

M.F.S.A.

ALTINUM FUNDS SICAV PLC

SV 309

Report and financial statements

31 August 2023

Contents

Directors, officers and other information	3
Directors' report	5
Statement of directors' responsibilities	7
Statement of profit or loss and other comprehensive income	8
Statement of financial position	9
Statement of changes in net assets, attributable to holders of investor shares	10
Statement of cash flows	11
Notes to the financial statements	12
Independent auditor's report	39
Portfolio statement	43
Investment manager's report	47
Custodian's report	53

ALTINUM FUNDS SICAV plc

Directors, officers and other information

<i>Directors:</i>	Mr. Ivan Fsadni Mr. David Galea Souchet Mr. Michael Vella
<i>Secretary:</i>	Apex Corporate & Advisory Services Limited Quad Central, Q3 Level 9 Triq L-Esportaturi Zone 1, Central Business District Birkirkara, CBD 1040 Malta
<i>Registered office:</i>	Quad Central, Q3 Level 9 Triq L-Esportaturi Zone 1, Central Business District Birkirkara, CBD 1040 Malta
<i>Country of incorporation:</i>	Malta
<i>Company registration number:</i>	SV 309
<i>Auditor:</i>	Deloitte Audit Limited Deloitte Place Triq L-Intornjatur, Zone 3 Central Business District, CBD 3050 Malta
<i>Investment manager:</i>	Praude Asset Management Limited Level 14 Portomaso Business Tower Portomaso St. Julians, STJ 4011 Malta
<i>Custodian:</i>	Sparkasse Bank Malta plc 101 Townsquare Ix-Xatt Ta' Qui-Si-Sana Sliema, SLM3112 Malta

ALTINUM FUNDS SICAV plc

Directors, officers and other information (continued)

<i>Broker:</i>	Banca Akros Viale Eginardo, 29 20149 Milano Italy
<i>Administrator and registrar:</i>	Apex Fund Services (Malta) Limited Quad Central, Q3 Level 9 Triq L-Esportaturi Zone 1, Central Business District Birkirkara, CBD 1040 Malta
<i>Legal advisor:</i>	Camilleri Preziosi Advocates Level 3, Valletta Buildings South Street Valletta, VLT 1103 Malta
<i>Compliance officer:</i>	Mr. Carl Zammit Quad Central, Q3 Level 6 Triq L-Esportaturi Zone 1, Central Business District Birkirkara, CBD 1040 Malta

ALNUM FUNDS SICAV plc

Directors' report

Year ended 31 August 2023

The directors present their report and the audited financial statements of the Alnum Funds SICAV plc (the "Company") for the year ended 31 August 2023.

Description of Company

The Company is an investment company with variable share capital with limited liability incorporated under the Laws of Malta. The Company is licensed by the Malta Financial Services Authority with license number AIF/309A to carry out the activities of a collective investment scheme in the form of an Alternative Investment Fund pursuant to article 6 of the Investment Services Act, 1994.

Principal Activities

The principal activity of the Company is to achieve its investment objectives as defined in its Offering Memorandum and Offering Supplement. The Company has one sub-fund, the Alnum Fund (the "sub-fund"), which during the year had one class of investor shares: Class A.

The Investment objective of the Alnum Fund is to invest in listed equities, bonds, derivative financial instruments and to a limited extent in unlisted equities, bonds and derivative financial instruments, to achieve capital appreciation and secondary income in all market situations. There is no guarantee that the sub-fund will achieve its investment objectives.

Compliance with standard license conditions (SLCs) and regulatory sanctions

The Directors confirm that during the year under review, there were no breaches of the standard license conditions and no breaches of regulatory requirements which were subject to any administrative penalty or regulatory sanction.

Performance Review

In the year under review the Alnum Fund had creations of investor shares of EUR2,880,000 (year ended 31 August 2022: EUR460,000) from investors and had redemptions of investor shares amounting to EUR1,993,874 (year ended 31 August 2022: EUR2,380,054).

The Company registered a profit of EUR657,063 (year ended 31 August 2022: profit of EUR1,872,648). Net Assets attributable to holders of investor shares at the end of the year amounted to EUR41,146,394 (year ended 31 August 2022: EUR39,603,205).

ALTINUM FUNDS SICAV plc

Directors' report (continued)

Year ended 31 August 2023

Results and Distribution

The results for the year ended 31 August 2023 are shown in the Statement of profit or loss and other comprehensive income on page 8. No dividend is paid out as the entire net income of the Company is accumulated within the sub-fund and reflected in the net asset value.

Directors

The directors who served during the year were:

Mr. Michael Vella
Mr. David Galea Souchet
Mr. Ivan Fsadni

In accordance with the company's articles of association the directors are to remain in office.

Auditors

A resolution to reappoint Deloitte Audit Limited as auditor of the Company will be proposed at the forthcoming annual general meeting.

Approved by the board of directors and signed on 07 December 2023 by:



Mr. Ivan Fsadni
Director



Mr. David Galea Souchet
Director

ALTINUM FUNDS SICAV plc

Statement of directors' responsibilities

The directors are required by the Companies Act (Cap. 386) to prepare financial statements in accordance with generally accepted accounting principles and practices, which give a true and fair view of the situation of the Company at the end of each financial year and of the profit or loss of the Company for the year then ended. In preparing the financial statements, the directors should:

- select suitable accounting policies and apply them consistently.
- make judgments and estimates that are reasonable; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the company will continue in business as a going concern.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the company and which enable the directors to ensure that the financial statements comply with the Companies Act (Cap. 386). This responsibility includes designing, implementing and maintaining internal control as the directors determine is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the Company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Additionally, the directors of a multi-fund Company are responsible for ensuring that such separate records, accounts, statements and other records are kept as may be necessary to evidence the liabilities and assets of each sub-fund as distinct and separate from the assets and liabilities of other sub funds in the same Company.

ALTINUM FUNDS SICAV plc

Statement of profit or loss and other comprehensive income

Year ended 31 August 2023

		Year from 1 September 2022 to 31 August 2023 EUR	Year from 1 September 2021 to 31 August 2022 EUR
	<i>Notes</i>		
Investment income			
Dividend income		3,103,344	330,273
Interest income		995,142	736,074
Other income		179,808	3,546
Net (loss)/gain on financial instruments at fair value through profit or loss		(3,140,495)	1,580,685
Net investment income		1,137,799	2,650,578
Management fees	5(i)	238,958	244,982
Commission and other charges		43,626	39,090
Directors' fees	11	33,315	27,616
Administrator fees	5(iii)	26,881	26,826
Custodian fees	5(iv)	21,339	21,905
Audit fees		8,968	5,945
Legal fees		-	13,211
Performance fees	5(ii),11	-	314,119
Other expenses		50,015	58,982
Operating expenses		423,102	752,676
Change in net assets attributable to holders of investor shares before withholding tax		714,697	1,897,902
Withholding tax paid on behalf of holders of investor shares		(57,634)	(25,254)
Change in net assets attributable to holders of investor shares		657,063	1,872,648

