

**ETSF Fund SICAV plc (SV410)**  
475, Triq il-Kbira San Guzepp,  
Santa Venera, SVR 1011, Malta

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**COMPANY ANNOUNCEMENT**  
**FIFTH ANNUAL GENERAL MEETING**

ETSF Fund SICAV p.l.c. announces that at the Fifth Annual General Meeting of the Company held on Thursday 24<sup>th</sup> October 2023 at 14:15 hours (CET) the members present approved all the ordinary resolutions on the Agenda.

There were no changes to the Board of Directors, hence the Board consists of the following persons:

Dr Alexander Lindemann;  
Dr Frank Chetcuti Dimech; and  
Mr Benjamin Muscat

However, it was noted that Mr Joseph Camilleri will be appointed as a new Directors in lieu of Mr Benjamin Muscat at the start of 2024. The Chairman, together with the rest of the Company members, thanked Mr Muscat for his work and efforts contributed during his time on the Board.

Mazars Malta were also re-appointed as the Company's auditors.

Pursuant to requirement in terms of Listing Rule 8.35, to publish and make available to the public an Annual Report and audited accounts as of 30 June 2023, the Company would like to announce that the duly approved Financial Statements will be forwarded to both the local Authority and Malta Business Registry respectively, whereby they will be uploaded on the website of the Malta Business Registry in due course. A copy of the Financial Statements can also be found attached with this Company Announcement.

Dated this the 30<sup>th</sup> day of October 2023



**Ms Lesley-Ann Lewis**  
*For and on behalf of*  
**BOV Fund Services Limited**  
**Company Secretary**



# **ETSF Fund SICAV p.l.c.**

## **Annual Report and Financial Statements for the year ended 30 June 2023**

475, Triq il-Kbira San Guzepp,  
Santa Venera SVR 1011, Malta

Company registration number: SV 410

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## Management and Administration

### DIRECTORS

Dr. Alexander Lindemann  
Mr. Benjamin Muscat  
Dr. Frank Chetcuti Dimech

### REGISTERED OFFICE

475, Triq il-Kbira San Guzepp,  
Santa Venera SVR 1011, Malta

### COUNTRY OF INCORPORATION

Malta

### COMPANY REGISTRATION NUMBER

SV 410

### ADMINISTRATOR, COMPANY SECRETARY, REGISTRY AND TRANSFER AGENT

BOV Fund Services Limited,  
58, Zachary Street,  
Valletta, VLT 1130,  
Malta.  
*Recognised to provide fund administration  
services by the Malta Financial Services  
Authority*

### EXECUTION BROKERS AND SAFEKEEPING FUNCTION

Bank Frick & Co. AG  
Landstrasse 14,  
FL-9496 Balzers,  
Liechtenstein.

One Swiss Bank  
Chemin des Mines 9,  
1202 Genève,  
Switzerland

### INVESTMENT COMMITTEE

Mr. Ueli Spoerri  
Mr. Robert John Ducker  
Mr. Peter Vrkljan

### AUDITOR

Mazars Malta  
The Watercourse, Level 2,  
Mdina Road, Zone 2, Central Business District,  
Birkirkara CBD 2010  
Malta

## Management and Administration

### PORTFOLIO MANAGER

Mr. Ueli Spoerri (up to 10 August 2022)  
Fraumünsterstrasse 9,  
CH – 8001 Zurich,  
Switzerland.

MRB Fund Partners AG (as from of 10 August  
2022) Fraumünsterstrasse 11,  
CH – 8001 Zurich,  
Switzerland.

### INVESTMENT ADVISOR with respect to bonds

One Swiss Bank  
Chemin des Mines 9,  
1202 Genève,  
Switzerland

### LEGAL ADVISORS

LINDEMANNLAW-Lindemann Rechtsanwälte  
Mühlegasse 11,  
8001 Zurich,  
Switzerland.

## **Description**

ETSF Fund SICAV p.l.c. ("the Company") is a self-managed collective investment scheme established as a multi-fund investment company with variable share capital (SICAV) incorporated with limited liability under the laws of Malta and licensed by the MFSA as a Professional Investor Fund targeting Qualifying Investors. The day to day management of the assets of the Company and its sub-funds will be undertaken through the investment committee and the portfolio manager.

The Company was incorporated on 6 April 2016 and as at 30 June 2023 it consisted of two sub-funds; the ETF Market Value Fund and the ETF Seven-4T Fund (collectively referred to as the 'sub-funds').

On 10 April 2017, both sub-funds were granted a primary listing and admitted to the official list of the Malta Stock Exchange.

## Portfolio Manager's Report

For the year ended 30th June 2023

### Market Overview

With the exception of China, most countries around the globe lifted their Covid measures and restrictions in February 2022. Only in December 2022 did China lift its Covid restrictions. However, in China we did not witness the same economic boost after the restrictions were lifted, as we did in Europe and the USA.

The inflation, which started in the middle of 2021, rising up to 9.1% in the USA by the end of June 2022, first thought by the Central Banks to be transitory, became in the meantime its number one enemy. At year end 2022 US Headline CPI stood slightly above 6%, at the end of June 23 it had retrieved to around 4%. A super tanker being stuck in the Suez channel, blocking the channel for weeks, worsened again the supply chain bottle necks. Finally, in 2023 we saw a slowdown in supply chain issues.

The Federal Reserve increased the interest rate at each of its meetings since June 22 with the exception of June 23, from 1.75% to 4.33% end of 2022 and 5% at the end of June 23. There are more hikes expected in the second half of the year because inflation is expected to stay elevated for longer. At the same time the Quantitative tightening, the shrinking of the Fed's balance sheet, is going on. The 10-year US Treasury Bond, quoted at around 3% in June 22, stands at around 3.80% at the end of June 23. The quick and large rise in interest rates has led to problems among some smaller and mid-sized banks in the US, which were saved by the large cap banks. In Switzerland, Credit Suisse had to be saved by UBS with some government and Central Bank support. The spikes in energy prices we have seen in first half of 2022 normalized, prices are close to levels before February 22. The US labor market is slowly but surely losing steam. Unfortunately, the war in Ukraine is still going on full force, causing many casualties on both sides. An end is not in sight yet. The ECB hiked its interest rate to 3.5% combating a record high inflation. Further hikes are expected.

After 2021 was a very good year for stocks, 2022 experienced a very difficult year. By end of June 22 the Nasdaq had lost over 20%. Growth stocks, to which tech stocks belong, suffered particularly from the increased interest rates because it makes the calculation of future profits through discounting cash flow models more expensive. From the June 22 lows equities staged a counter move which peaked at the end of August 22, just to quote new lows by around end of October and early November. January started on a very positive note, especially for growth stocks. The mega cap tech companies led the rally, with Nvidia making the biggest gains, being supported by AI (Artificial Intelligence), which is now in everybody's mouth, being the new big story in tech. By mid-2023 the Nasdaq made its largest ever half year advance. However, most of the advance in the indexes was due to the handful of tech stocks. The recession, which was so much expected to happen in Q1 23 did not materialize but is now expected to happen in the second half of 23. The European Union entered a technical recession in the first half of 23. Gold, which had a good start into 2023, reaching USD 2'050 per ounce, retrieved on the back of more than anticipated rate increases.

### Portfolio Activity ETFS Seven-4T Fund

In third quarter 2022 we acquired some well-known tech stocks such as Meta, Apple, Nvidia and others. In the following slump in October/November we made an average down. As of end of June 23 with the exception of one stock, they all performed very satisfactorily. The equity exposure corresponds now to our Asset Allocation. For years, the exposure was below the AA. In the first quarter of 2023 four bonds matured which were replaced by short term bonds with Investment Grade rating. After uncertainty hit us with the banking crisis in the US, we placed some of the liquidity no longer in Call deposits but bought an ETF on Ultra Short-term IG bonds. We also increased the position in the ETF on global energy.

Two loans, granted for the construction of residential houses in an EU country, were returned in Q4 2022.



**Portfolio Manager's Report (Continued)**

**Portfolio Activity ETF Market Value Fund**

The Sub-Fund mainly consists of unquoted investments, precious metals, bonds, and cash.

In last year's report I wrote "The Sub-Fund now has liquidity to increase the equity position". Finally, in first half of 2023 we used part of the liquidity for a Private Equity investment in a Cyber Security Company. We expect an IPO or M&A within the next two years, depending on the market situation.

In second Quarter of 2023 we sold some gold futures in order not to break the limit of our Asset Allocation. Shortly thereafter, when gold had climbed to around USD 1'970, we decided to reduce the precious metals exposure by 40%. We hope being able to buy it back at lower levels.

## Directors' Report

For the year ended 30th June 2023

The Directors present herewith their report and audited financial statements for ETF Fund SICAV p.l.c. for the period ended 30 June 2023.

### Principal Activities

The ETF Fund SICAV p.l.c. ("the Company") whose registered office is located at 475, Triq il-Kbira San Guzepp, Santa Venera, SVR 1011, Malta was registered in Malta on 6 April 2016.

The Company was licensed as a Professional Investor Fund by the Malta Financial Services Authority ("MFSA") on 7 April 2017.

The Company is licensed by the MFSA under the Investment Services Act (Chap. 370), targeting Qualifying Investors and is constituted as a public limited company under the Companies Act (Chap. 386).

The Company has constituted two segregated sub-funds which are segregated patrimonies and are represented by two different classes of shares. These financial statements comprise the combined financial statements of the following sub-funds which were licensed as at 30 June 2023:

- ETF Seven-4T Fund
- ETF Market Value Fund.

The Investment Objective of each sub-fund is to invest on a long term basis, keeping a diversified portfolio and achieving at least preservation of capital.

### Business Review

The results for the year ended 30 June 2023 are shown in the statement of comprehensive income on page 14. The Company reported a decrease in total assets under management of \$433,179 (2022: decrease of \$6,171,629). As at 30 June 2023, the combined net assets attributable to holders of redeemable shares amounted to \$86,758,222 (2022: \$87,191,401). Remark of the Portfolio Manager: the decrease was due to the lower valuation of the illiquid assets by Firstbridge as of 30.06.23. Bankable assets performed well during the reporting period.

The table below includes further details regarding the performance of the sub-funds during the reporting period:

Sub Funds	NAV/Unit 30/06/2023	NAV/Unit 30/06/2022	YTD Performance	Assets under Management 30/06/2023	Net Subscriptions/(Re demptions)
ETF Seven 4T Fund	\$96.4723	\$93.7932	\$1,605,638	\$ 57,818,289	Nil
ETF Market Value Fund	\$87.3461	\$93.4996	(\$2,716,691)	\$ 28,939,933	Nil

Details of the portfolio activity of the sub-funds and a review of the markets in which the sub-funds operate are given in the Portfolio Manager's Report on Page 6.

The Directors consider that the financial position of the Company as at the reporting date was satisfactory and that the Company is well placed to sustain the present level of activity in the foreseeable future. The Directors and the Investment Manager are confident that its business model is sustainable.

### Risks, Uncertainties, and the Risk Management Function

The successful management of risk is essential to enable the Company to achieve its objectives.

The ultimate responsibility for risk management rests with the Company's Directors, who evaluate the Company's risks appetite and formulate policies for identifying and managing such risks. The value of investments and income derived from them and therefore the value of investor shares in each sub-fund can go down as well as up and an investor may not get back the amount of capital he invests.

## Directors' Report (continued)

For the year ended 30th June 2023

An investment in a particular sub-fund involves risks. These risks may include or relate to, among others, changes in economic conditions and political and market events.

These may include risks related to equity or bond markets, foreign exchange, credit and interest rates, market volatility, risks related to OTC and other Derivatives and risks related to private equity, real estate and other illiquid investments or any combination of these or other risks.

At any time, certain policies, strategies, investment techniques and risk analysis may be employed for a sub-fund in order to achieve its investment objective; however, these can never be any guarantee that the desired results will be achieved. Such risk are further discussed in Note 2 of these financial statements and within the Offering Supplement for each sub-fund.

