

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

COMPANY ANNOUNCEMENT

SIXTH ANNUAL GENERAL MEETING

ETSF Fund SICAV p.l.c. announces that during the Sixth Annual General Meeting of the Company held on Thursday 24th October 2024 at 10:30 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 Joseph Camilleri

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 2024, the Company would like to announce that a copy of its approved Audited Report and Financial Statements will be forwarded to both the Malta Financial Services Authority and the Malta Business Registry, whereby they will be duly uploaded on the website of the latter in due course. Additionally, a copy of the said Financial Statements can also be found enclosed with this Company Announcement.

Dated this the 29th day of October 2024



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 2024

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
Dr. Frank Chetcuti Dimech
Mr. Joseph Camilleri (appointed on 31st
December 2023)
Mr. Benjamin Muscat (resigned on 31st
December 2023)

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

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

Management and Administration

PORTFOLIO MANAGER

MRB Fund Partners AG
Fraumünsterstrasse 11,
CH – 8001 Zurich,
Switzerland.

INVESTMENT ADVISOR with respect to bonds

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

Bank Frick AG
Landstrasse 14,
9496 Balzers,
Liechtenstein

LEGAL ADVISORS

LINDEMANN LAW AG
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 2024 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 2024

Market Overview

The inflation, which started in the middle of 2021, rising 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 2023 it had retrieved to around 4%. Since June 2022 interest rates have risen to 5% at the end of June 2023 and to 5.30% at the end of June 2024. The 10-year US Treasury Bond, quoted at around 3% in June 2022, stood at around 3.80% at the end of June 2023 and at around 4.30% end of June 2024. The oil price moved in the range of USD 73 to USD 93 during the reporting period. GDP in the USA grew 1.80% in H1 of 2024 after it had grown 1.90% in 2022 and 2.50% in 2023. The US unemployment rate rose from 3.7% in December 2023 to 4.1% in June 2024. After the Swiss National bank has lowered its interest rates in the first half of the current year twice and the ECB once, the Federal Reserve is expected to follow suit in September and December, lowering the Fed Fund rate by a quarter percent each time. At the beginning of 2024 investors had expected up to six rate cuts for the year. When in April 2024 the market began to realize that its expectations were too high, S&P and Nasdaq saw a decline of around 5% each, which however has quickly recovered.

Unfortunately, the war in the Ukraine is still ongoing. On 07.10.2023 the Hamas attack on Israel provoked an Israeli invasion into the Gaza strip, which has not ended yet. Ukraine, Middle East tensions and China's threats against Taiwan represent the main current geopolitical risks.

Portfolio Activity ETSF Seven-4T Fund

The limitation to hold not more than 20% of AuM in HY/EM bonds, was removed in 2023.

In the third quarter 2022 the fund acquired some well-known tech stocks such as Meta, Apple, Nvidia and others. In the following slump in October/November the fund made an average down. In the meantime, these positions have produced double digit returns.

Nvidia alone doubled in H1 of this year.

In the Asset Allocation (AA) cash was reduced by about 4%.

Bonds were increased to 28%, by adding, among others, investment grade bonds and US Treasury-Bills/ETFs on US Treasury-Bills.

Private bonds were reduced due to impairment and internal restructuring.

As gold performed well over the past 12 months, it increased by one percent to 10%.

The equity position increased three percent to almost 35% at the end of June 2024. Only some minor positions of Swiss and EU stocks were sold, no new additions were made.

Private Equity was unchanged.

One private bond, granted for the construction of residential houses in an EU country, was repaid in Q1 2024. The proceeds were used to participate in a private placement of a company constructing apartment buildings in Germany.

Portfolio Manager's Report (Continued)

Portfolio Activity ETF Market Value Fund

The limitation to hold not more than 20% of AuM in HY/EM bonds, was removed in 2023.

The gold position, which was reduced by 40% in H1 of 2023 at prices slightly below USD 2'000 to 17% increased by 3% by the end of June 2024 due to rising gold price.

Bond position was increased to 25%, also some investment grade bonds were added in September 2023.

Equity allocation remained low, increasing by one percent compared to June 2023.

Private bonds decreased by six percent due to impairments and internal restructuring.

Directors' Report

For the year ended 30th June 2024

The Directors present herewith their report and audited financial statements for ETSF Fund SICAV p.l.c. for the period ended 30 June 2024.

Principal Activities

The ETSF 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 2024:

- ETSF Seven-4T Fund
- ETSF 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 2024 are shown in the statement of comprehensive income on page 14. The Company reported an increase in total assets under management of \$2,638,006 (2023: decrease of \$806,681). As at 30 June 2024, the combined net assets attributable to holders of redeemable shares amounted to \$89,008,688 (2023: \$86,395,922). The increase in the total assets under management could have been higher but the lower valuation of the illiquid assets by Firstbridge as of 30.06.24 also reduced the increase. 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 30/06/2024 | NAV/Unit 30/06/2023 | YTD Performance | Assets under Management 30/06/2024 | Net Subscriptions/ (Redemptions) |
|---------------------------|------------------------|------------------------|--------------------|------------------------------------------|----------------------------------------|
| ETSF Seven 4T Fund | \$100.5720 | \$95.8678 | \$2,819,400 | \$60,384,778 | Nil |
| ETSF Market Value Fund | \$86.7224 | \$87.3461 | (\$206,634) | \$28,803,979 | 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 2024

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

In order to capture market opportunities presented by the current bond market, the limitation to hold not more than 20% of AuM in HY/EM bonds, was removed in 2023.

Change of the Director

The Company's director Benjamin Muscat resigned as of 31 December 2023. He is replaced by Mr. Joseph Camilleri who was approved by MFSA on 13 September 2023. Joseph Camilleri started acting as a Director of the Fund on 31 December 2023.