ALTINUM FUNDS SICAV plc

Statement of financial position

Year ended 31 August 2023

		2023 EUR	2022 EUR
Assets			
Financial assets at fair value through profit or loss	6	39,967,559	35,815,254
Trade and other receivables	7	320,327	165,833
Due from broker		194,946	38,873
Cash and cash equivalents	10	911,271	4,321,392
Total assets		41,394,103	40,341,352
Liabilities			
Financial liabilities at fair value through profit or loss	6	87,732	72,230
Trade and other payables	8	113,580	465,917
Due to broker		46,397	-
Subscriptions received in advance		-	200,000
Total liabilities (excluding net assets attributable to holders of investor shares)		247,709	738,147
Net assets attributable to holders of investor shares		41,146,394	39,603,205

These financial statements were approved by the board of directors, authorized for issue on 07 December 2023 and signed on its behalf by:



Mr. Ivan Fsadni
Director



Mr. David Galea Souchet
Director

ALTINUM FUNDS SICAV plc

Statement of changes in net assets attributable to holders of investor shares

Year ended 31 August 2023

	Year from 1 September 2022 to 31 August 2023 EUR	Year from 1 September 2021 to 31 August 2022 EUR
Net assets attributable to holders of investor shares at the beginning of the year	39,603,205	39,650,611
Creation of investor shares	2,880,000	460,000
Redemption of investor shares	(1,993,874)	(2,380,054)
Change in net asset attributable to holders of investor shares	657,063	1,872,648
Net asset attributable to holders of investor shares at the end of the year	41,146,394	39,603,205

ALTINUM FUNDS SICAV plc

Statement of cash flows

Year ended 31 August 2023

	Year from 1 September 2022 to 31 August 2023 EUR	Year from 1 September 2021 to 31 August 2022 EUR
Cash flows from/(used in) operating activities		
Net bond and bank interest received	831,903	798,664
Dividend income received	3,110,729	322,888
Operating expenses paid	(594,271)	(1,338,622)
Income taxes paid	(57,634)	(25,254)
Increase in due to broker	46,397	-
Increase in due from broker	(156,073)	(15,581)
<i>Net cash flows from/(used in) operating activities</i>	<u>3,181,051</u>	<u>(257,905)</u>
Cash flows (used in)/from investing activities		
Payment to acquire financial assets and liabilities at fair value through profit or loss	(58,072,128)	(30,650,616)
Receipts from disposal of financial assets and liabilities at fair value through profit or loss	50,794,830	34,669,445
<i>Cash flows (used in)/ from investing activities</i>	<u>(7,277,298)</u>	<u>4,018,829</u>
Cash flows from/(used in) financing activities		
Amount received on creation of investor shares	2,680,000	660,000
Amount paid on redemption of investor shares	(1,993,874)	(2,380,054)
<i>Net cash flows from/(used in) financing activities</i>	<u>686,126</u>	<u>(1,720,054)</u>
Net movement in cash and cash equivalents	(3,410,121)	2,040,870
Cash and cash equivalents at the beginning of the year	<u>4,321,392</u>	<u>2,280,522</u>
Cash and cash equivalents at the end of the year (note 10)	<u>911,271</u>	<u>4,321,392</u>

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

1. Company information and basis of preparation

Altinum Fund SICAV PLC ("the Company") has constituted one sub-fund which is a segregated patrimony of assets and during the year under review was represented by one class of share. These financial statements comprise the financial statements of the Company which include the following sub-fund licensed on 23 April 2014: Altinum Fund ("the sub-fund").

The Company is domiciled in Malta and registered as an Alternative Investment Fund licensed by the Malta Financial Services Authority (MFSA) as a multi-fund limited liability company with variable share capital targeting experienced investors pursuant to the Companies Act (Cap. 386), with registration number SV309 and registered office is Quad Central, Q3 Level 9, Triq L-Esportaturi, Zone 1, Central Business District, Birkirkara, CBD 1040, Malta.

The financial statements have been prepared on the historical cost basis, except for certain financial instruments which are stated at their fair values and in accordance with International Financial Reporting Standards as adopted by the EU. The significant accounting policies adopted are set out below.

2. Significant accounting policies

Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the entity transfers the financial asset and the transfer qualifies for derecognition.

Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

(i) Trade and other receivables

Trade receivables are classified with assets and are stated at their nominal value unless effect of discounting is material. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

2. Significant accounting policies (continued)

Financial instruments (continued)

(ii) Financial assets

The Company classifies its financial assets as subsequently measured at amortised cost or measured at Fair value through profit and loss (FVTPL) based on both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at amortised cost include debt securities, accrued income, other receivables (representing amounts receivable for transactions contracted for but not yet delivered by the end of the period) and cash and cash equivalents.

An assessment of business models for managing financial assets is fundamental to the classification of a financial asset. The Company determines the business models at a level that reflects how groups of financial assets are managed together to achieve a particular business objective.

For financial assets at amortised cost, appropriate allowances for expected credit losses ('ECLs') are recognised in profit or loss in accordance with the Company's accounting policy on ECLs.

Financial assets at FVTPL

A financial asset is measured at FVTPL if it is not held within a business model whose objective is either to collect contractual cash flows, or to both collect contractual cash flows and sell or its contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition, the Company may irrevocably designate a financial asset as measured at FVTPL when doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company includes in this category, derivative contracts in an asset position, financial assets classified as held for trading and financial assets managed, evaluated and reported on a fair value basis in accordance with the Funds' documented investment strategy, which are mandatorily measured at FVTPL.

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

2. Significant accounting policies (continued)

Financial instruments (continued)

(iii) Financial liabilities

Financial liabilities measured at amortised cost

Financial liabilities that are not classified at FVTPL are classified at amortised cost. Financial liabilities measured at amortised cost include other payables (representing amounts payable for transactions contracted for but not yet delivered by the end of the period) and overdrawn bank balances.

Financial liabilities measured at FVTPL

A financial liability is measured at FVTPL if it meets the definition of held for trading. The Company includes in this category, derivative financial liabilities.

Recognition, derecognition and measurement

Regular purchases and sales of financial assets are recognised on trade date, the date on which the Company commits to purchase or sell the asset. Financial assets or financial liabilities are initially recognised at fair value, and transaction costs for all financial instruments carried at FVTPL are expensed as incurred. Financial assets are derecognised when the rights to receive cash flows expire or when the entity transfers the financial asset and the transfer qualifies for derecognition. Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

After initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value. Realized and unrealized gains and losses arising from changes in the fair value of the financial assets and liabilities at FVTPL category are included in the Statement of profit or loss and other comprehensive income in the period in which they arise. Interest and dividends earned or paid on these instruments are recorded in 'net gain/(loss) on financial instruments at fair value through profit or loss' and 'dividend income' in the Statement of profit or loss and other comprehensive income.

Financial assets, other than those classified as at FVTPL, are measured at amortised cost using the effective interest method less any allowance for impairment. Interest income, foreign exchange gains and losses and impairment are recognised in the Statement of profit or loss and other comprehensive income. Any gain or loss on derecognition is recognised in the Statement of profit or loss and other comprehensive income.

Financial liabilities, other than those classified as at FVTPL, are measured at amortised cost using the effective interest method.

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

2. Significant accounting policies (continued)

Financial instruments (continued)

(iii) Financial liabilities (continued)

The fair value of financial instruments listed or dealt on a regulated market, is based on the latest available dealing price, appearing to the Directors. 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.

Impairment

The Company recognizes a loss allowance for ECLs on the following - financial assets at amortised cost.