### Geo-Political situation between Russia and Ukraine impact

After assessing the impact in relation to the geo-political situation between Russia and Ukraine which started in February 2022, it has been concluded that this did not impact the Company.

### Changes to Investment Policies

As of 1 September 2022, Listed Equities are increased from 35% to 50% of Assets under Management of each sub-fund.

### Change of the Portfolio Manager

As a result of the change in the Swiss law, Swiss portfolio managers have to be licensed by Swiss Financial Market Supervisory Authority FINMA as of January 2023. On 10 August 2022 MFSA approved MRB Fund Partners AG (former MRB Vermögensverwaltungs AG) ("MRB"), an asset manager, supervised and licensed by FINMA, to serve as a new Portfolio Manager of the Fund. Accordingly, as of 10 August 2022, the Fund engaged MRB as a Portfolio Manager. Ulrich Spoerri is employed by MRB and has an overall responsibility for the performance of the Portfolio Management function within MRB. The fees for the portfolio management services of MRB will remain the same as they were previously charged by Ulrich Spoerri.

### Results and Dividends

Results for the period can be found in the Statement of Income on page 14 of these financial statement. The Company has declared to pay a dividend for the period ending 30 June 2023 to the holders of the Founder Shares in the amount of EUR 100.

### Directors

The Directors who held office during the period under review and as at the date of this report are:

Dr Alexander Lindemann  
Mr Benjamin Muscat  
Dr Frank Chetcuti Dimech

During the year no business relationships existed between the Directors other than their involvement in this Company.

### Standard License Conditions

During the period under review there were no breaches of the Standard License Conditions.

### Auditors

A resolution to re-appoint Mazars Malta as auditors of the Company will be proposed at the annual general meeting. Approved by the Board of Directors and signed on its behalf on 24 October 2023 by:

Frank Chetcuti Dimech  
Director



Benjamin Muscat  
Director





# Statement of Financial Position

as at 30 June 2023

ETSF Fund SICAV P.L.C.

	ETSF Fund SICAV p.l.c. Combined Statement	ETSF Seven-4T Fund	ETSF Market Value Fund
	2023	2023	2023
	\$	\$	\$
<b>Assets</b>			
Financial assets at fair value through profit or loss			
Investment in gold	46,373,285	36,693,979	9,679,306
Private debt (private bonds and notes)	10,105,155	4,934,119	5,171,036
Fiduciary deposits	18,456,041	11,919,765	6,536,276
Other receivables	10,020,000	2,850,000	7,170,000
Cash and cash equivalents	171,730	126,659	45,071
<b>Total assets</b>	<b>1,424,540</b>	<b>1,024,638</b>	<b>399,902</b>
	<b>86,550,751</b>	<b>57,549,160</b>	<b>29,001,591</b>
<b>Liabilities</b>			
Accrued expenses and other liabilities	154,829	93,171	61,658
<b>Total liabilities (excluding net assets attributable to holders of issued shares)</b>	<b>154,829</b>	<b>93,171</b>	<b>61,658</b>
	<b>86,395,922</b>	<b>57,455,989</b>	<b>28,939,933</b>
<b>Net assets attributable to holders of issued shares</b>			
<b>Salient statistics</b>			
Shares in issue as at 30 June 2023	599,325,2005	331,324,7567	
Shares in issue as at 30 June 2022	599,325,2005	331,324,7567	
Shares in issue as at 30 June 2021	599,325,2005	331,324,7567	
<b>Net asset value as at 30 June 2023</b>	<b>\$57,455,989</b>	<b>\$28,939,933</b>	
Net asset value as at 30 June 2022	\$56,212,651	\$30,978,750	
Net asset value as at 30 June 2021	\$63,014,923	\$31,935,179	
<b>Net asset value per share as at 30 June 2023</b>	<b>\$95.8678</b>	<b>\$87.3461</b>	
Net asset value per share as at 30 June 2022	\$93.7932	\$93.4996	
Net asset value per share as at 30 June 2021	\$105.1431	\$96.3863	

Notes

3a  
3b  
3c  
3d  
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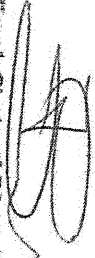
# Statement of Financial Position


as at 30 June 2022

	ETSF Fund SICAV p.l.c. Combined Statement	ETSF Seven-4T Fund	ETSF Market Value Fund
Notes	2022	2022	2022
	\$	\$	\$
<b>Assets</b>			
Financial assets at fair value through profit or loss			
Investment in gold	3a	43,278,819	33,411,542
Private debt (private bonds and notes)	3b	13,325,228	4,860,327
Fiduciary deposits	3c	20,222,517	12,781,661
Other receivables	3d	6,700,000	3,500,000
Cash and cash equivalents	5	134,293	100,938
Total assets	6	3,696,775	1,856,980
		87,357,432	53,311,438
<b>Liabilities</b>			
Accrued expenses and other liabilities			
Total liabilities (excluding net assets attributable to holders of issued shares)	7	166,031	98,787
		166,031	98,787
Net assets attributable to holders of issued shares		56,212,651	30,978,750
		87,191,401	87,244
			67,244

The accounting policies and notes on pages 18 to 46 are an integral part of these financial statements.

These financial statements on pages 10 to 46 were authorised for issue by the Board of Directors on the 24 October 2023 and were signed on its behalf by:

  
Frank Cherouil Dimech  
Director

  
Benjamin Muscat  
Director





# Statement of Changes in Net Assets attributable to Holders of Issued shares

for the year ended 30 June 2023

	ETSF Fund SICAV p.l.c. Combined Statement	ETSF Seven- 4T Fund	ETSF Market Value Fund
	01.07.2022 - 30.06.2023 \$	01.07.2022 - 30.06.2023 \$	01.07.2022 - 30.06.2023 \$
Net assets attributable to holders of issued shares at the beginning of the year	87,191,401	56,212,651	30,978,750
Share transactions:			
Issue/redemption of issued shares during the year	-	-	-
(Decrease)/increase in net assets attributable to holders of issued shares during the year – total comprehensive income	(795,479)	1,243,338	(2,038,817)
Net assets attributable to holders of issued shares at the end of the year	86,395,922	57,455,989	28,939,933

# Statement of Changes in Net Assets attributable to Holders of Issued shares

for the year ended 30 June 2022

	ETSF Fund SICAV p.l.c. Combined Statement	ETSF Seven- 4T Fund	ETSF Market Value Fund
	01.07.2021 - 30.06.2022	01.07.2021 - 30.06.2022	01.07.2021 - 30.06.2022
	\$	\$	\$
Net assets attributable to holders of issued shares at the beginning of the year	94,950,102	63,014,923	31,935,179
Share transactions:			
Issue of issued shares during the year	-	-	-
Decrease in net assets attributable to holders of issued shares during the year — total comprehensive income	(7,758,701)	(6,802,272)	(956,429)
Net assets attributable to holders of issued shares at the end of the year	87,191,401	56,212,651	30,978,750

The accounting policies and notes on pages 18 to 46 are an integral part of these financial statements.

# Statement of Comprehensive Income

for the year ended 30 June 2023

ETSF Fund SICAV P.L.C.

	ETSF Fund SICAV p.l.c. Combined Statement	ETSF Seven-4T Fund	ETSF Market Value Fund
	01.07.2022 - 30.06.2023	01.07.2022 - 30.06.2023	01.07.2022 - 30.06.2023
	\$	\$	\$
<b>Income</b>			
Dividend income	212,756	211,244	1,512
Movement in market value of gold	556,095	273,792	282,303
Other net fair value movements on financial instruments at fair value through profit or loss	(1,595,962)	646,518	(2,242,480)
Interest income	66,799	41,287	25,512
Interest income on financial assets measured at amortised cost	1,082,053	726,328	355,725
Net foreign exchange (loss)/gain on cash and cash equivalents	(7,632)	(10,541)	2,909
	314,109	1,888,628	(1,574,519)
<b>Expenses</b>			
Portfolio management and investment advisory fees	393,131	270,743	122,388
Administration fees	36,158	21,864	14,294
Executing brokers fees	253,991	129,401	124,590
Investment committee fees	17,906	8,953	8,953
Legal and professional fees	250,019	107,048	142,971
Directors' fees	35,052	17,526	17,526
Other operating expenses	76,537	42,961	33,576
	1,062,794	598,496	464,298
<b>Operating loss</b>			
Withholding taxes	(46,794)	(46,794)	-
<b>(Decrease)/increase in net assets attributable to holders of issued shares - total comprehensive income</b>	<b>(795,479)</b>	<b>1,243,338</b>	<b>(2,038,817)</b>

Note

9a  
9b  
9c

# Statement of Comprehensive Income

for the year ended 30 June 2022

ETSF Fund SICAV P.L.C.

	ETSF Fund SICAV p.l.c. Combined Statement	ETSF Seven-4T Fund	ETSF Market Value Fund
	01.07.2021 - 30.06.2022	01.07.2021 - 30.06.2022	01.07.2021 - 30.06.2022
	\$	\$	\$
<b>Income</b>			
Dividend income	303,374	254,413	48,961
Movement in market value of gold	378,824	130,689	248,135
Other net fair value movements on financial instruments at fair value through profit or loss	(8,086,435)	(6,913,097)	(1,173,338)
Interest income	462,746	312,866	149,880
Interest income on financial assets measured at amortised cost	333,920	191,677	142,243
Net foreign exchange gain on cash and cash equivalents	(99,700)	(92,131)	(7,569)
	<u>(6,707,271)</u>	<u>(6,115,583)</u>	<u>(591,688)</u>
<b>Expenses</b>			
Portfolio management and investment advisory fees	368,344	251,818	116,526
Administration fees	38,613	18,458	20,155
Executing brokers fees	190,184	140,640	49,544
Investment committee fees	17,242	8,621	8,621
Legal and professional fees	250,176	135,941	114,235
Directors' fees	32,210	16,105	16,105
Other operating expenses	101,617	70,526	31,091
	<u>998,386</u>	<u>642,109</u>	<u>356,277</u>
<b>Operating loss</b>	<u>(7,705,657)</u>	<u>(6,757,692)</u>	<u>(947,965)</u>
Withholding taxes	<u>(53,044)</u>	<u>(44,580)</u>	<u>(8,464)</u>
<b>Decrease in net assets attributable to holders of issued shares - total comprehensive income</b>	<u>(7,758,701)</u>	<u>(6,802,272)</u>	<u>(956,429)</u>

The accounting policies and notes on pages 18 to 46 are an integral part of these financial statements.

# Statement of Cash Flows

for the year ended 30 June 2023

ETSF Fund SICAV P.L.C.