Results and Dividends

Results for the period can be found in the Statement of Income on page 14 of these financial statements. The Company has declared to pay a dividend for the period ending 30 June 2024 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 until 31 December 2023
Dr. Frank Chetcuti Dimech
Mr. Joseph Camilleri as of 31 December 2023

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 Forvis Mazars 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 2024 by:

Frank Chetcuti Dimech

Director



Joseph Camilleri

Director



Statement of Financial Position

as at 30 June 2024

| | ETSF Fund SICAV p.l.c. Combined Statement | ETSF Seven-4T Fund | ETSF Market Value Fund | |
|------------------------------------------------------------------------------------------|-------------------------------------------------|-----------------------|---------------------------|-------------------|
| | 2024 | 2024 | 2024 | |
| | \$ | \$ | \$ | |
| Assets | | | | |
| Financial assets at fair value through profit or loss | 3a | 42,286,199 | 36,514,733 | 5,771,466 |
| Investment in gold | 3b | 12,262,852 | 5,984,072 | 6,278,780 |
| Private debt (private bonds and notes) | 3c | 31,033,947 | 16,668,615 | 14,365,332 |
| Fiduciary deposits | 3d | 2,077,175 | 407,175 | 1,670,000 |
| Other receivables | 5 | 163,010 | 125,929 | 37,081 |
| Cash and cash equivalents | 6 | 1,365,574 | 684,254 | 681,320 |
| Total assets | | 89,188,757 | 60,384,778 | 28,803,979 |
| Liabilities | | | | |
| Accrued expenses and other liabilities | 7 | 180,069 | 109,389 | 70,680 |
| Total liabilities (excluding net assets attributable to holders of issued shares) | | 180,069 | 109,389 | 70,680 |
| Net assets attributable to holders of issued shares | | 89,008,688 | 60,275,389 | 28,733,299 |
| Salient statistics | | | | |
| Shares in issue as at 30 June 2024 | | 599,325,2005 | 331,324.7567 | |
| Shares in issue as at 30 June 2023 | 8 | 599,325,2005 | 331,324.7567 | |
| Shares in issue as at 30 June 2022 | | 599,325,2005 | 331,324.7567 | |
| Net asset value as at 30 June 2024 | | \$60,275,389 | \$28,733,300 | |
| Net asset value as at 30 June 2023 | | \$57,455,989 | \$28,939,933 | |
| Net asset value as at 30 June 2022 | | \$56,212,651 | \$30,978,750 | |
| Net asset value per share as at 30 June 2024 | | \$100.5720 | \$86.7224 | |
| Net asset value per share as at 30 June 2023 | | \$95.8678 | \$87.3461 | |
| Net asset value per share as at 30 June 2022 | | \$93.7932 | \$93.4996 | |


Statement of Financial Position

as at 30 June 2023

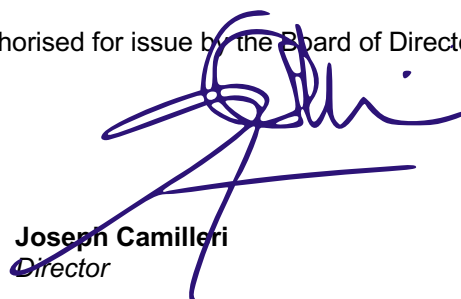
| | | ETSF Fund SICAV p.l.c. Combined Statement | ETSF Seven-4T Fund | ETSF Market Value Fund |
|------------------------------------------------------------------------------------------|-------|-------------------------------------------------|-----------------------|---------------------------|
| | | 2023 | 2023 | 2023 |
| | | \$ | \$ | \$ |
| | Notes | | | |
| Assets | | | | |
| Financial assets at fair value through profit or loss | 3a | 46,373,285 | 36,693,979 | 9,679,306 |
| Investment in gold | 3b | 10,105,155 | 4,934,119 | 5,171,036 |
| Private debt (private bonds and notes) | 3c | 18,456,041 | 11,919,765 | 6,536,276 |
| Fiduciary deposits | 3d | 10,020,000 | 2,850,000 | 7,170,000 |
| Other receivables | 5 | 171,730 | 126,659 | 45,071 |
| Cash and cash equivalents | 6 | 1,424,540 | 1,024,638 | 399,902 |
| Total assets | | 86,550,751 | 57,549,160 | 29,001,591 |
| Liabilities | | | | |
| Accrued expenses and other liabilities | 7 | 154,829 | 93,171 | 61,658 |
| Total liabilities (excluding net assets attributable to holders of issued shares) | | 154,829 | 93,171 | 61,658 |
| Net assets attributable to holders of issued shares | | 86,395,922 | 57,455,989 | 28,939,933 |

The accounting policies and notes on pages 18 to 44 are an integral part of these financial statements.

These financial statements on pages 10 to 44 were authorised for issue by the Board of Directors on 24 October 2024 and were signed on its behalf by:



Frank Chetcuti Dimech
Director



Joseph Camilleri
Director

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

for the year ended 30 June 2024

| | ETSF Fund SICAV p.l.c. Combined Statement | ETSF Seven- 4T Fund | ETSF Market Value Fund |
|-------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------|----------------------------------|----------------------------------|
| | 01.07.2023 - 30.06.2024 \$ | 01.07.2023 - 30.06.2024 \$ | 01.07.2023 - 30.06.2024 \$ |
| Net assets attributable to holders of issued shares at the beginning of the year | 86,395,922 | 57,455,989 | 28,939,933 |
| Share transactions: | | | |
| Issue/redemption of issued shares during the year | - | - | - |
| Increase/(decrease) in net assets attributable to holders of issued shares during the year – total comprehensive income | 2,612,766 | 2,819,400 | (206,634) |
| Net assets attributable to holders of issued shares at the end of the year | 89,008,688 | 60,275,389 | 28,733,299 |

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 | <u>86,395,922</u> | <u>57,455,989</u> | <u>28,939,933</u> |

The accounting policies and notes on pages 18 to 44 are an integral part of these financial statements.

