sovereign and Corporate) whose credit rating is deemed to be investment grade by a reputable rating agency, or non-rated debt instruments deemed by the Investment Manager to be of equivalent credit quality. The Sub-Fund may be fully invested in investment grade bonds.

### ***Non-Investment Grade Bonds***

The Sub-Fund may invest up to 100% of its net assets in non-investment grade bonds, or non-rated debt instruments deemed by the Investment Manager to be of equivalent credit quality.

There will be no restriction on geographical allocation with respect to investments in 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 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".

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 the purposes of Efficient Portfolio Management as provided for below.

Duration, yield curve, credit and currency investment strategies will be used. The Investment Manager will seek to attain exposure to various points of the yield curve, in line with its views on 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.

The Fund may hold (not purchase) up to 5% of its Net Asset Value in Equity Transferable Securities, which were acquired as a result of debt restructuring or derived from the conversion of Contingent Convertible

Bonds.

### ***Currency Exposures***

The Sub-Fund will always maintain at least 20% of total net assets in the Sub-Fund's base currency.

The Investment Manager will take currency positions, including emerging currency positions, where it sees potential value, relative to the base currency.

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, bonds, short term certificates, commercial paper, and treasury bills.

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

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

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 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 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.

### **Hedging strategy at Share Class Level –**

The Sub-Fund is denominated in EUR. Shareholders investing in Class G GBP Distributor Share Class of the Sub-Fund should be aware that currency fluctuations between the base currency of the Sub-Fund and the Share Class might adversely affect the value of shareholders' investment.

In this regard, the Sub-Fund shall be employing a hedging strategy for Class G GBP Distributor Shares to hedge the currency risk arising from

	the exchange rate movements between the base currency of the Sub-Fund and the base currency of such class. The Financial Derivative instruments intended to be used are Forward Currency contracts (FX Forwards).
<b>Investment and Borrowing Restrictions</b>	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.
<b>Leverage</b>	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 expected maximum level of leverage allowed by the Sub-Fund is of 10%.
<b>Approved Regulated Markets</b>	As per the Prospectus.

## The Offering

<b>Number of Investor Shares on Offer</b>	Class A EUR Accumulator Shares: 5,000,000,000 Shares Class B EUR Distributor Shares: 5,000,000,000 Shares Class C EUR Accumulator Shares: 5,000,000,000 Shares Class D EUR Distributor Shares: 5,000,000,000 Shares Class G GBP Distributor Shares: 5,000,000,000 Shares
<b>Initial Offering Price</b>	Class A EUR Accumulator Shares: EUR1 Class B EUR Distributor Shares: EUR1 Class C EUR Accumulator Shares: EUR1 Class D EUR Distributor Shares: EUR1 Class G GBP Distributor Shares: GBP1
<b>Initial Offering Period</b>	The Initial Offering Period for all classes except the Class G GBP Distributor Shares opened on 23 <sup>rd</sup> October 2017 and ended on the Closing Date.  The Initial Offering Period for the Class G GBP Distributor Shares opened on the 15 <sup>th</sup> June 2020 and will end on the Closing Date.
<b>Closing Date</b>	The Closing Date in respect of all classes except the Class G GBP Distributor Shares was 6 <sup>th</sup> November 2017.  The Closing Date in respect of the Class G GBP Distributor Shares will be 30 Calendar Days from when the MFSA approves Class G GBP Distributor Shares. i.e. 13 <sup>th</sup> July 2020.
<b>Minimum Holding</b>	<u>Lump Sum Investments:</u>  Class A EUR Accumulator Shares: EUR 100,000 Class B EUR Distributor Shares: EUR 100,000 Class C EUR Accumulator Shares: EUR 2,000 Class D EUR Distributor Shares: EUR 2,000

	Class G GBP Distributor Shares: GBP 2,000
	<u>Monthly Investment Plan:</u>
	Class C EUR Accumulator Shares: EUR 50
<b>Minimum Initial Investment</b>	<u>Lump Sum Investments:</u>
	Class A EUR Accumulator Shares: EUR 100,000
	Class B EUR Distributor Shares: EUR 100,000
	Class C EUR Accumulator Shares: EUR 2,000
	Class D EUR Distributor Shares: EUR 2,000
	Class G GBP Distributor Shares: GBP 2,000
	<u>Monthly Investment Plan:</u>
	Class C EUR Accumulator Shares: EUR 50
<b>Minimum Additional Investment</b>	<u>Lump Sum Investments:</u>
	Class A EUR Accumulator Shares: EUR 25,000
	Class B EUR Distributor Shares: EUR 25,000
	Class C EUR Accumulator Shares: EUR 500
	Class D EUR Distributor Shares: EUR 500
	Class G GBP Distributor Shares: GBP 500
	<u>Monthly Investment Plan:</u>
	Class C EUR Accumulator Shares: EUR 50
<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>	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>	<u>Class A EUR Accumulator Shares/ Class B EUR Distributor Shares</u>
	Up to 1% per annum, calculated on the NAV at each Valuation Day and payable quarterly in arrears.
	<u>Class C EUR Accumulator Shares/ Class D EUR Distributor Shares/ Class G GBP Distributor Shares</u>
	Up to 1.25% 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 €25,000