	ETSF Fund SICAV p.l.c. Combined Statement	ETSF Seven-4T Fund	ETSF Market Value Fund
	01.07.2022 - 30.06.2023	01.07.2022 - 30.06.2023	01.07.2022 - 30.06.2023
	\$	\$	\$
<b>Cash flows from operating activities</b>			
Interest income received	1,113,610	732,373	381,237
Dividends received	239,597	222,527	17,070
Operating expenses paid	(1,089,856)	(595,893)	(493,963)
Tax paid	(46,794)	(46,794)	-
Net movement on investments	(2,488,792)	(1,144,555)	(1,344,237)
<b>Net cash flows used in operating activities</b>	<b>(2,272,235)</b>	<b>(832,342)</b>	<b>(1,439,893)</b>
<b>Cash flows from financing activities</b>			
Transfers between sub-funds	-	-	-
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,272,235)</b>	<b>(832,342)</b>	<b>(1,439,893)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>3,696,775</b>	<b>1,856,980</b>	<b>1,839,795</b>
<b>Net foreign exchange gain on cash and cash equivalents</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at end of the year</b>	<b>1,424,540</b>	<b>1,024,638</b>	<b>399,902</b>

Note

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# Statement of Cash Flows

for the year ended 30 June 2022

	ETSF Fund SICAV p.l.c. Combined Statement	ETSF Seven-4T Fund	ETSF Market Value Fund
	01.07.2021 - 30.06.2022	01.07.2021 - 30.06.2022	01.07.2021 - 30.06.2022
	\$	\$	\$
<b>Cash flows from operating activities</b>			
Interest income received	428,109	577,989	(149,880)
Dividends received	723,291	247,885	475,406
Operating expenses paid	(944,671)	(598,710)	(345,961)
Tax paid	(53,044)	(44,580)	(8,464)
Net movement on investments	(1,668,941)	(3,186,241)	1,517,300
<b>Net cash flows (used in)/generated from operating activities</b>	<b>(1,515,256)</b>	<b>(3,003,657)</b>	<b>1,488,401</b>
<b>Cash flows from financing activities</b>			
Transfers between sub-funds	-	-	-
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(1,515,256)</b>	<b>(3,003,657)</b>	<b>1,488,401</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>5,212,451</b>	<b>4,861,057</b>	<b>351,394</b>
Net foreign exchange gain on cash and cash equivalents	(420)	(420)	-
<b>Cash and cash equivalents at end of the year</b>	<b>3,696,775</b>	<b>1,856,980</b>	<b>1,839,795</b>

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The accounting policies and explanatory notes on pages 18 to 46 are an integral part of these financial statements

# NOTES TO THE FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

### 1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted for use in the European Union ("EU"), and comply with the Maltese Companies Act (Cap. 386). They have also been prepared in accordance with the requirements of the Malta Financial Services Authority's ("MFSA") investment services rules for Collective Investment Schemes on the basis of going concern. These financial statements have been prepared under the historical cost convention, as modified by the fair valuation of financial assets and liabilities at fair value through profit or loss and investment in gold.

The preparation of financial statements in conformity with IFRS as adopted by the EU requires the use of certain accounting estimates. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies (Note 2 - Critical accounting estimates and judgements).

As at 30 June 2023, the Company had two sub-funds, the ETF Seven-4T Fund and the ETF Market Value Fund (collectively the "sub-funds"). Each participating share which the Company issues is allocated to a class representing a particular Fund. The Company maintains a separate account for each sub-fund to which the proceeds are credited, and against which expenses are charged. Upon redemption, shareholders are entitled only to their proportion of the net assets held in the account relating to the sub-fund in which their participating shares are designated.

Separate statements of financial position, changes in net assets attributable to holders of issued shares, comprehensive income and cash flows have accordingly been prepared for each sub-fund. All references to net assets throughout this document refer to net assets attributable to holders of issued shares.

#### *Standards and amendments to existing standards effective 1 July 2022*

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning on or after 1 July 2022 that have a material effect on the financial statements of the Fund.

#### *New standards, interpretations, and amendments to existing standards, issued but not yet adopted*

A number of new standards, interpretations and amendments to existing standards are effective for annual periods beginning after 1 July 2022, and have not been early adopted in preparing these financial statements. None of these are expected to have a material impact on the Company's financial statements in the period of initial application.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 1.2 FOREIGN EXCHANGE TRANSLATION

#### (a) Functional and presentation currency

The Company's designated currency is the United States Dollar (\$), which is the presentation currency used for the combined statements.

The sub-funds' functional currency is the currency of denomination of each sub-fund as stipulated in the offering memorandum. The United States Dollar (\$) is the functional currency of the ETF Seven-4T Fund and the ETF Market Value Fund.

#### (b) Transactions and balances

Transactions carried out in currencies other than the functional currency of each sub-fund, are translated at exchange rates prevailing at the transaction dates. Assets and liabilities designated in currencies other than the functional currency are translated into the functional currency at exchange rates prevailing at the Company's period-end. All resulting differences are taken to the statement of comprehensive income.

Translation differences on financial assets held at fair value through profit or loss are reported as part of the 'Other net fair value movements on financial assets at fair value through profit or loss'. While translation differences on cash and cash equivalents are part of 'Net foreign exchange gain on cash and cash equivalents'.

### 1.3 FINANCIAL INSTRUMENTS

#### (a) Classification

Financial instruments are classified into the following categories:

- At fair value through profit or loss
- At amortised cost

The classification depends on the nature and purpose of the financial instrument and is determined at the time of initial recognition.

#### Financial assets and liabilities at fair value through profit or loss

##### (i) Assets

The company classified its investments based on both the sub-funds' business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. Each portfolio of financial assets is managed, and performance is evaluated on a fair value basis. The sub-funds' are primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The sub-funds' have not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the sub-funds' debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the sub-funds' business model's objective. Consequently, both equity and debt securities are measured at fair value through profit or loss.

##### (ii) Liabilities

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.



# NOTES TO THE FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 1.3 FINANCIAL INSTRUMENTS (CONTINUED)

#### *Valuation of investments in other funds*

The company's investments in other funds ('investee funds') are subject to the terms and conditions of the respective investee funds' offering documentation. The investments in investee funds are valued based on the latest available redemption price of such units for each investee fund, as determined by the investee funds' administrators. The company reviews the details of the reported information obtained from the investee funds and considers:

- The liquidity of the investee fund or its underlying investments;
- The value date of the net asset value (NAV) provided;
- Any restrictions on redemptions; and
- The basis of accounting

If necessary, the company makes adjustments to the NAV of various investee funds to obtain the best estimate of fair value. Other net changes in fair value on financial instruments at fair value through profit or loss in the statement of comprehensive income include the change in fair value of each investee fund.

#### **Financial assets at amortised cost**

The company classifies its financial assets at amortised cost only if both the following criteria are met:

- The asset is held with a business model whose objectives is to collect contractual cash flows; and
- The contractual terms give rise to cash flows that are solely payment of principal and interest

Financial asset and liabilities measured at amortised cost include private debt (private bonds and notes), term deposits, cash and cash equivalents, accrued expenses and other liabilities and amounts due to broker.

#### **(b) Recognition, derecognition and measurement**

Regular purchases and sales of investments are recognised on the trade date – the date on which the sub-funds commit to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income. Financial assets and liabilities other than those classified at fair value through profit or loss are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the sub-fund has transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within other net gain/(loss) on financial assets and liabilities at fair value through profit or loss in the period in which they arise.

Financial assets and liabilities other than those classified at fair value through profit or loss are subsequently measured at amortised cost using effective interest method, less any allowance for impairment.

Financial assets gains and losses are recognised in profit or loss when are derecognised, as well as through the amortisation process. The company derecognizes a financial liability when the obligation under the liability is discharged, cancelled, or expired.

# NOTES TO THE FINANCIAL STATEMENTS

## 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (c) Fair value estimation

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial instruments listed or dealt on a regulated market, is based on the latest available price, appearing to the Investment Manager. In the case of financial instruments which are quoted, listed or normally dealt in or under the rules of a regulated market but in respect of which, for any reason, prices on that regulated market may not be available at any relevant time, the value thereof is determined by reference to prices sought from dealers, brokers or pricing service providers. The fair values of unquoted investments are established by using valuation techniques. These include reference to recent financial statements and similar financial instruments as well as option pricing models.

### 1.4 INVESTMENT IN GOLD

Purchases and sales of gold is recognised on a trade date basis, being the date on which the Company commits to purchase or sell the asset. Gold is initially recognised at cost. Transaction costs are expensed as incurred.

Gold is subsequently re-measured at market value, using market prices. Realised and unrealised gains and losses arising from changes in the market value of gold are included in the statement of comprehensive income.

An investment in gold is derecognised upon disposal. The gain or loss on disposal should be calculated as the difference between the net disposal proceeds and the carrying amount of the asset and should be recognised as income or expense in the statement of comprehensive income within 'Movement in market value of gold' in the year in which they arise.

### 1.5 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

### 1.6 OTHER RECEIVABLES

Other receivables represent amounts receivable, for interest due but not yet received by the end of the year. These amounts are initially recognised at fair value and subsequently measured at amortised cost.

At each reporting date, the Company shall measure the loss allowance on any amount owed to the Company at the amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses.

The company measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss.

Significant financial difficulties of a debtor, probability that a debtor will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

### 1.7 AMOUNTS DUE TO BROKER

Amounts due to brokers represent payables for securities purchased that have been contracted for but not yet delivered on the statement of financial position date. These amounts are recognised initially at fair value and subsequently measured at amortised cost.

## NOTES TO THE FINANCIAL STATEMENTS

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### 1.8 ACCRUED EXPENSES

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

#### 1.9 REDEEMABLE SHARES

The company issues redeemable shares, which are redeemable at the holder's option and are classified as financial liabilities. Redeemable shares can be put back to the respective sub-fund at any time for cash equal to a proportionate share of that sub-fund's net asset value ("NAV"). The redeemable shares are carried at amortised cost which corresponds to the redemption amount that is payable at year-end if the holder exercises the right to put the shares back to the respective Fund. Redeemable shares are issued and redeemed at the holder's option at the prices based on the respective Fund's NAV per share at the time of issue or redemption.

Due to the fact that since the first investment by the investors into the sub-funds, no redemptions took place, a de facto lock-up existed since then. The company decided to formalise this lock-up through a limitation on the investors whereby the latter do not have any redemption rights exercisable during the 5-year period from 30 June 2017 up to 30 June 2022.

The NAV per share is calculated by dividing the net assets attributable to the holders of issued/redeemable shares with the total number of outstanding issued/redeemable shares. In accordance with the offering memorandum, investment positions are valued based on the last traded market price for the purpose of determining the NAV per share for subscriptions and redemptions.

#### 1.10 INCOME RECOGNITION

All distributions from financial assets included in the statement of comprehensive income are recognised on the date on which the stock is quoted ex-dividend. Interest income from financial assets not classified at fair value through profit or loss is recognised using the effective interest method. Dividend income is recognised when the right to receive payment is established. Other gains or losses, arising from changes in the fair value of the financial assets and liabilities at fair value through profit or loss category are presented in the statement of comprehensive income within 'Other net fair value movements on financial assets at fair value through profit or loss' in the period in which they arise.

#### 1.11 EXPENSES AND TRANSACTIONS COSTS

Expenses are accounted for on an accrual basis and are expensed as incurred. Transaction costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to brokers. Transactions costs, when incurred are immediately recognised in profit or loss as an expense.

#### 1.12 CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise deposits held at call with banks.

#### 1.13 TAXATION

The company is registered in Malta. The sub-funds currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the statement of comprehensive income. Withholding taxes are shown as a separate line item in the statement of comprehensive income.

## NOTES TO THE FINANCIAL STATEMENTS

### 1.14 INCREASE/DECREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF ISSUED SHARES FROM OPERATIONS

Income not distributed is included in net assets attributable to holders of issued shares. Movements in net assets attributable to holders of issued shares are recognised in the statement of comprehensive income.

## 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and based on experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

### 2.1 Estimated impairment/recoverable amounts of unquoted private debt (especially, private bonds)

As at 30 June 2023, the sub-funds held unquoted private debt as disclosed in Note 3 which are carried at amortised cost.

The directors of the Company engaged an independent consultancy firm in order to assist them in determining the expected credit losses based on available financial information of such private debt. In their review, the independent valuers applied valuation techniques that are commonly accepted.

A brief summary on the unquoted private debt is being provided here under:

#### Latvian Chocolate Factory Project

A holding company of a Latvian registered chocolate factory, sought €5.485 m from each of the Company's sub-funds (total of €10.97m) for the setting up and development of the business, including the purchase and installation of production equipment and investments in product development.

The loan agreements have been replaced and superseded by a profit participation loan agreement with an effective date of 1st January 2019.

The recent developments in the performance of the underlying investment have led management and the board to believe a very high risk of defaulting on a significant portion of the loan. The Latvian company projected a loss for 2022 which doubles the projections for 2021. Taking this into consideration, the 85% impairment taken on the repayment of the loans in previous years has been increased to 90%

## NOTES TO THE FINANCIAL STATEMENTS

### 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

#### 2.1 Estimated impairment/recoverable amounts of unquoted private debt (especially, private bonds) (continued)

##### *West Village, New York Apartment Building Construction Project*

In 2019, the sub-funds invested in this project, located in the heart of the prestigious West Village. As of June 2020, through both sub-funds, the Company has made a total of \$7,692,326 available, broken down into tranches, towards the development of the project. Construction was expected to be completed by end of December 2022, however, the parties agree to prolong the agreement. The details of the new agreements are currently being discussed.