Under IFRS 9, loss allowances are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for the following, which are measured as 12-month ECLs:

- Financial assets that are determined to have a low credit risk at the reporting date; and
- Other financial assets for which credit risk (i.e., the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. In this regard, the Company has an internal credit scoring system in place that analyses the credit quality of the counterparties accordingly. Such credit scoring system takes into consideration both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, and considers the counterparties' macroeconomic context.

The Company has elected the rebuttable presumption from IFRS 9 by assuming that the credit risk on a financial asset has increased significantly if the financial asset is more than 30 days past due.

Moreover, if the counterparty becomes downgraded by two notches (or more) based on the credit score assessment, the Company deems the financial asset's credit risk to have increased significantly.

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

2. Significant accounting policies (continued)

Financial instruments (continued)

(iii) Financial liabilities (continued)

Moreover, the Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realizing security (if any is held); or
- The financial asset is more than 90 days past due.

The maximum period considered when estimated ECLs is the maximum contractual period over which the Company is exposed to credit risk.

(iv) Realized and unrealized gains and losses

Investment transactions are recorded on a trade date basis. Realized gains or losses on investments are calculated on a weighted average cost and are disclosed within net gain/loss on financial assets at fair value through profit or loss in the statement of profit or loss and other comprehensive income.

(v) Trade and other payables

Trade and other payables are stated at their nominal value unless the effect of discounting is material.

(vi) Net assets attributable to shareholders

The liability to participating shareholders is presented in the statement of financial position as “Net assets attributable to holders of investor shares” and is determined based on the residual assets of the company after deducting all other liabilities.

Revenue recognition

Revenue is recognised to the extent that it is probable that future economic benefits will flow to the company and these can be measured reliably. The following specific recognition criteria must also be met before revenue is recognised:

(i) Interest income

Interest income on structured products is recognised when there is a right to receive payment. Interest income on all other interest-bearing securities is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts the estimated future cash receipts through the expected life of the financial asset to the asset's net carrying amount.

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

2. Significant accounting policies (continued)

Revenue recognition (continued)

(ii) Dividend income

Dividend income is recognised when the shareholder's right to receive payment is established. Dividend income relating to exchange-traded equity securities and dividend expense relating to exchange-traded equity securities sold short are recognised in the statement of profit or loss and other comprehensive income on the ex-dividend date.

Taxation

The taxation of collective investment schemes is based on the classification of funds into prescribed or non-prescribed funds in accordance with the Collective Investment Schemes (Investment Income) Regulations, 2001.

The Company qualifies as a non-prescribed fund in terms of these regulations on the basis that the value of the fund's assets situated in Malta are less than 85% of the value of its total assets. Accordingly, the income and capital gains of the Company are not subject to Malta income tax pursuant to the provisions of the Income Tax Act (Cap. 123).

Foreign tax withheld on dividend income is accounted for when the company recognizes the related dividend or interest in the statement of profit or loss and other comprehensive income.

Currency translation

As allowed by sub-legislation 386.02 of the Companies Act (Investment Companies with Variable Share Capital) Regulations, a company with fund whose capital is denominated in different currencies may elect to present its financial statements in any one of these currencies. Consequently, the financial statements of the company are presented in the functional currency, the Euro, according to its Memorandum and Articles of Association.

Transactions denominated in currencies other than the functional currency are translated at the exchange rates ruling on the date of transaction. Monetary assets and liabilities denominated in currencies other than the functional currency are re-translated to the functional currency at the exchange rate ruling at year-end.

Fees, commission and other expenses

Fees, commission and other expenses are recognised in the statement of profit or loss and other comprehensive income on accrual basis.

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

2. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and margin balances held with brokers. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash, are subject to an insignificant risk of changes in value, and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Distributions

Distributions are recognised as liabilities in the period in which they are declared.

3. Judgements in applying accounting policies and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, management has made no judgements which can significantly affect the amounts recognised in the financial statements. At the reporting date, there were no key assumptions concerning the future, or any other key sources of estimation uncertainty, most have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. New Standards and amendments to existing standards

4.1 Standards and amendments to existing standards effective 1 September 2022

Amendments to IFRS 9 (as a part of the 2018–2020 Annual Improvements Cycle) – Financial Instruments

The amendments clarify which fees an entity includes when it applies the '10 per cent test' in assessing whether to derecognize a financial liability.

Amendments to IFRS 3 – Reference to the Conceptual Framework

The amendments update an outdated reference in IFRS3 without significantly changing its requirements.

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

4. New Standards and amendments to existing standards (continued)

4.2 New International Financial Reporting Standards in issue but not yet effective

Amendments to IAS 1 and IFRS Practice Statements – Disclosure of Accounting Policies

The amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements.

The amendments amend IAS 1 in the following ways:

- An entity is now required to disclose its material accounting policy information instead of its significant accounting policies;
- several paragraphs are added to explain how an entity can identify material accounting policy information and to give examples of when accounting policy information is likely to be material;
- the amendments clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial;
- the amendments clarify that accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements; and
- the amendments clarify that if an entity discloses immaterial accounting policy information, such information shall not obscure material accounting policy information.

In addition, IFRS Practice Statement 2 has been amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1.

Amendments to IAS 8 – Disclosure of Accounting Estimates

The amendments are intended to help entities distinguish between accounting policies and accounting estimates.

The changes to IAS 8 focus entirely on accounting estimates and clarify the following:

- The definition of a change in accounting estimates is replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".
- Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
- The Board clarifies that a change in accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors.

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

4. New Standards and amendments to existing standards (continued)

4.2 New International Financial Reporting Standards in issue but not yet effective (continued)

Amendments to IAS 8 – Disclosure of Accounting Estimates (continued)

- A change in an accounting estimate may affect only the current period's profit or loss, or the profit or loss of both the current period and future periods. The effect of the change relating to the current period is recognised as income or expense in the current period. The effect, if any, on future periods is recognised as income or expense in those future periods.

The Directors anticipate that the adoption of other International Financial Reporting Standards that were in issue at the date of authorisation of these financial statements, but not yet effective, will have no material impact on the financial statements of the Company in the period of initial application.

5. Fees

(i) Management fees]

Altinum Fund - The Investment Manager, Praude Asset Management Limited, receives an Investment Management Fee as follows:

Class A Investor Shares: 0.6% per annum of the Net Asset Value calculated on the Net Asset Value of the sub-fund on every valuation day, or the previous day if such a day is not a business day.

The management fee borne by the Company during the financial year ended 31 August 2023 was that of EUR238,958 (year ended 31 August 2022: EUR244,982).

(ii) Performance fees

Altinum Fund - The Investment Manager, Praude Asset Management Limited, receives a performance fee calculated based on the Net Asset Value per share. The performance fee shall be equal to 20% in the case of Class A Investor Shares, of the percentage increase in the Net Asset Value per Investor Share on the Calculation Point (before the deduction of the Performance Fee) over and above one percent (1 %) hurdle rate plus the 3 month EURIBOR per annum, multiplied by the Net Asset Value per share at the previous Calculation Point and the average number of Investor Shares in issue between the Calculation Point and the previous Calculation Point.

The performance fee borne by the Company during the financial year ended 31 August 2023 was that of EUR Nil (year ended 31 August 2022: EUR314,119).