Statement of Comprehensive Income

for the year ended 30 June 2024

| | | ETSF Fund SICAV p.l.c. Combined Statement 01.07.2023 - 30.06.2024 \$ | ETSF Seven-4T Fund 01.07.2023 - 30.06.2024 \$ | ETSF Market Value Fund 01.07.2023 - 30.06.2024 \$ |
|----------------------------------------------------------------------------------------------------------------|----|----------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------|
| Income | | | | |
| Dividend income | | 274,940 | 194,813 | 80,127 |
| Movement in market value of gold | | (2,157,697) | (1,049,953) | (1,107,744) |
| Other net fair value movements on financial instruments at fair value through profit or loss | | 4,902,399 | 3,930,794 | 971,605 |
| Interest income | | 635,135 | 367,220 | 267,915 |
| Interest income on financial assets measured at amortised cost | | (48,763) | (25,720) | (23,043) |
| Net foreign exchange gain on cash and cash equivalents | | 86,602 | 64,230 | 22,372 |
| | | 3,692,616 | 3,481,384 | 211,232 |
| Expenses | | | | |
| Portfolio management and investment advisory fees | 9a | 423,350 | 321,516 | 101,834 |
| Administration fees | 9b | 36,017 | 22,298 | 13,719 |
| Executing brokers fees | 9c | 188,850 | 133,437 | 55,413 |
| Investment committee fees | | 29,086 | 14,543 | 14,543 |
| Compliance and regulatory fees | | 296,745 | 120,253 | 176,492 |
| Directors' fees | | 38,998 | 19,499 | 19,499 |
| Other operating expenses | | 66,804 | 30,438 | 36,366 |
| | | 1,079,850 | 661,984 | 417,866 |
| Operating profit/(loss) | | 2,612,766 | 2,819,400 | (206,634) |
| Withholding taxes | | - | - | - |
| Increase/(decrease) in net assets attributable to holders of issued shares - total comprehensive income | | 2,612,766 | 2,819,400 | (206,634) |

Statement of Comprehensive Income

for the year ended 30 June 2023

| | | ETSF Fund SICAV p.l.c. Combined Statement 01.07.2022 - 30.06.2023 \$ | ETSF Seven-4T Fund 01.07.2022 - 30.06.2023 \$ | ETSF Market Value Fund 01.07.2022 - 30.06.2023 \$ |
|---------------------------------------------------------------------------------------------------------|----|----------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------|
| Income | | | | |
| 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 |
| | | <u>314,109</u> | <u>1,888,628</u> | <u>(1,574,519)</u> |
| Expenses | | | | |
| Portfolio management and investment advisory fees | 9a | 393,131 | 270,743 | 122,388 |
| Administration fees | 9b | 36,158 | 21,864 | 14,294 |
| Executing brokers fees | 9c | 253,991 | 129,401 | 124,590 |
| Investment committee fees | | 17,906 | 8,953 | 8,953 |
| Compliance and regulatory fees | | 250,019 | 107,048 | 142,971 |
| Directors' fees | | 35,052 | 17,526 | 17,526 |
| Other operating expenses | | 76,537 | 42,961 | 33,576 |
| | | <u>1,062,794</u> | <u>598,496</u> | <u>464,298</u> |
| Operating (loss)/profit | | (748,685) | 1,290,132 | (2,038,817) |
| Withholding taxes | | (46,794) | (46,794) | - |
| (Decrease)/increase in net assets attributable to holders of issued shares - total comprehensive income | | <u>(795,479)</u> | <u>1,243,338</u> | <u>(2,038,817)</u> |

The accounting policies and notes on pages 18 to 44 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. Combined Statement 01.07.2022 - 30.06.2023 \$ | ETSF Seven-4T Fund 01.07.2022 - 30.06.2023 \$ | ETSF Market Value Fund 01.07.2022 - 30.06.2023 \$ |
|--------------------------------------------------------|-------------------------------------------------------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------|
| | Note | | |
| Cash flows from operating activities | | | |
| 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) |
| <i>Net cash flows used in operating activities</i> | <u>(2,272,235)</u> | <u>(832,342)</u> | <u>(1,439,893)</u> |
| Cash flows from financing activities | | | |
| Transfers between sub-funds | - | - | - |
| <i>Net cash flows from financing activities</i> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net decrease in cash and cash equivalents | (2,272,235) | (832,342) | (1,439,893) |
| Cash and cash equivalents at beginning of the year | 3,696,775 | 1,856,980 | 1,839,795 |
| Net foreign exchange gain on cash and cash equivalents | - | - | - |
| Cash and cash equivalents at end of the year | 6 <u>1,424,540</u> | <u>1,024,638</u> | <u>399,902</u> |

The accounting policies and explanatory notes on pages 18 to 44 are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF MATERIAL 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 2024, 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 January 2023

The Company has adopted the following new and amended IFRS and IFRIC interpretations as of 1 July 2023:

- Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies (issued on 12 February 2021) (effective on 1 January 2023)

Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of ‘material’ rather than ‘significant’ accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in the Material accounting policies (2022 – Significant accounting policies) in certain instances in line with these amendments.

There are no other standards, amendments to standards or interpretations that are effective for annual periods beginning on 1 January 2023 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 2023, and earlier application is permitted; however, the Company has not early applied these new or amended standards and interpretations 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 MATERIAL 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 MATERIAL 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 MATERIAL 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 MATERIAL 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

As at 30 June 2024, 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., The independent valuers applied commonly used valuation techniques.

When calculating the present values, the discounting rate applied ranged between 7.764% and 12.502%. This depends on a number of variable factors which are applied accordingly on a case-by-case basis. The factors being taken into consideration when calculating the discounting rate are as follows:

- Risk Free Rate, ranging between 2.67% and 4.502%
- Credit Spread of 8%
- Premium of 1.02%
- Cost of Debt of 5.09%
- Country Risk Premium, ranging between 0.72% and 2.34%

These calculations are performed after impairment assessments are being carried out by the Investment Committee and the Directors. The financial assets are frequently being assessed throughout the year, and if any impairment indicators are present, the respective investment is being impaired accordingly. The probability of loan recovery as at year-end is assessed as follows:

| Probability of loan recovery | ETSF Seven-4T Fund Market value of financial assets | ETSF Market Value Fund Market value of financial assets |
|------------------------------|--------------------------------------------------------|------------------------------------------------------------|
| % | \$ | \$ |
| 10 | 340,736 | 484,500 |
| 50 | 756,230 | - |
| 60 | 4,375,256 | 3,174,668 |
| 70 | 2,082,727 | 3,412,983 |
| 80 | 2,546,336 | 2,546,336 |
| 90 | 4,058,885 | 4,058,885 |