The probability of this private debt recovery is valued at 70%.

##### *Park Avenue, New York Office Building Project*

As of April, 2023, the property is 97% leased (which is above the average for Manhattan) with an office vacancy on the 13th and 19th Floors. In April 2019, the Company committed to lend \$500,000 towards the development of the project.

The probability of this private debt recovery is valued at 100%.

##### *Chicago Multi Tenant Commercial Building Project*

Both sub-funds have each invested \$2,000,000 in a profit participating/preferred private debt. The Company holds an A-type note in this project, which is a 31-storey, Class A trophy office tower located in the heart of Chicago. This instrument is a hybrid debt structure, combining a traditional promissory note with an optional profit-sharing agreement. In December 2023 the Company signed an amended private debt agreement with a new maturity date of 1 September 2026. The new agreement allows for additional financing by B-type note holders.

The probability of this private debt recovery is valued at 100%.

##### *Real Estate Project*

In 2019, both sub-funds entered into a project participation right agreement for a real estate project with amounts of \$ 2,000,000 for the ETSF Seven 4T Fund and \$4,300,000 for the ETSF Market Value Fund.

In 2020 the Company entered into a novation agreement with a new real estate company, whereby the new real estate company assumed all the rights and obligations of the Company for a fixed consideration and a guarantee provided by the UBO. According to the novation agreement, the new real estate company will pay the Company \$7,718,110 in total on or before 31 January 2023. The parties agree to prolong the agreement. The details of the new agreements are currently being discussed.

The probability of this private debt recovery is valued at 70%.

##### *Luxembourg Housing Construction Project-Niederanven*

The construction company acquired two land plots for the development and sale of four homes. The project is located in Niederanven, Luxembourg. The Company invested €855,000 at an annual interest of 9%. The interest and principal amount of the debt are both payable on the maturity date and is secured by a share pledge. This project was completed and the principal amount of the investment together with the interest was paid timely to the Company in full.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

#### 2.1 Estimated impairment/recoverable amounts of unquoted private debt (especially, private bonds) (continued)

##### *Luxembourg Housing Construction Project- Bertrange*

The construction company acquired a land plot for the development and sale of three semi-detached buildings. The project is located in Bertrange, Luxembourg. The Company entered into a loan of €880,000 at an annual interest of 9%. The interest and principal amount of the debt are both payable on the maturity date and is secured by a share pledge. This project was completed and the principal amount of the investment together with the interest was paid timely to the Company in full.

##### *French Hotel Project*

The original hotel dates from the late 19th century. Each sub-funds invested into this project €4.5 million (€2.25 million each) on 02/11/2020 with an interest rate of 5% p.a. The aim is to reposition the hotel, creating 22 suites and 1 villa in a luxurious environment, including fully serviced infrastructure.

The probability of this private debt recovery is valued at 90%.

##### *Student Housing Spanish Project*

The sub-fund ETSF Seven-4T invested into a real estate development project in Spain. In this project the developer is seeking to simultaneously acquire several plots of land in Malaga, Spain in order to build student accommodation.

The Company entered into a private debt agreement for an amount of €1,000,000 on 21/04/2021, with an interest rate of 12% p.a. The Company is granted a mortgage on the property according to the intercreditor agreement. The parties agreed on the prolongation of the agreement with a new maturity date of October 2023.

The probability of this private debt recovery is valued at 100%.

##### *Swiss Cyber Security company*

Both sub-funds had the opportunity to buy through Venture 12 LP shares of a privately held IT firm in Switzerland, specializing in the field of cyber security. There could eventually be an IPO in the years to come.

The Company invested USD 2,070,000 into the IT firm through Venture 12 LP. The company plans to submit an application for IPO in 2024 and expects to go public in 2025.

The probability of this private debt recovery is valued at 100%.

##### *Private Equity Investment*

In September 2021 the Company invested USD 1mil at USD into a first ESG-driven fintech company. The company is founded in 2015 and is valued at USD 2.3bn. The company offers an ecosystem of sustainable banking services, credit cards, and investment products that help customers keep their deposits out of fossil fuels, automatically plant trees with every card purchase, and track business and personal Planet & People impact scores so they can shop with a conscience. Company's technology and tools also provide bundled solutions that help businesses meet the demand for sustainability from their customers and employees by offsetting their carbon footprints and developing co-branded products and services that mitigate climate change.

The probability of this private debt recovery is valued at 100%.

## NOTES TO THE FINANCIAL STATEMENTS

### 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

#### 2.1 Estimated impairment/recoverable amounts of unquoted private debt (especially, private bonds) (continued)

##### *Brazilian Fertilizing Company*

In November 2021 the Company invested USD 550,000 into a fertilizer company engaged in the extraction of potash in the Amazon region. The firm's aim is to serve Brazilian farmers, using the rivers of the Amazon basin as transport routes. While extracting Potash in Brazil the consumer saves the high transport cost, which arise with the imports from Russian and China. Project construction is planned to start around the end of 2023.

The probability of this private debt recovery is valued at 100%.

##### *German real estate Marl and Kamen*

These real estate property development projects are located in Marl and Kamen, two cities in North Rhine-Westphalia, Germany's most populous region with more than 18m inhabitants, about 23% of the German population, and one of the country's most important economic centers. After the soft refurbishment of the property, the concept is to separate and sell the flat-by-flat through a broker after 280 days. The broker is obliged to take over the remaining apartments themselves based on a minimum purchase.

In December 2022 the Company invested EUR 1,000,000 into this project for 6 months with a prolongation possibility of 6 months. This private debt is secured.

The probability of this private debt recovery is valued at 100%.

##### *New Private Debt Project Ailingen (Germany, lake of Constance)*

This bridge financing as a secured bond in the amount of EUR 950,000 for the period of 12 months with a prolongation possibility of 6 months, interest 12% p.a. This is a mixed-use building, with 10 flats and a commercial unit.

The probability of this private debt recovery is valued at 100%.

# NOTES TO THE FINANCIAL STATEMENTS

## 3. INVESTMENTS

### (a) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

#### ETSF SEVEN-4T FUND

	Fair value 2023 \$	% of net assets 2023	Fair value 2022 \$	% of net assets 2022
Quoted equities	12,546,008	21.84	9,492,579	16.89
Unquoted equities	6,404,814	11.15	7,230,462	12.86
Exchange traded funds	4,790,188	8.34	3,087,112	5.49
Collective investment schemes	7,567,154	13.17	7,083,555	12.60
Quoted corporate bonds	5,382,562	9.37	6,509,338	11.58
Derivatives – Forward contracts	3,253	0.01	8,496	0.02
	<b>36,693,979</b>	<b>63.88</b>	<b>33,411,542</b>	<b>59.44</b>

#### ETSF MARKET VALUE FUND

	Fair value 2023 \$	% of net assets 2023	Fair value 2022 \$	% of net assets 2022
Quoted equities	99,485	0.34	273,548	0.88
Unquoted equities	7,238,012	25.01	7,353,424	23.74
Collective investment schemes	2,302,089	7.95	2,240,105	7.23
Futures contract	39,720	0.14	-	-
	<b>9,679,306</b>	<b>33.44</b>	<b>9,867,077</b>	<b>31.85</b>



# NOTES TO THE FINANCIAL STATEMENTS

## 3. INVESTMENTS (CONTINUED)

### (a) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

#### ETSF SEVEN-4T FUND

	Fair value 2023 \$	% of net assets 2023	Fair value 2022 \$	% of net assets 2022
<b>Quoted equities</b>				
United Kingdom	-	-	72,809	0.13
Europe	8,992,958	15.65	8,624,950	15.34
USA	3,553,050	6.18	794,820	1.41
	<u>12,546,008</u>		<u>9,492,579</u>	
<b>Unquoted equities</b>				
United Kingdom	1,683,067	2.93	2,420,180	4.31
USA	3,821,747	6.65	3,910,282	6.96
Europe	600,000	1.04	600,000	1.07
South America	300,000	0.52	300,000	0.53
	<u>6,404,814</u>		<u>7,230,462</u>	
<b>Exchange traded funds</b>				
Europe	4,055,177	7.06	2,402,602	4.27
United States	735,011	1.28	684,510	1.22
	<u>4,790,188</u>		<u>3,087,112</u>	
<b>Collective investment schemes</b>				
Europe	7,567,154	13.17	7,083,555	12.60
	<u>7,567,154</u>		<u>7,083,555</u>	
<b>Quoted corporate bonds</b>				
Africa	365,500	0.64	342,500	0.61
Asia	-	-	1,024,798	1.82
Australia	483,765	0.84	511,999	0.91
Europe	2,547,241	4.43	2,285,043	4.06
Middle East	-	-	297,645	0.53
United Kingdom	627,688	1.09	1,148,729	2.04
USA	1,111,269	1.93	463,352	0.82
South America	247,099	0.43	435,272	0.77
	<u>5,382,562</u>		<u>6,509,338</u>	
<b>Derivates – Forward Forex contracts</b>				
Europe	3,253	0.01	8,496	0.02
	<u>3,253</u>		<u>8,496</u>	
	<u>36,693,979</u>		<u>33,411,542</u>	

## NOTES TO THE FINANCIAL STATEMENTS

### 3. INVESTMENTS (CONTINUED)

#### (a) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (CONTINUED)

##### ETSF MARKET VALUE FUND

	Fair value 2023 \$	% of net assets 2023	Fair value 2022 \$	% of net assets 2022
<b>Quoted equities</b>				
Europe	99,485	0.34	273,548	0.88
	<u>99,485</u>		<u>273,548</u>	
<b>Unquoted equities</b>				
Europe	1,470,000	5.08	-	-
United Kingdom	3,417,863	11.81	4,914,741	15.86
USA	2,100,149	7.26	2,188,683	7.07
South America	250,000	0.86	250,000	0.81
	<u>7,238,012</u>		<u>7,353,424</u>	
<b>Collective investment schemes</b>				
Europe	2,302,089	7.95	2,240,105	7.23
	<u>2,302,089</u>		<u>2,240,105</u>	
<b>Derivatives – Futures contract</b>				
Europe	39,720	0.14	-	-
	<u>39,720</u>		<u>-</u>	
	<u>9,679,306</u>		<u>9,867,077</u>	

#### (b) INVESTMENT IN GOLD

##### ETSF SEVEN-4T FUND

	Fair value 2023 \$	% of net assets 2023	Fair value 2022 \$	% of net assets 2022
<b>Real Commodities</b>				
Gold	<u>4,934,119</u>	8.59	<u>4,660,327</u>	8.29

##### ETSF MARKET VALUE FUND

	Fair value 2023 \$	% of net assets 2023	Fair value 2022 \$	% of net assets 2022
<b>Real Commodities</b>				
Gold	<u>5,171,036</u>	17.87	<u>8,664,901</u>	27.97

## NOTES TO THE FINANCIAL STATEMENTS

### 3. INVESTMENTS (CONTINUED)

#### (c) PRIVATE DEBT (PRIVATE BONDS AND NOTES)

Private debt (private bonds and notes) at amortised cost

##### ETSF SEVEN-4T FUND

	Carrying amount 2023 \$	% of net assets 2023	Carrying amount 2022 \$	% of net assets 2022
Unquoted private debt	<u>11,919,765</u>	20.75	<u>12,781,651</u>	22.74

##### ETSF MARKET VALUE FUND

	Carrying Amount 2023 \$	% of net assets 2023	Carrying amount 2022 \$	% of net assets 2022
Unquoted private debt	<u>6,536,276</u>	22.59	<u>7,440,866</u>	24.02

#### (d) FIDUCIARY DEPOSITS

##### ETSF SEVEN-4T FUND

	Carrying amount 2023 \$	% of net assets 2023	Carrying amount 2022 \$	% of net assets 2022
Fiduciary deposits	<u>2,850,000</u>	4.96	<u>3,500,000</u>	6.23