	and a maximum annual fee of €40,000.
<b>Subscription Fee</b>	<u>Class A EUR Accumulator Shares/ Class B EUR Distributor Shares</u> Up to 2% of the subscription proceeds. <u>Class C EUR Accumulator Shares/ Class D EUR Distributor Shares / Class G GBP Distributor Shares</u> Up to 3.5% of the subscription proceeds.
<b>Switching Fee</b>	Nil. Provided that the Directors reserve the right to introduce a Switching Fee in future.
<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>	<u>Lump Sum Investments:</u> No later than 4 p.m. (CET) five (5) Business Days following the relevant Subscription Day. <u>Monthly Investment Plan:</u> No later than 4 p.m. (CET) two (2) Business Days following the relevant Monthly Subscription Day.
<b>Settlement Date, Redemptions</b>	Close of business fourteen (14) Business Days following the relevant Redemption Day.
<b>Subscription Notice Deadline</b>	<u>Lump Sum Investments:</u> 4 p.m. (CET) on the Business Day preceding the relevant Subscription Day. <u>Monthly Investment Plan:</u> 4 p.m. (CET) on the Business Day preceding the relevant Monthly Subscription Day.
<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 23<sup>rd</sup> October 2017 and ended on the Closing Date for those classes being 6<sup>th</sup> November 2017.

The offering of Investor Shares in the Class G GBP Distributor Shares at the Initial Offering Price commenced on 15<sup>th</sup> June 2020 and will end on the Closing Date.

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

## Purchase, Transfer and Exchange of Shares

Subscriptions may be made in the form of a 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 15<sup>th</sup> day of the month or, if this is not a Business Day, the next Business Day thereafter. 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 factors outlined below:

### **Credit risk**

A decline in the financial health of an issuer could cause the value of its bonds to fall or become worthless.

### **Non-investment grade bond risk**

Non-investment grade bonds generally carry greater market, credit and liquidity risk.

Unrated debt securities are instruments which have not been assigned a credit rating by an independent credit rating agency. Unrated debt securities are not necessarily more risky than rated debt securities

### **Interest rate risk**

A rise in interest rates generally causes bond prices to fall.

### **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.

### **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.

### **Different Class Denominations**

The Sub-Fund's Reference Currency, being the base currency used for performance measurement and accounting purposes as well as the currency in which most investments are maintained in, is EUR. In this regard, shareholders investing in Share Classes of the Sub-Fund that are denominated in other currencies (such as the Class G GBP Distributor Shares) should be aware that currency fluctuations between the Reference Currency of the Sub-Fund and Base Currency of the Share Class may adversely affect the value of shareholders' investment. This risk may also be present where a currency hedging strategy has been implemented.

### **Hedging Strategy at Share Class Level**

The Company aims to minimise the currency risk arising from the exchange rate movements between the Sub-Fund's Reference Currency and the Base Currency of the Class GBP G Distributor Shares by adopting a hedging strategy at the share class level.

Notwithstanding the successful execution of the hedging strategy, there may be instances when the currency

exposure will not be fully hedged and as a result there may be a mismatch between the Net Asset Value per Share in the base currency of the Sub-Fund and the Net Asset Value per Share of the GBP Share Class.

Although the Company does not intend to over-hedge the said currency positions (that is, a hedged position in which the offsetting position is for a greater amount than the underlying position held), over-hedging may arise due to factors outside the control of the Company or the Investment Manager. In this respect, any over-hedged positions would need to be rectified, with any costs incurred being allocated for net asset value calculations to the GBP Share Class.

**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 / Class G GBP Distributor Shares

Up to 1.25% 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 40,000 (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 / Class G GBP Distributor Shares

Up to 3.5% 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 or specifically attributable to the Sub-Fund 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, the Class D EUR Distributor Shares and Class G GBP 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 last Business Day immediately preceding the relevant Dividend Cut-Off Date 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 and/or Class G GBP 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/or Class G GBP 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 and/or Class G GBP 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 and/or Class G GBP 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 and/or Class G GBP 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 and/or Class G GBP 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 and/ or Class G GBP 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 and/or Class G GBP 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 and/ or Class G GBP 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, Class D EUR Distributor Shares and Class G GDP 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 and/ or Class G GBP 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 and/ or Class G GBP 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, Class D EUR Distributor Share and Class G GBP 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, Class D EUR Distributor Shares and Class G GBP 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, Class D EUR Distributor Shares and Class G GBP 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 and/ or Class G GBP 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 and/ or Class G GBP 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 and/ or Class G GBP 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 Sub-Fund shall bear the costs incurred for the establishment and licensing of the Sub-Fund and the offering of the Shares, including annual licence fees, fees and expenses for the preparation and publication of the Offering Supplement (including updates and amendments) and all legal costs and out of pocket expenses in relation to it.

### **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. Tony Meilak</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, Mriehel Bypass. Mriehel