NOTES TO THE FINANCIAL STATEMENTS

3. INVESTMENTS

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

ETSF SEVEN-4T FUND

| | Fair value | % of | % of | Fair value | % of | % of |
|---------------------------------|-------------------|--------------|--------------|-------------------|--------------|--------------|
| | 2024 | net | total | 2023 | net | total |
| | \$ | assets | assets | \$ | assets | assets |
| | | 2024 | 2024 | | 2023 | 2023 |
| Quoted equities | 14,080,494 | 23.36 | 23.32 | 12,546,008 | 21.84 | 21.80 |
| Unquoted equities | 2,621,599 | 4.35 | 4.34 | 6,404,814 | 11.15 | 11.13 |
| Exchange traded funds | 5,420,506 | 8.99 | 8.98 | 4,790,188 | 8.34 | 8.32 |
| Collective investment schemes | 7,154,441 | 11.87 | 11.85 | 7,567,154 | 13.17 | 13.15 |
| Quoted corporate bonds | 7,226,244 | 11.99 | 11.97 | 5,382,562 | 9.37 | 9.35 |
| Derivatives – Forward contracts | 11,449 | 0.02 | 0.02 | 3,253 | 0.01 | 0.01 |
| | 36,514,733 | 60.58 | 60.48 | 36,693,979 | 63.88 | 63.76 |

ETSF MARKET VALUE FUND

| | Fair value | % of | % of | Fair value | % of | % of |
|-------------------------------|------------------|--------------|--------------|------------------|--------------|--------------|
| | 2024 | net | total | 2023 | net | total |
| | \$ | assets | assets | \$ | assets | assets |
| | | 2024 | 2024 | | 2023 | 2023 |
| Quoted equities | 181,728 | 0.63 | 0.63 | 99,485 | 0.34 | 0.34 |
| Unquoted equities | 1,720,000 | 5.99 | 5.97 | 7,238,012 | 25.01 | 24.96 |
| Collective investment schemes | 2,469,646 | 8.60 | 8.57 | 2,302,089 | 7.95 | 7.94 |
| Quoted corporate bonds | 1,400,092 | 4.87 | 4.86 | 39,720 | 0.14 | 0.14 |
| | 5,771,466 | 20.09 | 20.03 | 9,679,306 | 33.44 | 33.38 |

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 | % of net assets | % of total assets | Fair value | % of net assets | % of total assets |
|--------------------------------------------|-------------------|-----------------------|-------------------------|-------------------|--------------------|-------------------------|
| | 2024 | 2024 | 2024 | 2023 | 2023 | 2023 |
| | \$ | | | \$ | | |
| Quoted equities | | | | | | |
| Europe | 9,705,581 | 16.10 | 16.07 | 8,992,958 | 15.65 | 15.63 |
| USA | 4,374,913 | 7.26 | 7.25 | 3,553,050 | 6.18 | 6.17 |
| | <u>14,080,494</u> | | | <u>12,546,008</u> | | |
| Unquoted equities | | | | | | |
| United Kingdom | - | - | - | 1,683,067 | 2.93 | 2.92 |
| USA | 1,721,598 | 2.86 | 2.85 | 3,821,747 | 6.65 | 6.64 |
| Europe | 600,001 | 1.00 | 0.99 | 600,000 | 1.04 | 1.04 |
| South America | 300,000 | 0.50 | 0.50 | 300,000 | 0.52 | 0.52 |
| | <u>2,621,599</u> | | | <u>6,404,814</u> | | |
| Exchange traded funds | | | | | | |
| Europe | 4,561,615 | 7.57 | 7.55 | 4,055,177 | 7.06 | 7.05 |
| United States | 858,891 | 1.42 | 1.42 | 735,011 | 1.28 | 1.28 |
| | <u>5,420,506</u> | | | <u>4,790,188</u> | | |
| Collective investment schemes | | | | | | |
| Europe | 6,289,838 | 10.44 | 10.42 | 7,567,154 | 13.17 | 13.15 |
| United States | 864,603 | 1.43 | 1.43 | - | - | - |
| | <u>7,154,441</u> | | | <u>7,567,154</u> | | |
| Quoted corporate bonds | | | | | | |
| Africa | 197,500 | 0.33 | 0.33 | 365,500 | 0.64 | 0.64 |
| Asia | 198,498 | 0.33 | 0.33 | - | - | - |
| Australia | 491,061 | 0.81 | 0.81 | 483,765 | 0.84 | 0.84 |
| Europe | 2,953,412 | 4.90 | 4.89 | 2,547,241 | 4.43 | 4.43 |
| United Kingdom | 460,960 | 0.76 | 0.76 | 627,688 | 1.09 | 1.09 |
| USA | 2,738,813 | 4.54 | 4.54 | 1,111,269 | 1.93 | 1.93 |
| South America | - | - | - | 247,099 | 0.43 | 0.43 |
| South Africa | 186,000 | 0.31 | 0.31 | - | - | - |
| | <u>7,226,244</u> | | | <u>5,382,562</u> | | |
| Derivates – Forward Forex contracts | | | | | | |
| Europe | 11,449 | 0.02 | 0.02 | 3,253 | 0.01 | 0.01 |
| | <u>11,449</u> | | | <u>3,253</u> | | |
| | <u>36,514,733</u> | | | <u>36,693,979</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 | % of | % of | Fair value | % of | % of |
|---------------------------------------|------------------|--------|--------|------------------|--------|--------|
| | 2024 | net | total | 2023 | net | total |
| | \$ | assets | assets | \$ | assets | assets |
| | | 2024 | 2024 | | 2023 | 2023 |
| Quoted equities | | | | | | |
| Europe | 181,728 | 0.63 | 0.63 | 99,485 | 0.34 | 0.34 |
| | <u>181,728</u> | | | <u>99,485</u> | | |
| Unquoted equities | | | | | | |
| Europe | 1,470,000 | 5.12 | 5.10 | 1,470,000 | 5.08 | 5.07 |
| United Kingdom | - | - | - | 3,417,863 | 11.81 | 11.79 |
| USA | - | - | - | 2,100,149 | 7.26 | 7.24 |
| South America | 250,000 | 0.87 | 0.87 | 250,000 | 0.86 | 0.86 |
| | <u>1,720,000</u> | | | <u>7,238,012</u> | | |
| Collective investment schemes | | | | | | |
| Europe | 2,178,010 | 7.59 | 7.56 | 2,302,089 | 7.95 | 7.94 |
| USA | 291,636 | 1.01 | 1.01 | - | - | - |
| | <u>2,469,646</u> | | | <u>2,302,089</u> | | |
| Quoted corporate bonds | | | | | | |
| Asia | 198,498 | 0.69 | 0.69 | | | |
| Europe | 399,806 | 1.39 | 1.39 | | | |
| USA | 801,788 | 2.79 | 2.78 | | | |
| | <u>1,400,092</u> | | | | | |
| Derivatives – Futures contract | | | | | | |
| Europe | - | - | - | 39,720 | 0.14 | 0.14 |
| | <u>-</u> | | | <u>39,720</u> | | |
| | <u>5,771,466</u> | | | <u>9,679,306</u> | | |