##### ETSF MARKET VALUE FUND

	Carrying Amount 2023 \$	% of net assets 2023	Carrying Amount 2022 \$	% of net assets 2022
Fiduciary deposits	<u>7,170,000</u>	24.78	<u>3,200,000</u>	10.33

# NOTES TO THE FINANCIAL STATEMENTS

## 4. FINANCIAL INSTRUMENTS BY CATEGORY,

### ETSF SEVEN-4T FUND

	Financial assets at amortised cost \$	Financial assets at fair value through profit or loss \$	Total \$
<b>30 June 2023</b>			
<b>Assets</b>			
Financial assets at fair value through profit or loss	-	36,693,979	36,693,979
Investment in gold	-	4,934,119	4,934,119
Private debt (private bonds and notes)	11,919,765	-	11,919,765
Fiduciary deposits	2,850,000	-	2,850,000
Other receivables	126,659	-	126,659
Cash and cash equivalents	1,024,638	-	1,024,638
	<u>15,921,062</u>	<u>41,628,098</u>	<u>57,549,160</u>

### 30 June 2022

<b>Assets</b>			
Financial assets at fair value through profit or loss	-	33,411,542	33,411,542
Investment in gold	-	4,660,327	4,660,327
Private debt (private bonds and notes)	12,781,651	-	12,781,651
Fiduciary Deposits	3,500,000	-	3,500,000
Other receivables	100,938	-	100,938
Cash and cash equivalents	1,856,980	-	1,856,980
	<u>18,239,569</u>	<u>38,071,869</u>	<u>56,311,438</u>

### 30 June 2023

<b>Liabilities</b>			
Accrued expenses and other liabilities	93,171	-	93,171
Net assets attributable to issued shares	<u>57,455,989</u>	<u>-</u>	<u>57,455,989</u>
	<u>57,549,160</u>	<u>-</u>	<u>57,549,160</u>

### 30 June 2022

<b>Liabilities</b>			
Accrued expenses and other liabilities	98,787	-	98,787
Net assets attributable to issued shares	<u>56,212,651</u>	<u>-</u>	<u>56,212,651</u>
	<u>56,311,438</u>	<u>-</u>	<u>56,311,438</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 4. FINANCIAL INSTRUMENTS BY CATEGORY (CONTINUED)

### ETSF MARKET VALUE FUND

	Financial assets at amortised cost \$	Financial assets at fair value through profit or loss \$	Total \$
<b>30 June 2023</b>			
<b>Assets</b>			
Financial assets at fair value through profit or loss	-	9,679,306	9,679,306
Investment in gold	-	5,171,036	5,171,036
Private debt (private bonds and notes)	6,536,276	-	6,536,276
Fiduciary deposits	7,170,000	-	7,170,000
Other receivables	45,071	-	45,071
Cash and cash equivalents	399,902	-	399,902
	<b>14,151,249</b>	<b>14,850,342</b>	<b>29,001,591</b>

### 30 June 2022

<b>Assets</b>			
Financial assets at fair value through profit or loss	-	9,867,077	9,867,077
Investment in gold	-	8,664,901	8,664,901
Private debt (private bonds and notes)	7,440,866	-	7,440,866
Fiduciary deposits	3,200,000	-	3,200,000
Other receivables	33,355	-	33,355
Cash and cash equivalents	1,839,795	-	1,839,795
	<b>12,514,016</b>	<b>18,531,978</b>	<b>31,045,994</b>

### 30 June 2023

<b>Liabilities</b>			
Accrued expenses and other liabilities	61,658	-	61,658
Net assets attributable to issued shares	<b>28,939,933</b>	-	<b>28,939,933</b>
	<b>29,001,591</b>	-	<b>29,001,591</b>

### 30 June 2022

<b>Liabilities</b>			
Accrued expenses and other liabilities	67,244	-	67,244
Net assets attributable to issued shares	<b>30,978,750</b>	-	<b>30,978,750</b>
	<b>31,045,994</b>	-	<b>31,045,994</b>

## 5. OTHER RECEIVABLES

	ETSF SEVEN -4T FUND 2023 \$	ETSF SEVEN -4T FUND 2022 \$	ETSF MARKET VALUE FUND 2023 \$	ETSF MARKET VALUE FUND 2022 \$
Accrued interest	71,328	70,296	25,512	-
Dividends receivable	-	11,283	-	15,558
Interest receivable	35,771	1,562	-	-
Prepayments	19,560	17,797	19,559	17,797
	<b>126,659</b>	<b>100,938</b>	<b>45,071</b>	<b>33,355</b>

## NOTES TO THE FINANCIAL STATEMENTS

### 6. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, the year-end cash and cash equivalents comprise bank balances held as follows:

#### ETSF SEVEN-4T FUND

	Fair value	% of net assets	Fair value	% of net assets
	2023	2023	2022	2022
	\$		\$	
Cash and cash equivalents	<u>1,024,638</u>	1.78	<u>1,856,980</u>	3.30

#### ETSF MARKET VALUE FUND

	Fair value	% of net assets	Fair value	% of net assets
	2023	2023	2022	2022
	\$		\$	
Cash and cash equivalents	<u>399,902</u>	1.38	<u>1,839,795</u>	5.94

### 7. ACCRUED EXPENSES AND OTHER LIABILITIES

	ETSF SEVEN -4T FUND 2023 \$	ETSF SEVEN -4T FUND 2022 \$	ETSF MARKET VALUE FUND 2023 \$	ETSF MARKET VALUE FUND 2022 \$
Unpaid portfolio management & investment advisor fees	59,341	59,190	29,737	29,997
Unpaid administration fees	5,511	6,025	3,603	3,675
Other unpaid expenses	28,319	33,572	28,318	33,572
	<u>93,171</u>	<u>98,787</u>	<u>61,658</u>	<u>67,244</u>

### 8. SHARE CAPITAL

The initial share capital of the Company is €1,000 divided into 1,000 shares with no nominal value, which shares constitute a separate class of share of the Company but do not constitute a separate sub-fund.

The Company may issue up to a maximum of five billion (5,000,000,000) fully paid-up non-voting investor shares without any nominal value assigned to them.

The holders of the founder shares hold all the voting rights with respect to the affairs of the Company. The holder of each founder share is entitled to one vote per share on all matters which may arise for consideration by the holders of the founder shares.

The founder shares do not form part of the net asset value of the Company and are thus disclosed in the financial statements by way of this note only. In the opinion of the directors, this disclosure reflects the nature of the Company's business as an investment company.

Net assets attributable to issued/redeemable shareholders represent a liability in the combined statement of financial position and are carried at the value of the sub-funds at the reporting date. All investor shares participate equally in the net assets of the sub-funds as are represented by the appropriate class of investor shares on liquidation and in any dividends and other distributions attributable to the sub-fund as may be declared. Except to the extent that they have the right to a return of paid-up capital on winding-up, the founder shares do not participate in the assets of the Company.

# NOTES TO THE FINANCIAL STATEMENTS

## 8. SHARE CAPITAL (CONTINUED)

	ETSF SEVEN -4T FUND Units 2023	ETSF SEVEN -4T FUND Units 2022	ETSF MARKET VALUE FUND Units 2023	ETSF MARKET VALUE FUND Units 2022
Units in issue at beginning of year	599,325.2005	599,325.2005	331,324.7567	331,324.7567
<i>Transactions during the year:</i>				
Creation of shares	-	-	-	-
Units in issue at end of year	599,325.2005	599,325.2005	331,324.7567	331,324.7567

## 9. FEES

### a. Management fees

The Class A Shares of the ETF Market Value Fund and ETF Seven-4T Fund will be subject to a Portfolio Management Fee as well as an Investment Advisor Fee, each of which shall be limited to 100 bps annually calculated on the assets under management or the assets under advisory respectively (as per NAV as calculated by the administrator).

The Portfolio Manager and Investment Advisor will be reimbursed for all properly incurred and approved out-of-pocket expenses. Fees incurred for the year ended 30 June 2023 and year ended 30 June 2022 are disclosed in the Statement of Comprehensive Income. The outstanding fees as at period-end are disclosed in note 7.

### b. Administrator fees

The Administrator, BOV Fund Services Limited, receives a fee which shall not be higher than 0.075% per annum of the Net Asset Value of the sub-funds. Fees incurred for the year ended 30 June 2023 and year ended 30 June 2022 are disclosed in the Statement of Comprehensive Income. The outstanding fees as at period-end are disclosed in note 7.

### c. Executing Brokerage fees

The sub-funds pay brokerage fees based on current market rates. In particular, the sub-funds will be subject to Executive Brokerage fees for safekeeping of the sub-funds' assets which shall be limited to 35 bps annually calculated on the assets under safekeeping. In addition, there are fees for the execution of transactions based on current market rates. Fees incurred for the year ended 30 June 2023 and year ended 30 June 2022 are disclosed in the Statement of Comprehensive Income. The outstanding fees as at period-end are disclosed in note 7.

### d. Sponsoring Broker fee

The Sponsoring Broker will take a one-time fee of €2,500 for the listing of the scheme and the first sub-fund. The listing of any subsequent sub-funds under the same scheme will incur an additional charge of €1,000. Fees incurred for the year ended 30 June 2023 and year ended 30 June 2022 are disclosed in the Statement of Comprehensive Income. The outstanding fees as at period-end are disclosed in note 7.

## NOTES TO THE FINANCIAL STATEMENTS

### 9. FEES (CONTINUED)

#### *e. Auditor's remuneration*

Fees charged by the auditor (exclusive of VAT) for services rendered to the Company during the financial year ended 30 June 2023 related to:

	2023 \$	2022 \$
Annual statutory audit	11,750	12,205
Tax compliance and advisory services	1,500	1,246
	<u>13,250</u>	<u>13,451</u>

### 10. TAXATION

The Maltese tax regime for collective investment schemes is based on the classification of funds into prescribed or non-prescribed funds in terms of the conditions set out in the Collective Investment Schemes (Investment Income) Regulations, 2001 (as amended). In general, a prescribed fund is defined as a resident fund, which has declared that the value of its assets situated in Malta amount to at least 85% of the value of the total assets of the fund. A non-prescribed fund is a fund which does not qualify as a prescribed fund.

On the basis that the ETF Market Value Fund and ETF Seven-4T Fund are classified as non-prescribed funds for Maltese income tax purposes, then the sub-funds should not be subject to Maltese income tax on their income and gains other than on any income from immovable property situated in Malta (if any).

Maltese resident investors therein may be subject to a 15% final withholding tax on capital gains realised on redemption, liquidation or cancellation of units.

The Maltese resident investor may however request the Company not to effect the deduction of the said 15% final withholding tax, in which case the investor would be required to declare the gains in his/her Maltese income tax return and will be subject to tax at the normal rates of tax.

Any gains or profits derived on the transfer or redemption of units in the Funds by investors who are not resident in Malta should not be chargeable to Maltese income tax, subject to the satisfaction of certain statutory conditions.

If there are distributions by the Company, dividends paid from Malta source taxed profits, Malta source profits which are exempt from tax up to the level of the ultimate shareholder, or profits received by the Company from the Foreign Income Account of another Maltese company, should not be subject to further tax in the hands of the shareholders. In the case of distributions from the Company's Final Tax Account (if any), the shareholders should not be subject to further tax on such dividend but should not be entitled to claim a credit or refund of any tax directly or indirectly paid on such profits.

Distributions from the Company's foreign source profits allocated to its Untaxed Account or distributions of any Malta source profits which are not subject to tax and which are allocated to its Untaxed Account, to a Maltese resident person (other than a company) or to a non-resident person who is owned, or controlled by, or who acts on behalf of a person who is ordinarily resident and domiciled in Malta should be subject to a withholding tax of 15%.

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

The redemption or transfer of shares and any distribution on a winding-up of the Company may result in a tax liability for the shareholders according to the tax regime applicable in their respective countries of incorporation, establishment, residence, citizenship, nationality, domicile or other relevant jurisdiction.