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

5. Fees (continued)

(iii) Administrator fees

Altinum Fund –Apex Fund Services (Malta) Limited appointed as the Administrator, received a fee of:

Up to <i>EUR50</i> million	6 basis points per annum of NAV
From <i>EUR50</i> million to <i>EUR100</i> million	4 basis points per annum of NAV
Greater than <i>EUR100</i> million	2 basis points per annum of NAV

Subject to a minimum fee of *EUR24,000* per annum of the NAV.

The administrator fee borne by the Company during the financial year ended 31 August 2023 was that of *EUR26,881* (year ended 31 August 2022: *EUR26,826*)

(iv) Custodian fees

Altinum Fund - Sparkasse Bank Malta p.l.c. appointed as the Custodian, received a fee of 0.03% per annum based upon the average monthly closing balances for the quarter and a fee of 0.025% per annum for Depository services.

The custodian fee borne by the Company during the financial year ended 31 August 2023 amounted to *EUR21,339* (year ended 31 August 2022: *EUR21,905*).

6. Financial assets and liabilities at fair value through profit or loss

	2023 Fair value EUR	% Of net assets	% Of total assets
Financial assets classified as held for trading			
-Equity instruments	11,937,955	29.01%	28.84%
-Debt instruments	27,943,161	67.91%	67.51%
-Equity warrant	123	0.00%	0.00%
-Futures	86,320	0.21%	0.21%
	39,967,559	97.13%	96.56%

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

6. Financial assets and liabilities at fair value through profit or loss (continued)

	2023 Fair value EUR	% Of net assets	% Of total liabilities
Financial liabilities classified as held for trading -Futures	<u>(87,732)</u>	<u>(0.21%)</u>	<u>(35.42%)</u>

2023: Investments in futures

Details	Notional amounts of futures at the end of the year EUR	Fair value of futures at year-end EUR
IKU3 EUX September 2023	(9,273,600)	23,660
RXU3 EUX September 2023	(2,663,800)	35,800
STU3 MIL September 2023	(2,021,740)	(73,990)
VGU3 EUX September 2023	(1,466,420)	26,860
G ICF December 2023	(1,227,361)	(13,742)
	<u>(16,652,921)</u>	<u>(1,412)</u>

Further details on the other financial instruments are provided in note 12.

	2022 Fair value EUR	% Of net assets	% Of total assets
Financial assets classified as held for trading			
-Equity instruments	20,336,569	51.35%	50.41%
-Debt instruments	15,170,446	38.31%	37.61%
-Equity warrant	529	0.00%	0.00%
-Futures	307,710	0.78%	0.76%
	<u>35,815,254</u>	<u>90.44%</u>	<u>88.78%</u>

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

6. Financial assets and liabilities at fair value through profit or loss (continued)

	2022 Fair value EUR	% Of net assets	% Of total liabilities
Financial liabilities classified as held for trading -Fair value of futures	(72,230)	(0.18%)	(9.79%)

2022: Investments in futures

Details	Notional amounts of futures at the end of the year EUR	Fair value of futures at year-end EUR
IKU2 EUX September 2022	(10,277,860)	255,870
RXU2 EUX September 2022	(3,551,280)	51,840
STU2 MIL September 2022	(6,470,400)	(52,850)
VGU2 EUX September 2022	(1,196,800)	(19,380)
	<u>(21,496,340)</u>	<u>235,480</u>

Further details on the other financial instruments are provided in note 12.

7. Trade and other receivables

	2023 EUR	2022 EUR
Accrued interest	311,223	147,984
Dividend receivables	-	7,385
Prepaid expenses and other debtors	9,104	10,464
	<u>320,327</u>	<u>165,833</u>

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

8. Trade and other payables

	2023 EUR	2022 EUR
Performance fees payables	-	314,118
Accruals	<u>113,580</u>	<u>151,799</u>
	<u>113,580</u>	<u>465,917</u>

Included in accruals are management fees payable which are due to related parties. The terms and conditions of these related parties' payables are disclosed in note 11.

9. Share capital

Authorised share capital

The Company may issue up to a maximum of five billion one thousand fully paid-up shares without any nominal value assigned to them.

Issued share capital

The initial share capital of the Company is one thousand Euros, with no nominal value, representing 1,000 founder shares issued at an initial price of 1 Euro.

The share capital of the Company shall have no nominal value and shall always be equal to the Net Asset Value of the Company. Each sub-fund shall constitute a separate class of shares in the Company, except for the founder shares, which shall not constitute a separate sub-fund. Each sub-fund shall be constituted by separate classes of shares.

Founder shares shall be the only class of shares in the Company carrying voting rights and shall rank pari passu among themselves in all respects. All other classes of shares shall not, unless the terms under which they are issued provide otherwise, be entitled to vote. The Founder Shares do not carry a right to participate in any dividends or other distributions of the Company or in the assets of the Company on a winding up (other than the return of the paid-up capital after payment of all amounts due to the Investor Shares).

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

9. Share capital (continued)

Investor shares

	Number of Shares Class A
Balance as of 1 September 2022	285,086.666
Creation of investor shares during the year	20,641.479
Redemption of investor shares during the year	<u>(14,200.000)</u>
Balance as of 31 August 2023	<u>291,528.145</u>

	Number of Shares Class A
Balance as of 1 September 2021	299,051.814
Creation of investor shares during the year	3,434.852
Redemption of investor shares during the year	<u>(17,400.000)</u>
Balance as of 31 August 2022	<u>285,086.666</u>

The amounts received and paid on the creation and redemption of shares are disclosed in the statement of changes in net assets attributable to holders of investor shares on page 10.

10. Cash and cash equivalents

Cash and cash equivalents included in the statement of cash flows comprise bank balances. The following statement lists the financial position amounts.

	2023 EUR	2022 EUR
Collateral cash	730,918	1,442,276
Cash at bank	<u>180,353</u>	<u>2,879,116</u>
	<u>911,271</u>	<u>4,321,392</u>

Cash at bank earns interest at floating rates based on bank deposit rates.

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

11. Related party disclosure

During the year, the Company entered transactions with key management personnel as set out below:

Mr. Michael Vella is a director of the Company, a member on the Praude Investment Committee and a director of Praude Asset Management Limited, the investment manager of the sub-fund. During the year under review, the Company incurred management fees amounting to *EUR238,958* (year ended 31 August 2022: *EUR244,982*) and performance fees amounting to *EUR Nil* (year ended 31 August 2022: *EUR314,119*). Directors' fees amounting to *EUR33,315* (year ended 31 August 2022: *EUR27,616*) were incurred during the year.

12. Fair value of financial assets and financial liabilities

On 31 August 2023 and 2022, the fair value of listed investments is based on quoted prices in an active market at the end of the reporting period. Pursuant to the adoption of IFRS 13 "*Fair Value Measurement*", the quoted market price used for financial assets and liabilities held by the Company is the price within the bid-ask spread that is most representative of the fair value in the circumstances to be used to measure fair value. The fair values of derivative contracts are valued by reference to the price at which a new contract of the same size and maturity could be undertaken at valuation date. On 31 August 2023 and 2022 the carrying amounts of other financial assets and financial liabilities classified with assets and liabilities respectively approximated their fair values due to short term maturities of these assets and liabilities.

