

This document provides you with key investor information about this Fund. It is not marketing material. The information is required by law to help you to understand the nature and risks of investing in this Fund. You are advised to read it so you can make an informed decision about whether to invest.

## APS Diversified Bond Fund - Class D EUR Distributor Shares a sub-fund of APS Funds SICAV p.l.c. (ISIN Number: MT7000025128)

This Fund is managed by REAPS Asset Management Limited, part of the APS Bank group of companies.

### Objectives and Investment Policy

#### The Investment Objective

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

#### Investment Policy

The Sub-Fund will seek to achieve its investment objective by investing primarily in government and corporate debt instruments denominated in any currency which may pay a fixed or floating rate coupon, and which will be rated or unrated. The bonds that will be held within the sub-fund will generally have a credit rating of BBB (or equivalent) or lower, however investments in debt instruments of better quality will also be permissible. The Sub-Fund may also hold 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 the 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.

The Sub-Fund may invest in bonds (Sovereign and Corporate) rated investment grade, or in the case of unrated bonds, are deemed to have an equivalent rating by the Investment Manager and in non-investment grade bonds. The allocation between investment grade and non-investment grade bonds is not constrained in any way, and thus it may vary.

There is no geographical limitation to the investment universe. The Sub-Fund will be broadly diversified by industry and issuer. The allocation ranges are subject to change as the market evolves.

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.

The Sub-Fund may hold ancillary liquid assets such as cash, bank deposits, short term certificates, commercial paper, and treasury bills. The Investment Manager may also invest in financial derivatives instruments (FDIs) for the purposes of efficient portfolio management.

#### Income

The Class D EUR Distributor Shares in the Fund are "distributor" shares meaning that most or all income will be distributed to investors appearing on the register as of 31 March and 30 September.

#### Fund Currency

The Shares are denominated in Euro.

#### Buying and Selling Shares

You may buy or sell shares in the Fund on Wednesday of every week (or the next Business Day if this is a holiday in Malta) subject to certain cut-off times and minimum amounts.

**The APS Diversified Bond Fund is actively managed and thus is not a potential closet indexer.**

**Recommendation: this Fund may not be appropriate for investors who plan to withdraw their money within five years.**

### Risk and Reward Profile



The Fund's rating on the risk and reward indicator is based on historical data and therefore may not be a reliable indication of the future risk profile of the Fund. It should be noted that even the lowest category on the indicator does not mean risk free.

The rating shown is not guaranteed and may change over time.

#### Why is the Fund in this Category?

The Fund is in category 3 (Synthetic Risk and Reward Indicator - SRRI) as it invests primarily in international debt instruments, which, as an asset-class, tend to be subject to less volatility than other asset classes such as global equities. Furthermore, since its inception, the Fund has been positioned defensively to protect its assets against volatility and capital losses. Volatility may result in gains or losses for the Fund. The Fund's risk and reward category accordingly reflects the historical volatility of investments held by the Fund.

#### Additional Risks

The Fund's risk and reward category may not capture all material risks to which the Fund may be subject, such as:

**Liquidity Risk** – This is the risk that investments held by the Fund may become hard to value or sell at a desired price, this may be because of causes such as extreme market conditions or because assets are listed on smaller stock exchanges.

**Credit Risk** – This is the risk that the issuer of a bond or other debt instrument experiences financial difficulty and subsequently defaults. Debt instruments that are subordinated or have a lower credit rating are generally considered to have a higher credit risk and a greater possibility of default than more highly rated and/or unsubordinated securities.

**Use of FDIs** – The Fund may use FDIs for the purposes of efficient portfolio management. FDIs also involve risks that are different from, and in certain cases, greater than, the risk presented by more traditional investments.

**Investing in CoCo bonds** – The fund may invest in contingent convertible bonds which may result in significant risk of capital loss based on certain trigger events.

**Further information on risks may be found in the section entitled "Risk Factors" in the Fund's Prospectus.**

**The Practical Information section below explains how you may obtain a free copy of the Prospectus and other useful information.**

## Charges

The charges you pay are used to pay the costs of running the Fund, including the costs of marketing and distributing it. These charges reduce the potential growth of your investment.