## NOTES TO THE FINANCIAL STATEMENTS

### 11. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

1. The directors consider the ultimate controlling party to be Dr. Alexander Lindemann who holds 900 shares of the 1,000 issued founder shares of the Company.

Dr. Alexander Lindemann, who is a director of the Company, is also a partner of LINDEMANNLAW-Lindemann Rechtsanwälte who are the Company's legal advisors. Expenses paid to LINDEMANNLAW-Lindemann Rechtsanwälte for the year ended 30 June 2023 amounted to \$175,953 (2022: \$232,004) and are included in the statement of comprehensive income within 'Legal and professional fees'. Outstanding fees due to LINDEMANNLAW as at 30 June 2023 amounted to \$23,404 (2022: \$31,624) and are included within 'Accrued expenses' in the Statement of Financial Position.

2. Until 10 August 2022, Mr. Ueli Spoerri was appointed as Portfolio Manager of the Company under the terms of an agreement dated 19 October 2016. Details of portfolio management fees accruing during the period under review are provided in the statement of comprehensive income. Outstanding balances of portfolio management fees are disclosed in Note 7.

Mr. Ueli Spoerri is also a member of the investment committee. Investment committee fees paid to Mr. Ueli Spoerri for the years ended 30 June 2023 and 30 June 2022, amounting to €6,000 per annum, are included in the statement of comprehensive income within 'Investment committee fees'. There were no outstanding investment committee fees as at 30 June 2023 and 30 June 2022.

3. Directors' remuneration for the year ended 30 June 2023 amounted to \$35,052 (year ended 30 June 2022: \$32,210).

### 12. FINANCIAL RISK MANAGEMENT

Activities of the sub-funds expose them to a variety of financial risks: market risk (including price risk, fair value interest rate risk, cash flow interest rate risk and currency risk), credit risk and liquidity risk.

All security investments present a risk of loss of capital. The maximum loss of capital on equity and debt securities is limited to the fair value of those positions. The investee funds in which the company invests may engage in short selling of securities and derivative transactions which may expose an investee fund to unlimited risk due to the lack of an upper limit on the price to which a security may rise. However, to the extent that the company invests in an investee fund which engages in such activities, the company's losses in relation to that investee fund would be limited to the amount of its investment in that investee fund including any borrowings made in connection with such investment.

The strategy of each sub-fund relating to the management of respective risk is derived from the sub-fund's investment objective, which is clearly outlined in the respective offering supplement. The portfolio manager and investment committee monitor the sub-funds market exposures within the pre-determined investment restrictions on a regular basis. The overall market exposures are also monitored on a regular basis by the board of directors.

#### Market risk

##### a) Price risk

The Company is exposed to price risks arising from its holdings of equities and exchange traded funds and indirectly from its holdings in collective investment schemes that are classified in its statement of financial position as financial assets at fair value through profit or loss.

# NOTES TO THE FINANCIAL STATEMENTS

## 12. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Market risk (continued)

#### a) Price risk (continued)

The sub-funds' exposures to price risk are summarised in the table below, which also provides an analysis of the impact on the sub-funds' net assets attributable to holders of issued shares, of a general price movement, with all other variables held constant.

#### ETSF SEVEN-4T FUND

	Exposure as a % of NAV	General price movement change	+/- impact of NAV \$
<b>30 June 2023</b>			
Quoted equities	21.84	15%	1,881,901
Unquoted equities	11.15	15%	960,722
Exchange traded funds	8.34	15%	718,528
Collective investment schemes	13.17	15%	1,135,073
	<u>54.50</u>		<u>4,696,224</u>

#### 30 June 2022

Quoted equities	16.89	15%	1,423,887
Unquoted equities	12.86	15%	1,084,569
Exchange traded funds	5.49	15%	463,097
Collective investment schemes	12.60	15%	1,062,533
	<u>47.84</u>		<u>4,034,086</u>

#### ETSF MARKET VALUE FUND

	Exposure as a % of NAV	General price movement change	+/- impact of NAV \$
<b>30 June 2023</b>			
Quoted equities	0.34	15%	14,923
Unquoted equities	25.01	15%	1,085,702
Collective investment schemes	7.95	15%	345,313
	<u>33.30</u>		<u>1,445,938</u>

#### 30 June 2022

Quoted equities	0.88	15%	41,032
Unquoted equities	23.74	15%	1,103,014
Collective investment schemes	7.23	15%	336,016
	<u>31.85</u>		<u>1,480,062</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 12. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### Market risk (continued)

##### a) Price risk (continued)

The company also manages its exposure to price risk by analysing the equity portfolio by industrial sector. The table below is a summary of the significant sector concentrations within the equity portfolio (including level 1, 2 and 3 equity securities).

#### ETSF SEVEN-4T FUND

	Fair value	% of net	Fair value	% of net
	2023	assets	2022	assets
	\$	2023	\$	2022
Conglomerate	76,153	0.13%	63,788	0.11%
Cosmetic supplies	146,779	0.26%	108,445	0.19%
Financial services	7,787,863	13.55%	6,381,487	11.35%
Foods	253,677	0.44%	224,272	0.40%
Information technology	4,201,937	7.31%	2,774,260	4.94%
Insurance	403,337	0.70%	341,586	0.61%
Luxury goods	202,430	0.35%	130,751	0.23%
Real estate	3,855,373	6.71%	4,807,271	8.55%
Retail	85,425	0.15%	60,440	0.11%
Chemicals	789,210	1.37%	808,077	1.44%
Electrical	145,972	0.25%	123,237	0.22%
Pharmaceuticals	461,395	0.80%	500,343	0.89%
Transport	471,352	0.82%	326,570	0.58%
Other	69,919	0.12%	72,514	0.13%
	<u>18,950,822</u>		<u>16,723,041</u>	

#### ETSF MARKET VALUE FUND

	Fair value	% of net	Fair value	% of net
	2023	assets	2022	assets
	\$	2023	\$	2022
Information technology	1,470,000	5.08%	-	-
Real estate	5,617,497	19.41%	7,376,972	23.81%
Chemicals	250,000	0.86%	250,000	0.81%
	<u>7,337,497</u>		<u>7,626,972</u>	

The sub-funds are also directly exposed to commodity price risk through investment in physical gold (Note 3b). This investment represents 8.59% (2022:8.29%) of the ETF Seven-4T sub-fund's NAV and 17.87% (2022: 27.97%) ETF Market Value sub-fund's NAV.

Management's best estimate of a reasonable possible shift in the price of gold for the period under review having regard to movements in the relevant indices is disclosed in the table below. The table below also provides an analysis of the impact on the sub-funds' net assets attributable to holders of issued shares of a reasonable possible shift, with all other variables held constant.

# NOTES TO THE FINANCIAL STATEMENTS

## 12. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Market risk (continued)

#### a) Price risk (continued)

30 June 2023

Index	Reasonable possible Shift	ETSF Seven-4T Fund \$	+/- Impact on NAV ETSF Market Value Fund \$
Gold S&P GSCI Gold	10%	493,412	517,104

30 June 2022

Index	Reasonable possible Shift	ETSF Seven-4T Fund \$	+/- Impact on NAV ETSF Market Value Fund \$
Gold S&P GSCI Gold	10%	466,033	866,490

#### b) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets' interest rates on the fair value of financial assets and liabilities and future cash flow. The sub-funds are exposed to interest rate risk through directly holding interest-bearing financial assets, including debt securities (note 3a) and cash and cash equivalents (note 6). Assets earning interest at variable rates expose the sub-funds to cash flow interest rate risk, whereas assets earning interest at fixed rates expose the sub-funds to fair value interest rate risk. The sub-funds' exposure to interest rate risk is summarised in the table below.

	Assets held at fixed rates (as a % of NAV) 2023	Assets held at fixed rates (as a % of NAV) 2022	Assets held at variable rates (as a % of NAV) 2023	Assets held at variable rates (as a % of NAV) 2022
ETSF SEVEN-4T FUND	34.31	38.50	2.55	5.35
ETSF MARKET VALUE FUND	47.36	44.63	1.38	5.94

The potential impact of a shift in interest rates of 50 basis points (with all other variables remaining constant) on the net assets attributable to holders of issued shares is not considered significant.

#### c) Currency risk

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than the USD, the functional currency. Foreign currency risk arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. The Portfolio Manager monitors the exposure on all foreign currency denominated assets and liabilities.

The table below summarises the sub-funds' principal exposures to different currencies other than the functional currencies of the Fund.

# NOTES TO THE FINANCIAL STATEMENTS

## 12. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Market risk (continued)

#### c) Currency risk (continued)

30 June 2023

	Functional Currency	CHF % of net assets	EUR % of net assets	Other % of net Assets
ETSF Seven-4T Fund	USD	11.66	19.71	-
ETSF Market Value Fund	USD	17.87	10.50	-

30 June 2022

	Functional Currency	CHF % of net assets	EUR % of net assets	Other % of net Assets
ETSF Seven-4T Fund	USD	11.13	20.83	-
ETSF Market Value Fund	USD	27.99	11.05	-

When the Portfolio Manager formulates a view on the future direction of foreign exchange rates and the potential impact on the Fund, the Portfolio Manager factors that into its portfolio allocation decisions. While the sub-funds have direct exposure to foreign exchange rate changes on the price of non-euro/sterling-denominated securities, it may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of certain companies in which the sub-funds invest, even if those companies' securities are denominated in USD. For that reason, the below sensitivity analysis may not necessarily indicate the total effect on the sub-funds' net assets attributable to holders of issued shares of future movements in foreign exchange rates.

The following analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased against the sub-funds' functional currency by the percentage disclosed in the table below with all other variables held constant. This represents management's best estimate of a reasonable shift in the foreign exchange rates, having regard to historical volatility of those rates.

ETSF Seven-4T Fund Currency	2023		2022	
	Reasonable possible shift	Impact of possible shift	Reasonable possible shift	Impact of possible shift
CHF	+/- 7%	468,956	+/- 7%	437,952
EUR	+/- 7%	799,558	+/- 7%	819,637

ETSF Market Value Fund Currency	2023		2022	
	Reasonable possible shift	Impact of possible shift	Reasonable possible shift	Impact of possible shift
CHF	+/- 7%	366,871	+/- 7%	606,967
EUR	+/- 7%	215,544	+/- 7%	239,620

### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge on obligations. Financial assets, which potentially subject the sub-funds to credit risk consist principally of private debt. Private debt comprises private bonds and notes, loans, other receivables and cash and cash equivalents as disclosed in the statements of financial position. The maximum exposure to credit risk at 30 June 2023 is the carrying amount of the financial assets as set out below:

# NOTES TO THE FINANCIAL STATEMENTS

## 12. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Credit risk (continued)

	ETSF SEVEN 4T FUND 2023 \$	ETSF SEVEN 4T FUND 2022 \$	ETSF MARKET VALUE FUND 2023 \$	ETSF MARKET VALUE FUND 2022 \$
Quoted corporate bonds	5,382,562	6,509,338	-	-
Private debt (private bonds and notes)	11,919,765	12,781,651	6,536,276	7,440,866
Fiduciary deposits	2,850,000	3,500,000	7,170,000	3,200,000
Other receivables	126,659	100,938	45,071	33,355
Cash and cash equivalents	1,024,638	1,856,980	399,902	1,839,795
	<u>21,303,624</u>	<u>24,748,907</u>	<u>14,151,249</u>	<u>12,514,016</u>

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The following table provides information regarding the sub-funds' aggregated credit risk exposure with external credit ratings. The credit rating analysis below takes into account the rating of the respective debt security which is categorized by a reputable credit rating agency.