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 Company classifies 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 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within level 1 that are observable, either directly (i.e., as prices) or indirectly (i.e., Derived from prices).
- Level 3 fair value measurements are those derived from inputs that are not based on observable market data (unobservable inputs).

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

12. Fair value of financial assets and financial liabilities (continued)

The level in the fair value hierarchy within which the fair value measurement is categorized in its entirety is determined based on the lowest level 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 adjustment 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 requires judgment, considering factors specific to the asset or liability.

The determination of what constitutes ‘observable requires significant judgment by the Company. The Company considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The following table analyses within the fair value hierarchy the Company’s financial assets and financial liabilities measured at fair value for 31 August 2023.

Financial assets and financial liabilities at fair value as of 31 August 2023

	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Financial assets held for trading				
- Equity instruments	10,950,867	987,088	-	11,937,955
- Debt instruments	27,943,161	-	-	27,943,161
- Equity warrant	123	-	-	123
- Futures	86,320	-	-	86,320
	38,980,471	987,088	-	39,967,559
<i>Financial liabilities held for trading</i>				
- Futures	(87,732)	-	-	(87,732)

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

12. Fair value of financial assets and financial liabilities (continued)

The following table analysis within the fair value hierarchy the Company's assets and liabilities not measured at fair value for which fair value is disclosed:

2023	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Assets				
Trade and other receivables	-	320,327	-	320,327
Due from broker	-	194,946	-	194,946
	-	515,273	-	515,273
Liabilities				
Trade and other payables	-	113,580	-	113,580
Due to broker	-	46,397	-	46,397
Net assets attributable to holders of investor shares	-	41,146,394	-	41,146,394
Total	-	41,306,371	-	41,306,371

Financial assets and financial liabilities at fair value as of 31 August 2022

	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
<i>Financial assets held for trading</i>				
- Equity instruments	20,336,569	-	-	20,336,569
- Debt instruments	13,808,865	1,361,581	-	15,170,446
- Equity warrant	529	-	-	529
- Futures	307,710	-	-	307,710
	34,453,673	1,361,581	-	35,815,254
<i>Financial liabilities held for trading</i>				
- Futures	(72,230)	-	-	(72,230)

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

12. Fair value of financial assets and financial liabilities (continued)

The following table analysis within the fair value hierarchy the Company's assets and liabilities not measured at fair value for which fair value is disclosed:

2022	Level 1 EUR	Level 2 EUR	Level 3 EUR	Total EUR
Assets				
Trade and other receivables	-	165,833	-	165,833
Due from broker	-	38,873	-	38,873
	-	204,706	-	204,706
Liabilities				
Trade and other payables	-	465,917	-	465,917
Subscriptions received in advance	-	200,000	-	200,000
Net assets attributable to holders of investor shares	-	39,603,205	-	39,603,205
Total	-	40,269,122	-	40,269,122

The fair values of other financial assets and financial liabilities are not materially different from their carrying amounts.

Cash and cash equivalents include deposits held with banks and collateral cash.

The fees payable and accruals represent the contractual amounts and obligations due by the Company for settlement of expenses.

The puttable value of investor shares is calculated based on the net difference between total assets and all other liabilities of the sub-fund in accordance with the offering documents. A demand feature is attached to these shares, as they are redeemable at the holders' option and can be put back to the sub-fund at any dealing date for cash equal to a proportionate share of the sub-fund's net asset value attributable to the share class. The fair value is based on the amount payable on demand, discounted from the first date that the amount could be required to be paid. The impact of discounting in this instance is not material. As such, Level 2 is deemed to be the most appropriate categorization for net assets attributable to holders of investor shares.

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

13. Financial risk management

Risk management

Where possible, the Company aims to reduce and control risk concentrations. Concentrations of financial risk arise when financial instruments with similar characteristics are influenced in the same way by changes in economic or other factors. The amount of the risk exposure associated with financial instruments sharing similar characteristics is disclosed in more detail in the notes to the financial statements.

The activities of the Company expose it to a variety of financial risks: market risk (including price risk, interest rate risk and currency risk), credit risk and liquidity risk.

Market risk

The Company trades in financial instruments, taking positions in traded instruments including derivatives. All securities present a risk of loss of capital. The Company moderates this risk through a careful selection of securities and other financial instruments within specified limits. The maximum risk resulting from financial instruments is determined by the fair value of the financial instruments. The Company's overall market positions are monitored on a regular basis by the company's investment manager.

The Company's exposure to the different types of investments is summarized in note 6 to the financial statements.

At the year-end, the Company's market risk is affected by three main components: changes in actual market prices, interest rates and foreign currency movements, all of which are covered below.

Price risk

Price risk is the risk that the value of an instrument will fluctuate because of changes in market prices whether caused by factors specific to an individual investment, its issuer or all other factors affecting all instruments traded in the market.

The Company's equity, debt instruments and trading derivative financial instruments are susceptible to price risk arising from uncertainties about future prices of the instruments.

As all the Company's financial instruments are carried at fair value with fair value changes recognised in the statement of profit or loss and other comprehensive income, all changes in the market price will directly affect net investment income as shown in the statement of profit or loss and other comprehensive income on page 8.

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

13. Financial risk management (continued)

Price risk (continued)

Price risk is mitigated by the Company's investment manager by constructing a diversified portfolio of instruments traded on various markets. In addition, price risk may be hedged using derivative financial instruments such as forwards, futures and options. The Company may employ various techniques and enter hedging transactions to attempt to mitigate a portion of the risks inherent to its investment strategies. The Company did not use derivative financial instruments for speculative purposes and had not designated any of its derivative financial instruments in a hedging relationship for accounting purposes.

The following is an analysis of the Company's industry diversification as at the reporting date:

	2023	2022
	%	%
Financial services industry	10.22	12.75
Basic materials	2.71	2.06
Industrial	29.48	27.29
Consumer, Cyclical	0.17	0.97
Consumer, Non-cyclical	5.32	18.35
Consumer Staples	5.39	0.82
Consumer services	-	1.56
Consumer goods	-	3.97
Consumer Discretionary	3.67	-
Communications	0.30	0.80
Materials	2.39	2.18
Energy	4.95	4.37
Non-financial corporations	0.30	0.78
Technology	9.39	12.50
Utilities	1.53	1.26
Other	-	0.60
Government	17.09	-
Health Care	2.29	-
Pharmaceutical	1.68	-
Professional, Scientific, and Technical services	0.04	-
	96.92	90.26

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

13. Financial risk management (continued)

Interest rate risk

Interest rate risk represents the accounting loss that would be recognised should changes in interest rates adversely affect the value of the Company's investments.

At the statement of financial position date, 70.13% (2022: 49.22%) of the financial assets of the Company are interest bearing. Management monitors the movement in interest rates and, where possible, reacts to material movements in such rates by restructuring its financing structure.

Except as mentioned above, the financial instruments of the Company are non-interest bearing except for cash at bank which earns interest at floating rates based on bank deposit rates.

Investment in equity instruments and derivative financial instruments are not exposed to interest rate risk.

The carrying amounts of the Company's financial instruments carrying a rate of interest at the reporting date are disclosed in the notes to the financial statements.