NOTES TO THE FINANCIAL STATEMENTS

3. INVESTMENTS (CONTINUED)

(b) INVESTMENT IN GOLD

ETSF SEVEN-4T FUND

| | Fair value | % of net assets | % of total assets | Fair value | % of net assets | % of total assets |
|-------------------------|------------------|-----------------------|-------------------------|------------------|-----------------------|-------------------------|
| | 2024 | 2024 | 2024 | 2023 | 2023 | 2023 |
| | \$ | | | \$ | | |
| Real Commodities | | | | | | |
| Gold | <u>5,984,072</u> | 9.93 | 9.91 | <u>4,934,119</u> | 8.59 | 8.57 |

ETSF MARKET VALUE FUND

| | Fair value | % of net assets | % of total assets | Fair value | % of net assets | % of net assets |
|-------------------------|------------------|-----------------------|-------------------------|------------------|-----------------------|-----------------------|
| | 2024 | 2024 | 2024 | 2023 | 2023 | 2023 |
| | \$ | | | \$ | | |
| Real Commodities | | | | | | |
| Gold | <u>6,278,780</u> | 21.85 | 21.80 | <u>5,171,036</u> | 17.87 | 17.83 |

(c) PRIVATE DEBT (PRIVATE BONDS AND NOTES)

Private debt (private bonds and notes) at amortised cost

ETSF SEVEN-4T FUND

| | Carrying amount | % of net assets | % of total assets | Carrying amount | % of net assets | % of total assets |
|-----------------------|--------------------|-----------------------|-------------------------|--------------------|-----------------------|-------------------------|
| | 2024 | 2024 | 2024 | 2023 | 2023 | 2023 |
| | \$ | | | \$ | | |
| Unquoted private debt | <u>16,668,615</u> | 27.65 | 27.60 | <u>11,919,765</u> | 20.75 | 20.71 |

ETSF MARKET VALUE FUND

| | Carrying Amount | % of net assets | % of total assets | Carrying Amount | % of net assets | % of total assets |
|-----------------------|--------------------|-----------------------|-------------------------|--------------------|-----------------------|-------------------------|
| | 2024 | 2024 | 2024 | 2023 | 2023 | 2023 |
| | \$ | | | \$ | | |
| Unquoted private debt | <u>14,365,332</u> | 50.00 | 49.87 | <u>6,536,276</u> | 22.59 | 22.54 |

NOTES TO THE FINANCIAL STATEMENTS

3. INVESTMENTS (CONTINUED)

(d) FIDUCIARY DEPOSITS

ETSF SEVEN-4T FUND

| | Carrying amount | % of net assets | % of total assets | Carrying amount | % of net assets | % of total assets |
|--------------------|--------------------|-----------------------|-------------------------|--------------------|-----------------------|-------------------------|
| | 2024 | 2024 | 2024 | 2023 | 2023 | 2023 |
| | \$ | | | \$ | | |
| Fiduciary deposits | <u>407,175</u> | 0.68 | 0.67 | <u>2,850,000</u> | 4.96 | 4.95 |

ETSF MARKET VALUE FUND

| | Carrying Amount | % of net assets | | Carrying Amount | % of net assets | % of total assets |
|--------------------|--------------------|-----------------------|------|--------------------|-----------------------|-------------------------|
| | 2024 | 2024 | | 2023 | 2023 | 2023 |
| | \$ | | | \$ | | |
| Fiduciary deposits | <u>1,670,000</u> | 5.81 | 5.80 | <u>7,170,000</u> | 24.78 | 24.72 |

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 |
|----------------------------------------------------------|---------------------------------------|-------------------------------------------------------------|-------------------|
| | \$ | \$ | \$ |
| 30 June 2024 | | | |
| Assets | | | |
| Financial assets at fair value through profit or loss | - | 36,514,733 | 36,514,733 |
| Investment in gold | - | 5,984,072 | 5,984,072 |
| Private debt (private bonds and notes) | 16,668,615 | - | 16,668,615 |
| Fiduciary deposits | 407,175 | - | 407,175 |
| Other receivables | 125,929 | - | 125,929 |
| Cash and cash equivalents | 684,254 | - | 684,254 |
| | 17,885,973 | 42,498,805 | 60,384,778 |
| 30 June 2023 | | | |
| Assets | | | |
| 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 |
| | 15,921,062 | 41,628,098 | 57,549,160 |
| 30 June 2024 | | | |
| Liabilities | | | |
| Accrued expenses and other liabilities | 109,389 | - | 109,389 |
| Net assets attributable to issued shares | 60,275,389 | - | 60,275,389 |
| | 60,384,778 | - | 60,384,778 |
| 30 June 2023 | | | |
| Liabilities | | | |
| Accrued expenses and other liabilities | 93,171 | - | 93,171 |
| Net assets attributable to issued shares | 57,455,989 | - | 57,455,989 |
| | 57,549,160 | - | 57,549,160 |