	ETSF SEVEN 4T FUND 2023 \$	ETSF SEVEN 4T FUND 2022 \$	ETSF MARKET VALUE FUND 2023 \$	ETSF MARKET VALUE FUND 2022 \$
Debt securities	5,382,562	6,509,338	-	-
A	-	0.89%	-	-
A-	-	0.53%	-	-
AAA	0.52%	-	-	-
B	0.34%	-	-	-
B+	0.68%	0.96%	-	-
B-	0.32%	-	-	-
BB	0.36%	0.40%	-	-
BB-	0.99%	1.58%	-	-
BB+	0.29%	0.53%	-	-
BBB	2.12%	0.35%	-	-
BBB-	0.95%	1.54%	-	-
BBB+	1.19%	0.50%	-	-
Not Rated	1.60%	4.31%	-	-

Other receivables consist of accrued interest income, dividends receivable, sales awaiting settlement and receivable from ETF Seven 4T Fund. These receivables are short-term in nature. Accordingly, the sub-funds have no significant credit risk in respect of other receivables.

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation. The clearing and depository operations for the Company's security transactions are concentrated with two reputable brokers, namely Bank Frick & One Swiss Bank.

All private debt is unrated and no collateral is received from the underlying companies.

## NOTES TO THE FINANCIAL STATEMENTS

### 12. FINANCIAL RISK MANAGEMENT (CONTINUED)

#### Credit risk (continued)

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward-looking information in determining any expected credit loss. At 30 June 2023 and 30 June 2022 other receivables and cash and cash equivalents, are held with reputable counterparties and are due to be settled within 1 week. Management consider the probability of default for these financial assets to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognized based on 12-month expected credit losses pertaining to these financial assets as any such impairment would be wholly insignificant to the Fund. Cash at bank is placed with reliable and credit rated institutions.

For the private debt, the discussion and result of the expected credit loss assessment are included in note 2.

#### Liquidity risk

Liquidity risk is the risk that the sub-funds will encounter difficulty in meeting obligations associated with their financial liabilities. The sub-funds' Offering Documents provide for the creation and cancellation of shares and are therefore exposed to the liquidity risk of meeting shareholders' redemptions at any time.

The Portfolio Manager monitors the sub-funds' liquidity position on a regular basis. Issued shares are redeemed on demand at the holder's option, except during the lock-up period ending 30 June 2022. All other liabilities are due within less than one year.

The sub-funds' underlying securities are considered to be readily realisable since they are listed on major stock exchanges except for the investments in collective investment schemes, unquoted equities private debt and term deposits.

The liquidity risk involved with the investments in collective investment schemes will be dependent on the redemption policies of the underlying funds. The sub-funds' investments in the underlying funds may not be readily realisable and their marketability may be restricted, in particular because the underlying funds may have restrictions that allow redemptions only at specific infrequent dates with considerable notice periods, and apply lock-ups and/or redemption fees. The sub-funds' ability to withdraw monies from or invest monies in the underlying funds with such restrictions will be limited and such restrictions will limit the sub-funds' flexibility to reallocate such assets among underlying funds. Some of the underlying funds may be or may become illiquid, and the realization of investments from them may take a considerable time and/or be costly. As a result, the sub-funds may not be able to quickly liquidate its investments in these instruments at an amount close to fair value in order to meet liquidity requirements.

The maturities of private debt and fiduciary deposits are provided in the table below:

#### 30 June 2023

	Below 2 years \$	Over 2 years up to 5 years \$
<b>ETSF Seven-4T FUND</b>		
Fiduciary deposits	2,850,000	-
Private debt	9,698,292	2,230,473
<b>ETSF Market Value Fund</b>		
Fiduciary deposits	7,170,000	-
Private debt	4,305,803	2,230,473

# NOTES TO THE FINANCIAL STATEMENTS

## 12. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Liquidity risk (continued)

30 June 2022

	Below 2 years \$	Over 2 years up to 5 years \$
<b>ETSF Seven-4T FUND</b>		
Fiduciary deposits	3,500,000	-
Private debt	10,365,039	2,416,612
<b>ETSF Market Value Fund</b>		
Fiduciary deposits	3,200,000	-
Private debt	5,024,254	2,416,612

The table below analyses the sub-fund's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

	ETSF SEVEN-4T FUND		ETSF MARKET VALUE FUND	
	Within 1 month \$	Within 1 to 3 months \$	Within 1 month \$	Within 1 to 3 months \$
<b>At 30 June 2023</b>				
Accrued expenses	5,511	121,148	3,603	41,468
Net assets attributable to holders of issued shares	-	57,455,989	-	28,939,933
Contractual cash out flows (excluding derivatives)	5,511	57,577,137	3,603	28,981,401
<b>At 30 June 2022</b>				
Accrued expenses	6,025	92,762	3,675	63,569
Net assets attributable to holders of issued shares	-	56,212,651	-	30,978,750
Contractual cash out flows (excluding derivatives)	6,025	56,305,413	3,675	31,042,319

### Fair value hierarchy

IFRS 13 requires the sub-funds to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1: Quoted market price (unadjusted) in an active market for an identical instrument;
- Level 2: Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for identical or similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data; and
- Level 3: Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.



# NOTES TO THE FINANCIAL STATEMENTS

## 12. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Fair value hierarchy (continued)

The level in the fair value hierarchy within the fair value measurement is categorised in its entirety is determined on the basis of the lowest input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustments based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety require judgement, considering factors specific to the asset.

As at 30 June 2023, 21.51% (2022: 18.09%) of ETF Seven-4T and 7.95% (2022: 7.23%) of ETF Market Value financial assets at fair value through profit or loss comprise investments in exchange traded funds and collective investment schemes that have been fair valued in accordance with the policies set out above. The units of the investment funds are not publicly traded; redemption can only be made by the company on the redemption dates and subject to the required notice periods specified in the offering documents of each of the investee funds. As a result, the carrying values of the investee funds may not be indicative of the values ultimately realised on redemption.

The investee funds are not traded on an active market; their fair value is determined using valuation techniques. The value is primarily based on the latest available redemption price of the investee funds' units as reported by the administrator of such investee fund. The company may make adjustments to the value based on considerations such as: liquidity of the investee fund or its underlying investments, the value date of the net asset value provided, and restricting on redemption and the basis of accounting.

The following tables analyses the fair value hierarchy within the sub-funds' financial assets at fair value through profit or loss:

### ETSF SEVEN-4T FUND

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>As at 30 June 2023</b>				
<b>Financial assets at fair value through profit or loss</b>				
Quoted corporate bonds	5,382,562	-	-	5,382,562
Quoted equities	12,546,008	-	-	12,546,008
Unquoted equities	-	-	6,404,814	6,404,814
Exchange traded funds	4,790,188	-	-	4,790,188
Collective investment schemes	-	7,567,154	-	7,567,154
Derivatives – Forward contracts	-	3,253	-	3,253
	<u>22,718,758</u>	<u>7,570,407</u>	<u>6,404,814</u>	<u>36,693,979</u>

### As at 30 June 2022

<b>Financial assets at fair value through profit or loss</b>				
Quoted corporate bonds	6,509,338	-	-	6,509,338
Quoted equities	9,492,579	-	-	9,492,579
Unquoted equities	-	-	7,230,462	7,230,462
Exchange traded funds	3,087,112	-	-	3,087,112
Collective investment schemes	-	7,083,555	-	7,083,555
Derivatives – Forward contracts	-	8,496	-	8,496
	<u>19,089,029</u>	<u>7,092,051</u>	<u>7,230,462</u>	<u>33,411,542</u>

# NOTES TO THE FINANCIAL STATEMENTS

## 12. FINANCIAL RISK MANAGEMENT (CONTINUED)

### Fair value hierarchy (continued)

ETSF MARKET VALUE FUND	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$
<b>As at 30 June 2023</b>				
<b>Financial assets at fair value through profit or loss</b>				
Quoted equities	99,485	-	-	99,485
Unquoted equities	-	-	7,238,012	7,238,012
Collective investment schemes	-	2,302,089	-	2,302,089
Derivatives – futures contract	39,720	-	-	39,720
	<u>139,205</u>	<u>2,302,089</u>	<u>7,238,012</u>	<u>9,679,306</u>

### As at 30 June 2022

### Financial assets at fair value through profit or loss

Quoted equity	273,548	-	-	273,548
Unquoted equities	-	-	7,353,424	7,353,424
Collective investment schemes	-	2,240,105	-	2,240,105
	<u>273,548</u>	<u>2,240,105</u>	<u>7,353,424</u>	<u>9,867,077</u>

### Movements in level 3 instruments

	ETSF Seven-4T Fund 2023	ETSF Market Value Fund 2023
	\$	\$
Opening balance	7,230,462	7,353,424
Acquisition of investment	-	1,472,980
Disposal of investment	-	-
Fair value movements	(825,648)	(1,588,392)
Closing balance	<u>6,404,814</u>	<u>7,238,012</u>

	ETSF Seven-4T Fund 2022	ETSF Market Value Fund 2022
	\$	\$
Opening balance	5,013,864	11,529,334
Acquisition of investment	1,352,243	250,067
Disposal of investment	-	(3,816,039)
Fair value movements	864,355	(609,938)
Closing balance	<u>7,230,462</u>	<u>7,353,424</u>

## NOTES TO THE FINANCIAL STATEMENTS

### 13. COMMITMENTS

#### Private debt commitments

As at 30 June 2023, the Company has private debt commitments as follows:

	2023			
	Within 1 year \$	1-2 years \$	2-5 years \$	Indefinite \$
ETSF Seven-4T FUND	8,513,397	-	4,454,751	1,954,600
ETSF Market Value Fund	6,867,847	-	2,454,751	1,720,000

	2022			
	Within 1 year \$	1-2 years \$	2-5 years \$	Indefinite \$
ETSF Seven-4T FUND	10,652,926	6,676,599	2,352,277	-
ETSF Market Value Fund	8,886,380	8,581,148	2,352,277	-

### 14. CAPITAL RISK MANAGEMENT

The capital of the sub-funds is represented by the net assets attributable to holders of issued shares as disclosed in the statement of financial position. The amount of net assets attributable to holders of issued shares can change on an annual basis as the sub-funds are subject to annual subscriptions and redemptions at the discretion of shareholders. The Company's objective when managing capital is to safeguard the sub-funds' ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the sub-funds.

In order to maintain or adjust the capital structure, the Company's policy is to perform the following:

- Monitor the level of quarterly subscriptions and redemptions relative to the assets it expects to be able to liquidate within one month and adjust the amount of distributions the sub-funds pay to issued/redeemable shareholders.
- Redeem and issue new shares in accordance with the constitutional documents of the sub-funds, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

The Portfolio Manager monitors capital on the basis of the value of net assets attributable to redeemable shareholders.