Currency risk

Currency fluctuations between the base currency of the Company, and the currency of the underlying investments of the Company, may adversely affect the portion of the value of investments and the income derived therefrom. On 31 August 2023, 1.68% of the sub-fund's net assets are denominated in USD (2022: 1.46%), 0.26% of the sub-fund's net assets are denominated in GBP (2022: 0.45%), 1.27% of the sub-fund's net assets are denominated in NOK (2022: 3.54%), 0.00% of the sub-fund's net assets are denominated in SEK (2022: 0.28%), and 4.29% of the sub-fund's net assets are denominated in CHF (2022: 1.63%).

The risk arising from foreign currency transactions is managed by regular monitoring of the relevant rates and management's reactions to material movement thereto.

Sensitivity analysis

For financial instruments held or issued, the Company has used sensitivity analysis techniques that measure the change in the fair value of the Company's financial instruments at the reporting date for hypothetical changes in the relevant market risk variables.

The sensitivity of profit or loss due to changes in the relevant risk variables are set out below. The amounts generated from the sensitivity analysis are forward-looking estimates of market risk assuming certain market conditions. Actual results in the future may differ materially from those projected results due to the inherent uncertainty of global financial markets. The sensitivity analysis is for illustrative purposes only, as in practice market rates rarely change in isolation and are likely to be interdependent.

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

13. Financial risk management (continued)

Sensitivity analysis (continued)

The estimated change in fair values for changes in financial instruments prices is based on an instantaneous increase or decrease of 10% at the reporting date, with all other variables remaining constant.

The estimated change in fair values for changes in market prices and market interest rates are based on an instantaneous increase or decrease of 1,000 and 200 basis points, respectively at the reporting date, with all other variables remaining constant.

	Profit or loss	Profit or loss
	2023	2022
	EUR	EUR
Financial instruments prices	+/-3,987,983	+/-3,574,302
Market interest rates – fair value	+/-558,863	+/-303,409

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting obligations associated with its financial liabilities. The Company's 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 Company is exposed to cash redemptions of investor shares every 15 days with 5 business days' notice. Investor shares are redeemed on demand at the holder's option. Notwithstanding the Company has the option to limit the number of investor shares redeemed on any redemption day to 10% of the total net asset of value of the Company on that redemption day. In addition, the directors have the right to suspend the calculation of the net asset value and no redemptions shall take place during such period. All other liabilities are due within one to three months.

A significant portion of the Company's assets is maintained as cash and cash equivalents to meet unexpected redemptions and other liabilities. In addition, the Company's listed securities are readily realizable as they are listed on recognised stock exchanges.

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

13. Financial risk management (continued)

Liquidity risk (continued)

The following tables show the contractual, undiscounted cash flows of the Company's financial liabilities on 31 August 2023 and 2022.

2023	Less than 1 month EUR	1-3 months EUR	Total EUR
<i>Financial liabilities</i>			
Derivative instruments	87,732	-	87,732
Other fees payable	-	113,580	113,580
Due to broker	46,397	-	46,397
Net assets attributable to holders of investor shares	41,146,394	-	41,146,394
2022	Less than 1 month EUR	1-3 months EUR	Total EUR
<i>Financial liabilities</i>			
Derivative instruments	72,230	-	72,230
Other fees payable	-	465,917	465,917
Subscriptions received in advance	200,000	-	200,000
Net assets attributable to holders of investor shares	39,603,205	-	39,603,205

In accordance with the Company's policy, the investment manager monitors the Company's liquidity position on a regular basis.

Credit risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered with the Company. The Company has policies that limit the amount of credit exposure to any single issuer. Accordingly, the investment manager monitors the Company's credit position on a regular basis. Financial assets, which potentially subject the Company to credit risk, consist principally of trade and other receivables, cash and cash equivalents and debt instruments.

Trade and other receivables mainly constitute accrued income and preplaced transactions. These receivables are all short-term. Accordingly, the Company has no significant credit risk in respect of accounts receivable.

Cash and cash equivalents and derivative instruments are respectively held and entered with reputable counterparties.

ALTIUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

13. Financial risk management (continued)

Credit risk (continued)

2023	Credit rating	Market value 2023 EUR	% Of net assets
DUFY ONE BV	BB	1,508,761	3.67
BANK OF VALLETTA	BBB-	1,078,500	2.62
BUONI POLIENNALI DEL TES	Baa3	2,200,805	5.35
DIASORIN SPA	BBB	942,972	2.29
FIRST CAPITAL SPA	A+	731,250	1.78
FRIGO DEBTCO PLC	NR	141,822	0.34
FUGRO NV	BBB+	2,035,780	4.95
GERMAN TREASURY BILL FEB	Aaa	98,332	0.24
GERMAN TREASURY BILL JUL	Aaa	1,405,702	3.42
GERMAN TREASURY BILL JUN	Aaa	811,712	1.97
GERMAN TREASURY BILL MAR	Aaa	1,000,028	2.43
GERMAN TREASURY BILL MAY	Aaa	780,360	1.90
GLANBIA CO-OPERATIVE SOC	B	1,537,665	3.74
HELLENIC BANK PCL	B	521,415	1.27
ILLIMITY BANK SP	B	79,566	0.19
MARCOLIN SPA	B3	138,751	0.34
NET INSURANCE SPA	NR	168,692	0.41
NEXI SPA	BB+	390,945	0.95
PIRAEUS FINANCIAL HOLDINGS	B3	267,669	0.65
PUBLIC POWER CORP	BB-	487,780	1.19
REPUBLIC OF ITALY	BBB	734,928	1.79
RIMINI BIDCO SPA	BB-	981,970	2.39
ROSSINI SARL	B3	1,501,695	3.65
SOFIMA HOLDING S.P.A	B2	1,996,560	4.85
SUPERSTRADA PEDE VENETA	NR	5,886,639	14.31
HAVILA ARIEL ASA	NR	82,473	0.20
KONGSBERG GRUPPEN ASA	A-	430,389	1.05

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

13. Financial risk management (continued)

Credit risk (continued)

2022	Credit rating	Market value 2022 EUR	% Of net assets
FIRST CAPITAL SPA	NR	258,350	0.65
FRIGOGLASS FINANCE BV	CCC	269,700	0.68
FUGRO NV	NR	1,728,883	4.37
HAVILA ARIEL ASA	NR	98,570	0.25
ILLIMITY BANK SP	B	86,645	0.22
ILLIMITY BANK SPA	BB-	501,035	1.27
MARCOLIN SPA	B-	136,427	0.34
NET INSURANCE SPA	NR	1,361,581	3.44
NET INSURANCE SPA	NR	172,650	0.44
NEXI SPA	NR	369,675	0.93
PUBLIC POWER CORP	BB-	447,490	1.13
RIMINI BIDCO SPA	B	864,800	2.18
ROSSINI SARL	B	976,680	2.47
SOFIMA HOLDING S.P.A J	B	1,885,460	4.76
SUPERSTRADA PEDE VENET	NR	6,012,500	15.18

Offsetting financial assets and liabilities

As of 31 August 2023, and 2022, the Company did not enter into master netting arrangements and similar agreements.

Capital risk management

The Company's capital is represented by investor shares with no par value and with no voting rights. They are entitled for payment of a proportionate share based on the Company's net asset value per share on the redemption date.