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 \$ |
|----------------------------------------------------------|---------------------------------------------|----------------------------------------------------------------|-------------------|
| 30 June 2024 | | | |
| Assets | | | |
| Financial assets at fair value through profit or loss | - | 5,771,466 | 5,771,466 |
| Investment in gold | - | 6,278,780 | 6,278,780 |
| Private debt (private bonds and notes) | 14,365,332 | - | 14,365,332 |
| Fiduciary deposits | 1,670,000 | - | 1,670,000 |
| Other receivables | 37,081 | - | 37,081 |
| Cash and cash equivalents | 681,320 | - | 681,320 |
| | 16,753,733 | 12,050,246 | 28,803,979 |
| 30 June 2023 | | | |
| Assets | | | |
| 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 |
| | 14,151,249 | 14,850,342 | 29,001,591 |
| 30 June 2024 | | | |
| Liabilities | | | |
| Accrued expenses and other liabilities | 70,680 | - | 70,680 |
| Net assets attributable to issued shares | 28,733,299 | - | 28,733,299 |
| | 28,803,979 | - | 28,803,979 |
| 30 June 2023 | | | |
| Liabilities | | | |
| Accrued expenses and other liabilities | 61,658 | - | 61,658 |
| Net assets attributable to issued shares | 28,939,933 | - | 28,939,933 |
| | 29,001,591 | - | 29,001,591 |

NOTES TO THE FINANCIAL STATEMENTS

5. OTHER RECEIVABLES

| | ETSF SEVEN -4T FUND 2024 \$ | ETSF SEVEN -4T FUND 2023 \$ | ETSF MARKET VALUE FUND 2024 \$ | ETSF MARKET VALUE FUND 2023 \$ |
|---------------------|--------------------------------------|--------------------------------------|-----------------------------------------|-----------------------------------------|
| Accrued interest | 69,377 | 71,328 | 17,125 | 25,512 |
| Interest receivable | 36,596 | 35,771 | - | - |
| Prepayments | 19,956 | 19,560 | 19,956 | 19,559 |
| | <u>125,929</u> | <u>126,659</u> | <u>37,081</u> | <u>45,071</u> |

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 2024 \$ | % of net assets 2024 | Fair value 2023 \$ | % of net assets 2023 |
|---------------------------|--------------------------|----------------------------|--------------------------|----------------------------|
| Cash and cash equivalents | <u>684,254</u> | 1.14 | <u>1,024,638</u> | 1.78 |

ETSF MARKET VALUE FUND

| | Fair value 2024 \$ | % of net assets 2024 | Fair value 2023 \$ | % of net assets 2023 |
|---------------------------|--------------------------|----------------------------|--------------------------|----------------------------|
| Cash and cash equivalents | <u>681,320</u> | 2.37 | <u>399,902</u> | 1.38 |

7. ACCRUED EXPENSES AND OTHER LIABILITIES

| | ETSF SEVEN -4T FUND 2024 \$ | ETSF SEVEN -4T FUND 2023 \$ | ETSF MARKET VALUE FUND 2024 \$ | ETSF MARKET VALUE FUND 2023 \$ |
|-------------------------------------------------------|--------------------------------------|--------------------------------------|-----------------------------------------|-----------------------------------------|
| Unpaid portfolio management & investment advisor fees | 67,082 | 59,341 | 30,545 | 29,737 |
| Unpaid administration fees | 5,544 | 5,511 | 3,411 | 3,603 |
| Other unpaid expenses | 36,763 | 28,319 | 36,724 | 28,318 |
| | <u>109,389</u> | <u>93,171</u> | <u>70,680</u> | <u>61,658</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.

NOTES TO THE FINANCIAL STATEMENTS

8. SHARE CAPITAL (CONTINUED)

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.

| | ETSF SEVEN -4T FUND Units 2024 | ETSF SEVEN -4T FUND Units 2023 | ETSF MARKET VALUE FUND Units 2024 | ETSF MARKET VALUE FUND Units 2023 |
|--------------------------------------|---------------------------------------------------|---------------------------------------------------|------------------------------------------------------|------------------------------------------------------|
| 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 annual management fee will consist of a fixed fee of 50 bps of the assets under management per calendar year, calculated and paid out on a quarterly basis. The fixed fee is based on the net asset value of the assets under management by the Portfolio Manager as calculated by the administrator on a quarterly basis.

The portfolio manager will charge the Fund with the fixed fee pro rata at the end of March, June, September and December on the basis of the assets at the end of the respective calendar quarter as calculated by the administrator.

Fees incurred for the year ended 30 June 2024 and year ended 30 June 2023 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 2024 and year ended 30 June 2023 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 2024 and year ended 30 June 2023 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 2024 and year ended 30 June 2023 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 2024 related to:

| | 2024 | 2023 |
|--------------------------------------|---------------|---------------|
| | \$ | \$ |
| Annual statutory audit | 13,705 | 11,750 |
| Tax compliance and advisory services | 2,400 | 1,500 |
| | <u>16,105</u> | <u>13,250</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 ETSF Market Value Fund and ETSF 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 LINDEMANN LAW AG who are the Company's legal advisors. Expenses paid to LINDEMANN LAW AG for the year ended 30 June 2024 amounted to \$281,585 (2023: \$175,953) and are included in the statement of comprehensive income within 'Compliance and regulatory fees'. Outstanding fees due to LINDEMANN LAW AG as at 30 June 2024 amounted to \$36,352 (2023: \$23,404) and are included within 'Accrued expenses' in the Statement of Financial Position.

2. Mr. Ueli Spoerri is a member of the investment committee. Investment committee fees paid to Mr. Ueli Spoerri for the years ended 30 June 2024 and 30 June 2023, 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 2024 and 30 June 2023.
3. Directors' remuneration for the year ended 30 June 2024 amounted to \$38,998 (year ended 30 June 2023: \$35,052).