One-off charges taken before or after you invest	
<b>Subscription Fee</b>	<b>Up to 3.5%</b>
This is the maximum that might be taken out of your money before it is invested.	
<b>Redemption Fee</b>	<b>Nil</b>
This is the maximum that might be taken out of your money before the proceeds of your investments are paid out.	
Charges taken from the Fund over each year	
<b>Ongoing charge</b>	<b>0.71%</b>
Charges taken from the Fund under specific conditions	
<b>Performance Fee</b>	<b>N/A</b>

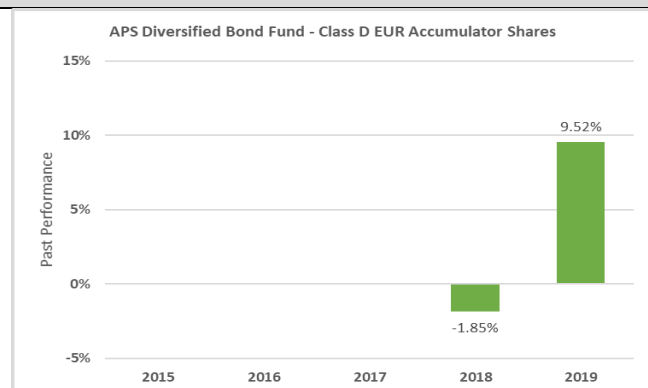
The **subscription fee** shown is a maximum figure. In some cases you might pay less – you can find this out from your financial adviser.

The **ongoing charge** figure is based on expenses for the calendar year 2019. This figure may vary from year to year. It generally excludes:

- Performance fees;
- Portfolio transaction costs, except in the case of an entry/exit charge paid by the Fund when buying or selling units in another collective investment undertaking.

For more detailed information about charges and how these are calculated, please see the Prospectus and the Fund's Offering Supplement. The section entitled "Practical Information" below explains how you may obtain a free copy of the Prospectus, the Fund's Offering Supplement and other useful information.

## Past Performance



**Past performance is not a reliable indicator of future results.**

The Class D EUR Distributor Shares was initially offered in Malta on the 23<sup>rd</sup> October 2017.

The chart on the left shows the Class D EUR Distributor Shares' annual performance in EUR for each full calendar over the period displayed in the chart. The Performance is expressed as a percentage change of the net asset value at year-end on the basis that any gross distributable income of the Fund has been reinvested at the dividend payment date. The performance data includes tax, ongoing charges and portfolio transaction costs but excludes any entry and exit charges.

## Practical Information

- The Fund's Custodian is Swissquote Financial Services (Malta) Limited.
- This Key Investor Information Document is specific to the Fund as a sub-fund of APS Funds SICAV p.l.c. (the "Company"). However, the Prospectus, annual and half-yearly financial reports are prepared for the entire Umbrella. The Prospectus is supplemented by an Offering Supplement specific to each sub-fund including the Fund.
- The Fund's assets and liabilities as well as its legal liability are segregated from other sub-funds of the Company.
- This share class carries a minimum lump sum investment of EUR 2,000 and a minimum additional investment of EUR 500.
- Accumulator classes of shares are also available for this Fund.
- Further information about the Fund can be obtained from the Prospectus and related Offering Supplement as well as the latest annual and half-yearly financial reports. These documents are available, along with other information such as unit prices, on [www.apsfunds.com.mt](http://www.apsfunds.com.mt).
- The Fund is subject to Maltese tax laws. Depending on your country of residence, this might have an impact on how you are taxed on your investment. For further details, please speak to your adviser.
- The Company and REAPS Asset Management Limited may be held liable solely on the basis of any statement contained in this document that is misleading, inaccurate or inconsistent with the relevant parts of the Prospectus or the Offering Supplement.
- Investors may exchange all or part of their holdings into investor shares in another sub-fund of the Company.
- Details of the remuneration policy of REAPS Asset Management Limited will be available on [www.apsfunds.com.mt](http://www.apsfunds.com.mt). A hard copy of the remuneration policy is available upon request and free of charge from the registered office of REAPS Asset Management Limited.

**Authorisation:** The Fund is authorised in Malta and regulated by the Malta Financial Services Authority (the "MFSA"). REAPS Asset Management Limited is authorised in Malta and regulated by the MFSA.

**Date of KIID:** This Key Investor Information document is accurate as at 31 January 2020.