The Company has the option to limit the number of Investor Shares in the fund repurchased on any redemption day to 10% of the total net asset value on that redemption day. The relevant movements are shown in the statement of changes in net assets attributable to holders of investor shares. The sub-fund endeavors to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of listed securities where necessary.

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

14. Salient statistics and information about the Company

Altinum Funds SICAV PLC (“the Company”) is domiciled in Malta and registered as an Alternative Investor Fund licensed by the Malta Financial Services Authority as a multi fund limited liability company with variable share capital targeting experienced investors.

The Company, to date, has established one sub-fund - Altinum Fund.

Net Asset Value per investor share

The Net Asset Value per share is determined by dividing the net asset value of investor shares by the shares in issue at the statement of financial position date.

	Altinum Fund Class A Number of shares 2023	Altinum Fund Total Number of shares 2023
Investor shares in issue as on 31 August 2023	<u>291,528.1450</u>	<u>291,528.1450</u>
	EUR	EUR
Net asset value of investor shares as per Statement of financial position and official valuation date 31 August 2023	<u>41,146,394</u>	<u>41,146,394</u>
	Altinum Fund Class A Number of shares 2022	Altinum Fund Total Number of shares 2022
Investor shares in issue as on 31 August 2022	<u>285,086.6660</u>	<u>285,086.6660</u>
	EUR	EUR
Net asset value of investor shares as per Statement of financial position and official valuation date 31 August 2022	<u>39,603,205</u>	<u>39,603,205</u>

ALTINUM FUNDS SICAV plc

Notes to the financial statements

31 August 2023

15. Events after the reporting year

For the period from 1 September 2023 to the latest available published NAV, there have been EUR Nil subscription and EUR3,495,946 redemption request.

Independent auditor's report

to the members of
Altinum Funds SICAV p.l.c

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Altinum Funds SICAV p.l.c. (the "Company") and its sub-fund, set out on pages 8 to 37, which comprise the statements of financial position as at 31 August 2023, and the statements of profit or loss and other comprehensive income, statements of changes in net assets attributable to holders of investor shares and statements of cash flows for the year then ended, and notes to the financial statements, including significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company and its sub-fund as at 31 August 2023, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and have been properly prepared in accordance with the requirements of the Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants including International Independence Standards* (IESBA Code) together with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive* (Maltese Code) that are relevant to our audit of the financial statements in Malta, and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code and the Maltese Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Financial Statements and the Auditor's Report Thereon

The directors are responsible for the other information. The other information comprises the Company Information on page 3 to 4, the investment manager's report on page 46 to 52, the Statement of Directors' responsibilities on page 5 to 6, the custodian's report on page 53 and the information included in the Directors' Report but does not include the financial statements and our auditor's report thereon.

Except for our opinion on the Directors' Report in accordance with the Companies Act (Cap. 386), our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

Deloitte Audit Limited is a limited liability company registered in Malta with registered office at Deloitte Place, Triq L-Intornjatur, Central Business District, CBD 3050 Malta. Deloitte Audit Limited forms part of the Deloitte Malta firm. The Deloitte Malta firm consists of (i) Deloitte, a civil partnership regulated in terms of the laws of Malta, constituted between limited liability companies, operating at Deloitte Place, Triq L-Intornjatur, Central Business District, CBD 3050 Malta and (ii) the affiliated operating entities: Deloitte Advisory and Technology Limited (C23487), Deloitte Audit Limited (C51312), Deloitte Corporate Services Limited (C103276) and Deloitte Tax Services Limited (C51320), all limited liability companies registered in Malta with registered offices at Deloitte Place, Triq L-Intornjatur, Central Business District, CBD 3050 Malta. Deloitte Corporate Services Limited is authorised to act as a Company Service Provider by the Malta Financial Services Authority. Deloitte Audit Limited is authorised to provide audit services in Malta in terms of the Accountancy Profession Act. The Deloitte Malta firm is an affiliate of Deloitte Central Mediterranean S.r.l., a company limited by guarantee registered in Italy with registered number 09599600963 and its registered office at Via Tortona no. 25, 20144, Milan, Italy. For further details, please visit www.deloitte.com/mt/about.

Deloitte Central Mediterranean S.r.l. is the affiliate for the territories of Italy, Greece and Malta of Deloitte NSE LLP, a UK limited liability partnership and member firm of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"). DTTL and each of its member firms are legally separate and independent entities. DTTL, Deloitte NSE LLP and Deloitte Central Mediterranean S.r.l. do not provide services to clients. Please see www.deloitte.com/about to learn more about our global network of member firms.

Independent auditor's report (continued)

to the members of
Altinum Funds SICAV p.l.c

Information Other than the Financial Statements and the Auditor's Report Thereon (continued)

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

In accordance with the requirements of sub-article 179(3) of the Companies Act (Cap. 386) in relation to the Directors' Report on page 5, in our opinion, based on the work undertaken in the course of the audit:

- The information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The Directors' Report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Company, its sub-fund and its environment obtained in the course of the audit, we have not identified any material misstatements in the Directors' Report.

Responsibilities of the Directors for the Financial Statements

As explained more fully in the Statement of Directors' responsibilities on page 5 to 6, the directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Companies Act (Cap. 386), and for such internal control as the directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

This report, including the opinions set out herein, has been prepared for the Company's members as a body in accordance with articles 179 and 179A of the Companies Act (Cap. 386).

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions in accordance with articles 179 and 179A of the Companies Act (Cap. 386). Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

In terms of article 179A(4) of the Companies Act (Cap. 386), the scope of our audit does not include assurance on the future viability of the Company or that of its sub-fund or on the efficiency or effectiveness with which the directors have conducted or will conduct the affairs of the Company and its sub-fund. The financial position of the Company and/or its sub-fund may improve, deteriorate, or otherwise be subject to change as a consequence of decisions taken, or to be taken, by the management thereof, or may be impacted by events occurring after the date of this opinion, including, but not limited to, events of force majeure.

Independent auditor's report (continued)

to the members of
Altinum Funds SICAV p.l.c

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

As such, our audit report on the Company's and its sub-fund's historical financial statements is not intended to facilitate or enable, nor is it suitable for, reliance by any person, in the creation of any projections or predictions, with respect to the future financial health and viability of the Company and/or its sub-fund, and cannot therefore be utilised or relied upon for the purpose of decisions regarding investment in, or otherwise dealing with (including but not limited to the extension of credit), the Company and/or its sub-fund. Any decision-making in this respect should be formulated on the basis of a separate analysis, specifically intended to evaluate the prospects of the Company and/or its sub-fund, and to identify any facts or circumstances that may be materially relevant thereto.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

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

For the avoidance of doubt, any conclusions concerning the formulation of a view as to the manner in which financial risk is distributed between the various stakeholders cannot be reached on the basis of these financial statements alone and must necessarily be based on a broader analysis supported by additional information.

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

Independent auditor's report (continued)

to the members of
Altinum Funds SICAV p.l.c

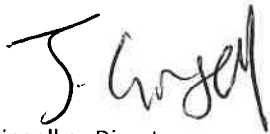
Report on Other Legal and Regulatory Requirements

Under the Companies Act (Cap. 386), we have responsibilities to report to you if in our opinion:

- Proper accounting records have not been kept;
- Proper returns adequate for our audit have not been received from branches not visited by us;
- The financial statements are not in agreement with the accounting records and returns; or
- We have been unable to obtain all the information and explanations which, to the best of our knowledge and belief, are necessary for the purpose of our audit.