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 \$ |
|---------------------------------|------------------------------|-------------------------------------|----------------------------|
| 30 June 2024 | | | |
| Quoted equities | 23.36 | 15% | 2,112,074 |
| Unquoted equities | 4.35 | 15% | 393,240 |
| Exchange traded funds | 8.99 | 15% | 813,076 |
| Collective investment schemes | 11.87 | 15% | 1,073,166 |
| Quoted corporate bonds | 11.99 | 15% | 1,083,937 |
| Derivatives – Forward contracts | 0.02 | 15% | 1,717 |
| | <u>60.58</u> | | <u>5,477,210</u> |

30 June 2023

| | | | |
|-------------------------------|--------------|-----|------------------|
| 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> |

ETSF MARKET VALUE FUND

| | Exposure as a % of NAV | General price movement change | +/- impact of NAV \$ |
|-------------------------------|------------------------------|-------------------------------------|----------------------------|
| 30 June 2024 | | | |
| Quoted equities | 0.63 | 15% | 27,259 |
| Unquoted equities | 5.99 | 15% | 258,000 |
| Collective investment schemes | 8.60 | 15% | 370,447 |
| Quoted corporate bonds | 4.87 | 15% | 210,014 |
| | <u>20.09</u> | | <u>865,720</u> |

30 June 2023

| | | | |
|-------------------------------|--------------|-----|------------------|
| 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> |

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 analyzing 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 |
|------------------------|-------------------|----------|-------------------|----------|
| | 2024 | assets | 2023 | assets |
| | \$ | 2024 | \$ | 2023 |
| Conglomerate | 78,369 | 0.13% | 76,153 | 0.13% |
| Cosmetic supplies | 138,434 | 0.23% | 146,779 | 0.26% |
| Financial services | 8,358,224 | 13.87% | 7,787,863 | 13.55% |
| Foods | 242,139 | 0.40% | 253,677 | 0.44% |
| Information technology | 5,286,648 | 8.77% | 4,201,937 | 7.31% |
| Insurance | 473,210 | 0.79% | 403,337 | 0.70% |
| Luxury goods | 164,433 | 0.27% | 202,430 | 0.35% |
| Real estate | 3,715,935 | 6.16% | 3,855,373 | 6.71% |
| Retail | - | 0.00% | 85,425 | 0.15% |
| Chemicals | 916,292 | 1.52% | 789,210 | 1.37% |
| Electrical | 128,410 | 0.21% | 145,972 | 0.25% |
| Pharmaceuticals | 312,361 | 0.52% | 461,395 | 0.80% |
| Transport | 400,748 | 0.66% | 471,352 | 0.82% |
| Other | 71,016 | 0.12% | 69,919 | 0.12% |
| | <u>20,286,219</u> | | <u>18,950,822</u> | |

ETSF MARKET VALUE FUND

| | Fair value | % of net | Fair value | % of net |
|------------------------|------------------|----------|------------------|----------|
| | 2024 | assets | 2023 | assets |
| | \$ | 2024 | \$ | 2023 |
| Information technology | 1,470,000 | 5.12% | 1,470,000 | 5.08% |
| Real estate | 1,610,419 | 5.60% | 5,617,497 | 19.41% |
| Chemicals | 250,000 | 0.87% | 250,000 | 0.86% |
| | <u>3,330,419</u> | | <u>7,337,497</u> | |

The sub-funds are also directly exposed to commodity price risk through investment in physical gold (Note 3b). This investment represents 9.93% (2023:8.59%) of the ETF Seven-4T sub-fund's NAV and 21.85% (2023: 17.87%) 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 2024

| Index | | Reasonable possible Shift | ETSF Seven- 4T Fund \$ | +/- Impact on NAV ETSF Market Value Fund \$ |
|-------|---------------|------------------------------|------------------------------|------------------------------------------------------|
| Gold | S&P GSCI Gold | 10% | 598,407 | 627,878 |

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 |

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) 2024 | Assets held at fixed rates (as a % of NAV) 2023 | Assets held at variable rates (as a % of NAV) 2024 | Assets held at variable rates (as a % of NAV) 2023 |
|------------------------|----------------------------------------------------------|----------------------------------------------------------|-------------------------------------------------------------|-------------------------------------------------------------|
| ETSF SEVEN-4T FUND | 38.46 | 34.31 | 3.00 | 2.55 |
| ETSF MARKET VALUE FUND | 55.01 | 47.36 | 2.37 | 1.38 |

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 2024

| | Functional Currency | CHF % of net assets | EUR % of net assets | Other % of net Assets |
|------------------------|------------------------|------------------------------|------------------------------|--------------------------------|
| ETSF Seven-4T Fund | USD | 12.87 | 22.23 | - |
| ETSF Market Value Fund | USD | 24.36 | 19.01 | - |

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 | - |

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 | 2024 | | 2023 | |
|--------------------------------|---------------------------------|--------------------------------|---------------------------------|--------------------------------|
| | Reasonable possible shift | Impact of possible shift | Reasonable possible shift | Impact of possible shift |
| CHF | +/- 7% | 542,983 | +/- 7% | 468,956 |
| EUR | +/- 7% | 937,947 | +/- 7% | 799,558 |

| ETSF Market Value Fund Currency | 2024 | | 2023 | |
|------------------------------------|---------------------------------|--------------------------------|---------------------------------|--------------------------------|
| | Reasonable possible shift | Impact of possible shift | Reasonable possible shift | Impact of possible shift |
| CHF | +/- 7% | 489,947 | +/- 7% | 366,871 |
| EUR | +/- 7% | 382,394 | +/- 7% | 215,544 |