# PORTFOLIO STATEMENTS

## ETSF SEVEN-4T FUND

As at 30 June 2023

	Fair Value \$	% of Net Assets
<b>Quoted AAA Rated Bonds</b>		
CMWL BK OF A 4.928 2025/	297,765	0.52
<b>Quoted B Rated Bond</b>		
GEMS MENASA 7.125 2026	193,750	0.34
<b>Quoted B- Rated Bond</b>		
PAPUA NEW GU 8.375 2028/	186,000	0.32
<b>Quoted B+ Rated Bonds</b>		
IHS NETH 8 2027/	182,500	0.32
AI CNDA.SPN 7.5 22/28	207,559	0.36
<b>Quoted BB Rated Bond</b>		
SAMSONITE 3.5 2026	209,119	0.36
<b>Quoted BB- Rated Bonds</b>		
ESKOM HOLDIN 4.314 2027/	176,250	0.30
NAMIBIA 5.25 2025/	189,250	0.33
JAGUAR LAND 4.5 2026/	206,155	0.36
<b>Quoted BB+ Rated Bonds</b>		
RESORTS WORL 4.625 2029/	164,000	0.28
<b>Quoted BBB Rated Bond</b>		
SYNGENTA FIN 4.892 2025/	293,922	0.51
PEMEX 6.625	60,349	0.10
PEMEX 6.875 2026/	186,750	0.32
ORACLE CORP 3.25 2027/	185,367	0.32
GEN MOTORS 3.95 2024/	492,076	0.85
<b>Quoted BBB- Rated Bonds</b>		
BARCLAYS BK.NCUM.PF.SHS.	195,250	0.34
MINEJESA CAP 4.625 24/30	178,516	0.31
JB GRUPPE AG 6.88/F	174,888	0.30
<b>Quoted BBB+ Rated Bonds</b>		
CHIN CY 2017 4.375 2025/	193,708	0.34
AROUNDTOWN S 5.375 2029/	221,757	0.38
GLENCORE FDG 1.625 2026/	269,823	0.47
<b>Quoted Non-Rated Bonds</b>		
GERMAN LISTE 8.5	15,000	0.03
LEONTEQ O PERP 14/07/2022	424,255	0.73
RONGXINGDA D 8	17,575	0.03
AK RABOBANK FR	264,791	0.46
D&P BTGU 6	-	-
HORIZON CAP 9.5 2025/	196,000	0.34
JPM SPRDCTS 3.3 2023/	184	0.00

## Exchange Traded Funds

## PORTFOLIO STATEMENTS

ISHARES HIGH YIELD BOND	325,320	0.56
ISHARES CORE S&P (SWX)	749,169	1.30
ISHARES NASDAQ 100 UCITS	902,107	1.56
IVS.S&P SMLC.600 UCITS	673,014	1.16
SPDR MSCI WORLD ENERGY	716,400	1.24
VANGD.US TRSY.0-1Y BD	399,985	0.69
ISHARES US O&G.EXP. &	170,709	0.30
ISHARES US OIL EQUIPMENT	375,842	0.65
ISHARES J P MRGN.\$ EM	289,182	0.50
SPDR S&P BANK ETF	188,460	0.33

### Collective Investment Schemes

LFP I SICAV-SIF SA-THE	188,032	0.33
UBS STRATEGY CERTI. BASKE	867,105	1.50
LEGE ARTIS C USD	45,063	0.08
DMC FD WLD HY CORP BONDS	634,131	1.10
EUROPEAN GROWTH	508,069	0.88
GWI GLOBAL FUND A EUR	78,556	0.14
IFS SWISS SMALL & MID	1,098,579	1.90
JSS SENIOR LOAN FUND P	231,845	0.40
M2 UMBRELLA FUNDS - ASIAN	955,017	1.65
M2 UMBRELLA FUNDS - ASIAN	2,010,403	3.48
PARTNERS GROUP GLOBAL	282,631	0.49
PIFS - IO TLH FUND - I	410,999	0.71
VONTOBEL FUND NON-FOOD	256,724	0.44

### Derivatives - Forward Forex contracts

Purchase of United States Dollar against Euro maturing on 1 November 2023	3,253	0.01
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### Investment in Gold

GOLDBARREN 1000 GRAMM	617,034	1.07
GOLDBARREN 100 GRAMM	1,854,687	3.21
GOLDBARREN 250 GRAMM	1,231,199	2.13
GOLDBARREN 500 GRAMM	1,231,199	2.13

### Quoted Equities

ADECCO GROUP	69,919	0.12
DUFY 'R'	85,425	0.15
GIVAUDAN 'N'	430,844	0.75
ROCHE HOLDING	343,923	0.59
SWISS RE	111,211	0.19
TEMENOS N	27,036	0.05
ZURICH INSURANCE GROUP	180,477	0.31
ALLIANZ	111,649	0.19
BASF	58,366	0.10
BAYER	117,472	0.20
DEUTSCHE LUFTHANSA	164,027	0.28
SAP	143,354	0.25
VOLKSWAGEN PREF.	74,709	0.13
AIRBUS	128,520	0.22
AROUNDTOWN (PAR)	72,157	0.12
DANONE	176,090	0.30
L'OREAL	146,779	0.25
LVMH	202,430	0.35

**PORTFOLIO STATEMENTS**

STELLANTIS	104,096	0.18
ZKB UNDERLYING TRACKER 20	303,950	0.53
ZKB O PERP 07/01/22	4,794,559	8.29
ZUERCHER KB ZERO 2049/	1,145,965	1.98
BRIGHTON SHARES	-	-
ALPHABET A	104,738	0.18
APPLE	178,258	0.31
BERKSHIRE HATHAWAY 'B'	171,523	0.30
BLACKROCK ULTRA SHORT-	503,000	0.87
BROADCOM	252,422	0.44
CITIGROUP	144,335	0.25
ENERGIZER HOLDINGS	145,972	0.25
HONEYWELL INTL.	76,153	0.13
INTEL	115,702	0.20
JP MORGAN CHASE & CO.	185,581	0.32
MCDONALDS	77,587	0.13
META PLATFORMS A	173,623	0.30
MICROSOFT	72,876	0.13
NVIDIA	243,237	0.42
PALO ALTO NETWORKS	209,518	0.36
QUALCOMM	135,110	0.23
RIGETTI CMPTG.EQ. WTS.	630	0.00
RIGETTI COMPUTING	21,602	0.04
VISA 'A'	67,682	0.12
YANDEX	134,551	0.23
MRISSR 0 31/12/50	538,950	0.93

**Unquoted Equities**

CHICAGO MULTI TENNANT COMMERCIAL BUILDING PROJECT	2,100,146	3.63
REAL ESTATE PROJECT	1,683,067	2.91
SWISS CYBER SECURITY COMPANY	600,000	1.04
BRAZIL POTASH CORP.	300,000	0.52
ASPIRATION	1,721,598	2.98

**Unquoted private debt (private bonds and notes)**

Park avenue, new york office building project	544,150	0.94
West village, new york apartment building construction project	823,033	1.42
Latvian chocolate factory project	40,218	0.07
Latvian chocolate factory project	200,588	0.35
Marl and Kamen project	1,175,621	2.03
Latvian chocolate factory project	219,445	0.38
West village, new york apartment building construction project	1,726,667	2.99
West village, new york apartment building construction project	1,286,250	2.22
West village, new york apartment building construction project	240,769	0.42
West village, new york apartment building construction project	239,019	0.41
West village, new york apartment building construction project	237,269	0.41
West village, new york apartment building construction project	235,519	0.41
West village, new york apartment building construction project	233,769	0.40
French hotel project	2,230,473	3.86
Ailingen building project	1,096,117	1.90
Student housing spanish project		
	1,390,859	2.41

# PORTFOLIO STATEMENTS

## ETSF MARKET VALUE FUND

As at 30 June 2023

	Fair Value \$	% of Net Assets
<b>Collective Investment Schemes</b>		
M2 UMBRELLA FUNDS - ASIAN	2,010,403	3.58
QUALITIUM FOHF I USD	291,686	0.52
<b>Investment in Gold</b>		
GOLDBARREN 1000 GRAMM 999	2,400,838	4.27
GOLDBARREN 500 GRAMM 999.	2,770,198	4.93
<b>Quoted Equities</b>		
AROUNDTOWN	99,484	0.18
<b>Unquoted Equities</b>		
CHICAGO MULTI TENNANT COMMERCIAL BUILDING PROJECT	3,417,863	6.08
REAL ESTATE PROJECT	2,100,149	3.74
BRAZIL POTASH CORP.	250,000	0.44
ACRONIS	1,470,000	2.62
<b>Private debt (private bonds and notes)</b>		
Latvian chocolate factory project	240,807	0.43
Latvian chocolate factory project	416,324	0.74
West village, new york apartment building construction project	1,286,250	2.29
West village, new york apartment building construction project	241,644	0.43
West village, new york apartment building construction project	1,171,703	2.08
West village, new york apartment building construction project	239,894	0.43
West village, new york apartment building construction project	238,144	0.42
West village, new york apartment building construction project	236,394	0.42
West village, new york apartment building construction project	234,644	0.42
french hotel project	2,230,473	3.97

## INFORMATION ABOUT THE SCHEME

### 1. AUTHORISATION

The Company is authorised by the Malta Financial Services Authority as a Collective Investment Scheme pursuant to Section 6 of the Investment Services Act, 1994.

### 2. INCOME

In the case of the Sub-funds having accumulator classes of shares, no distributions are made. Instead, all income is accumulated within the price of the shares and therefore, no equalisation is required.

### 3. SCHEME PARTICULARS

The above details are extracted from the ETF Fund SICAV p.l.c. Prospectus, dated 1 September 2022, and the Supplementary Prospectus of the ETF Market Value Fund and the ETF Seven-4T FUND also dated 1 September 2022, all of which are available upon request from the Manager, and were current at the date of publishing of this Annual Report and Audited Financial Statements.



**Independent auditor's report**

To the Shareholders of ETSF Fund SICAV p.l.c.

**Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of ETSF Fund SICAV p.l.c (the Company), set out on pages 10 to 46, which comprise the statement of financial position as at 30 June 2023 and the statement of comprehensive income, statement of changes in net assets attributable to holders of redeemable shares for the year then ended, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs) and have been prepared in accordance with the requirements of the Companies Act (Cap. 386).

**Basis for Opinion**

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Independent auditor's report (continued)**

To the Shareholders of ETSF Fund SICAV p.l.c. (continued)

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

*Valuation of Unquoted Investments*Risk description

As described in note 3 of the financial statements, the investment portfolio as at year-end mainly comprised of:

- Listed equity and debt instruments,
- Exchange-traded funds,
- Real commodities (ounces of gold),
- Collective investment schemes,
- Unquoted private debt (bonds and notes)
- Unquoted equities

We focused our testing on the valuation of the unquoted investments as these investments represent a material balance in the financial statements also require estimates and significant judgements to be applied by the Directors. As a result changes to key inputs to the estimates and/or judgements made can result, either on an individual unquoted investment or in aggregate, in a material change to the valuation of unquoted investments.

How the scope of our audit responded to the risk

With respect to the unquoted private debt (bonds and notes), we have agreed the terms of the private debt to supporting agreements. In addition, we assessed the valuation methodology applied by the Company's directors as at the end of the year which made reference to the valuation report prepared by the independent valuers as further explained in note 2.

With respect to the unquoted equity instruments, we agreed the terms of the relevant agreements. In addition, we assessed the valuation methodology applied by the Company's independent valuers and evaluated the judgements and assumptions made in determining the fair value of these unquoted investments.

Furthermore, we considered the Company's disclosures in noted 1 of the accounting policies for compliance with IFRSs as adopted by the EU.

**Independent auditor's report (continued)**

To the Shareholders of ETSF Fund SICAV p.l.c. (continued)

**Other Information**

The directors are responsible for the other information. The other information comprises the Management and Administration section, Description of the Company, Portfolio Manager's Report, Directors' Report, Portfolio Statements, and Information about the Scheme. Our opinion on the financial statements does not cover this information, including the directors' report.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386). Based on the work we have performed, in our opinion:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Maltese Companies Act (Cap.386).

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the directors' report. We have nothing to report in this regard.

**Responsibilities of the Directors**

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with EU IFRS's, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

**Independent auditor's report (continued)**

To the Shareholders of ETSF Fund SICAV p.l.c. (continued)

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Independent auditor's report (continued)**

To the Shareholders of ETSF Fund SICAV p.l.c. (continued)

**Report on Other Legal and Regulatory Requirements**

Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.

We have nothing to report to you in respect of these responsibilities.

**Appointment**

We were appointed by the shareholders as auditors of ETSF Fund SICAV p.l.c on 13 July 2020, as for the year ended 30 June, 2020. The period of total uninterrupted engagement is 4 years.

**Non-audit services**

We have not provided any of the prohibited services as set out in the accountancy profession act.

**Use of audit report**

This report is made solely to the company's members as a body in accordance with the requirements of the Companies Act (Cap. 386) of the laws of Malta. Our audit work has been undertaken so that we might state to the company's members those matters than we are required to state to them in an auditor's report and for no other purpose. To the full extent permitted by law we do not assume responsibility to anyone other than the company's members as a body for our audit work, for this report or for the opinions we have formed.



*This copy of the audit report has been signed by  
Anita Grech (Partner) for and on behalf of*

**Mazars Malta**

Certified Public Accountants  
Birkirkara,  
Malta

24 October 2023