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 loan notes, other receivables and cash and cash equivalents as disclosed in the statements of financial position. The maximum exposure to credit risk at 30 June 2024 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 2024 \$ | ETSF SEVEN 4T FUND 2023 \$ | ETSF MARKET VALUE FUND 2024 \$ | ETSF MARKET VALUE FUND 2023 \$ |
|----------------------------------------|-------------------------------------|-------------------------------------|-----------------------------------------|-----------------------------------------|
| Quoted corporate bonds | 7,226,244 | 5,382,562 | 1,198,284 | - |
| Private debt (private bonds and notes) | 16,668,615 | 11,919,765 | 14,365,332 | 6,536,276 |
| Fiduciary deposits | 407,175 | 2,850,000 | 1,670,000 | 7,170,000 |
| Other receivables | 125,929 | 126,659 | 37,081 | 45,071 |
| Cash and cash equivalents | 684,254 | 1,024,638 | 681,320 | 399,902 |
| | 25,112,217 | 21,303,624 | 17,952,017 | 14,151,249 |

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 2024 \$ | ETSF SEVEN -4T FUND 2023 \$ | ETSF MARKET VALUE FUND 2024 \$ | ETSF MARKET VALUE FUND 2023 \$ |
|-----------------|--------------------------------------|--------------------------------------|-----------------------------------------|-----------------------------------------|
| Debt securities | 7,226,245 | 5,382,562 | 1,198,284 | - |
| A | 0.66% | - | 1.39% | - |
| A+ | - | - | 0.70% | - |
| A- | 0.58% | - | 0.70% | - |
| AAA | 0.50% | 0.52% | - | - |
| B | - | 0.34% | - | - |
| B+ | 0.64% | 0.68% | - | - |
| B- | 0.32% | 0.32% | - | - |
| Ba1 | 0.32% | - | - | - |
| BB | - | 0.36% | - | - |
| BB- | 0.64% | 0.99% | - | - |
| BB+ | 0.97% | 0.29% | - | - |
| BBB | 2.21% | 2.12% | 0.69% | - |
| BBB- | 0.67% | 0.95% | 0.69% | - |
| BBB+ | 1.49% | 1.19% | - | - |
| Not Rated | 2.98% | 1.60% | - | - |

Other receivables consist of accrued interest income, dividends receivable, sales awaiting settlement and receivable from ETSF 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 2024 and 30 June 2023 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 2024

| | Below 2 years \$ | Over 2 years up to 5 years \$ |
|-------------------------------|---------------------|----------------------------------|
| ETSF Seven-4T FUND | | |
| Fiduciary deposits | 407,175 | - |
| Private debt | 11,406,847 | 1,677,640 |
| ETSF Market Value Fund | | |
| Fiduciary deposits | 1,670,000 | - |
| Private debt | 8,564,387 | 484,500 |

NOTES TO THE FINANCIAL STATEMENTS

12. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity risk (continued)

30 June 2023

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

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 \$ |
| At 30 June 2024 | | | | |
| Accrued expenses | 5,544 | 103,845 | 3,411 | 67,269 |
| Net assets attributable to holders of issued shares | - | 60,275,389 | - | 28,733,299 |
| Contractual cash out flows (excluding derivatives) | 5,544 | 60,379,234 | 3,411 | 28,800,568 |
| At 30 June 2023 | | | | |
| 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 |

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 2024, 20.86% (2023: 21.51%) of ETF Seven-4T and 8.60% (2023: 7.95%) 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 \$ |
|--------------------------------------------------------------|-------------------|------------------|------------------|-------------------|
| As at 30 June 2024 | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Quoted corporate bonds | 7,226,244 | - | - | 7,226,244 |
| Quoted equities | 14,080,494 | - | - | 14,080,494 |
| Unquoted equities | - | - | 2,621,599 | 2,621,599 |
| Exchange traded funds | 5,420,506 | - | - | 5,420,506 |
| Collective investment schemes | - | 7,154,441 | - | 7,154,441 |
| Derivatives – Forward contracts | - | 11,449 | - | 11,449 |
| | <u>26,727,244</u> | <u>7,165,890</u> | <u>2,621,599</u> | <u>36,514,733</u> |

As at 30 June 2023

Financial assets at fair value through profit or loss

| | | | | |
|---------------------------------|-------------------|------------------|------------------|-------------------|
| 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> |

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 |
|--------------------------------------------------------------|------------------|------------------|------------------|------------------|
| | \$ | \$ | \$ | \$ |
| As at 30 June 2024 | | | | |
| Financial assets at fair value through profit or loss | | | | |
| Quoted equities | 181,728 | - | - | 181,728 |
| Unquoted equities | - | - | 1,720,000 | 1,720,000 |
| Collective investment schemes | - | 2,469,646 | - | 2,469,646 |
| Quoted corporate bonds | 1,400,092 | - | - | 1,400,092 |
| | <u>1,581,820</u> | <u>2,469,646</u> | <u>1,720,000</u> | <u>5,771,466</u> |

As at 30 June 2023

Financial assets at fair value through profit or loss

| | | | | |
|--------------------------------|----------------|------------------|------------------|------------------|
| 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> |

Movements in level 3 instruments

| | ETSF Seven-4T Fund | ETSF Market Value Fund |
|---------------------------|--------------------|------------------------|
| | 2024 | 2024 |
| | \$ | \$ |
| Opening balance | 6,404,814 | 7,238,012 |
| Acquisition of investment | - | - |
| Disposal of investment | - | - |
| Fair value movements | (199,088) | (201,568) |
| Closing balance | <u>6,205,726</u> | <u>7,036,444</u> |

| | ETSF Seven-4T Fund | ETSF Market Value Fund |
|---------------------------|--------------------|------------------------|
| | 2023 | 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> |

NOTES TO THE FINANCIAL STATEMENTS

13. COMMITMENTS

Private debt *commitments*

As at 30 June 2024, the Company has private debt commitments as follows:

| | 2024 | | | |
|------------------------|---------------------|-----------------|-----------------|------------------|
| | Within 1 year \$ | 1-2 years \$ | 2-5 years \$ | Indefinite \$ |
| ETSF Seven-4T FUND | 13,149,238 | 2,411,446 | 7,996,463 | 1,943,052 |
| ETSF Market Value Fund | 12,569,601 | 2,411,446 | 8,746,691 | 1,720,000 |
| | 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 |

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.

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 7 March 2024, and the Supplementary Prospectus of the ETF Market Value Fund and the ETF Seven-4T FUND also dated 7 March 2024, 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.