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

The audit report was drawn up on 07 December 2023 and signed by:



Julia Gingell as Director
in the name and on behalf of
Deloitte Audit Limited
Registered auditor
Central Business District, Birkirkara, Malta.

07 December 2023

ALTINUM FUNDS SICAV plc

Portfolio statement

Year ended 31 August 2023

	Market Value 31.08.2023 EUR	% Of NAV
Quoted equities		
JUNGFRAUBAHN HOLDING AG - REG	246,622	0.60
ACEA SPA	140,146	0.34
ADESSO SE	19,999	0.05
CARREFOUR SA	211,920	0.52
CELLULARLINE SPA	81,262	0.20
CEMENTIR HOLDING NV	395,649	0.96
DEFENCE TECH HOLDING SPA	208,433	0.51
EDISON SPA	88	0.00
EL.EN. SPA	158,277	0.38
EXPRIVIA SPA	951,600	2.31
FILA SPA	169,000	0.41
FNM SPA	506,775	1.23
FRIGO NEWCO 1 LIMITED	15,000	0.04
GRAMMER AG	69,221	0.17
ITALIAN WINE BRANDS SPA	124,485	0.30
KME Group SPA Shares	557,889	1.36
LAURENT-PERRIER	467,520	1.14
LINEDATA SERVICES	448,137	1.09
MAJOREL GROUP LUXEMBOURG SA	818,535	1.99
NSI NV	485,751	1.18
OHB SE	834,172	2.03
ORDINA NV	861,000	2.09
ORSERO SPA	156,354	0.38
PROFILE SYSTEMS & SOFTWARE	474,000	1.15
RELATECH SPA	1,815	0.00
SAES GETTERS SPA	712,018	1.73
SEBINO SPA	972,000	2.36
SOL SPA	556,179	1.35
VIB Vermoegen AG	177,054	0.43
WUESTENROT & WUERTTEMBERG	304,527	0.74
Trainline PLC	122,203	0.30
DOLE PLC	690,324	1.67
Total Quoted Equities	11,937,955	29.01

ALTINUM FUNDS SICAV plc

Portfolio statement (continued)

Year ended 31 August 2023

	Market Value 31.08.2023 EUR	% Of NAV
Government bonds		
BUONI POLIENNALI DEL TES Nov 28 1.6%	2,200,805	5.34
GERMAN TREASURY BILL Feb 24 0%	98,332	0.24
GERMAN TREASURY BILL Jul 24 0%	1,405,703	3.42
GERMAN TREASURY BILL Jun 24 0%	811,712	1.97
GERMAN TREASURY BILL Mar 24 0%	1,000,028	2.43
GERMAN TREASURY BILL May 24 0%	780,360	1.90
REPUBLIC OF ITALY 0.35%	734,928	1.79
Total Government Bonds	7,031,868	17.09
Quoted corporate bonds		
DUFY ONE BV Mar 26 0.75%	1,508,761	3.66
BANK OF VALLETTA PLC Dec 27 Floating	1,078,500	2.62
DIASORIN SPA May 28 0%	942,972	2.29
FIRST CAPITAL SPA Dec 26 3.75%	731,250	1.78
FRIGO DEBTCO PLC Apr 28 Floating	141,822	0.34
FUGRO NV Nov 24 4.5%	2,035,780	4.95
GLANBIA CO-OPERATIVE SOC Jan 27 1.875%	1,537,665	3.74
HELLENIC BANK PCL Jun 33 Floating	521,415	1.27
ILLIMITY BANK SP Oct 31 Floating	79,566	0.19
MARCOLIN SPA Nov 26 6.125%	138,751	0.34
NET INSURANCE SPA Sep 31 5.1%	168,692	0.41
NEXI SPA Feb 28 0%	390,945	0.95
PIRAEUS FINANCIAL HLDGS Jun 21 Floating	267,669	0.65
PUBLIC POWER CORP Mar 26 4.375%	487,780	1.19
RIMINI BIDCO SPA 4.662%	981,970	2.39
ROSSINI SARL Oct 25 Floating	1,501,695	3.65
SOFIMA HOLDING S.P.A Jan 28 Floating	1,996,560	4.85
SUPERSTRADA PEDE VENETA Jun 47 Floating	5,886,639	14.30
HAVILA ARIEL ASA Dec 24 Floating	82,473	0.20
KONGSBERG GRUPPEN ASA Dec 23 2.9%	430,389	1.05
Total Quoted Corporate Bonds	20,911,293	50.82
Quoted equity warrant		
WARRANT COFLE SPA 2021-2023	123	0.00
Total Quoted Equity Warrant	123	0.00

ALTINUM FUNDS SICAV plc

Portfolio statement (continued)

Year ended 31 August 2023

	Market Value	
	31.08.2023	
	EUR	% Of NAV
<i>Derivative-futures</i>		
IKU3 EUX Sep 23	23,660	0.06
RXU3 EUX Sep 23	35,800	0.09
STU3 MIL Sep 23	(73,990)	(0.19)
VGU3 EUX Sep 23	26,860	0.07
G ICF Dec 23	(13,742)	(0.03)
<i>Total Derivative Futures</i>	(1,412)	0.00

ALTINUM FUNDS SICAV plc

Portfolio statement (continued)

Year ended 31 August 2023

	% Of net assets 31.08.2023 EUR	% Of net assets 31.08.2022 EUR
Quoted equities	29.01	51.35
Quoted bonds	50.82	38.31
Government bonds	17.09	-
Derivative financial assets/(liabilities)	-	0.60
Quoted equity warrant	-	-

ALTINUM FUNDS SICAV plc

Investment manager's report

Year ended 31 August 2023

INTRODUCTION

Altinum Funds SIVAC plc is a collective investment scheme organized as a multi-fund limited liability investment company with variable share capital under the laws of the Republic of Malta and licensed by the Malta Financial Services Authority with License Number SV 309 under the Investment Services Act, Cap 370 of the Laws of Malta as an Alternative Investment Fund targeting Qualifying Investors and Professional Investors.

INVESTMENT OBJECTIVE

The investment objective of Altinum Fund, a sub-fund of Altinum Funds SICAV plc, (the "Fund") is to invest in listed equities, bonds, derivative financial instruments and to a limited extent in unlisted equities, bonds and derivative financial instruments, in order to achieve capital appreciation and secondarily income in all market situations.

STRATEGY AND INVESTMENT POLICY

To obtain this investment objective and where the equity investment strategy is concerned, the Investment Manager strives to invest in equities which are expected to express a better performance than the relative market index. Futures and options on indexes and single stocks may be used to control and mitigate the overall risk of the portfolio.

Depending on market conditions, the Fund may also invest in cash or money market instruments. The Fund's investments have no geographical bias or be restricted to any particular market or industry. The Fund may also invest in regulated collective investment schemes whose investment objective may be similar to that of the Fund.

Within the investment objective, the Investment Manager has the necessary flexibility to exploit a very wide range of investment opportunities as they arise. The Investment Manager conducts research in order to identify suitable investment opportunities, evaluate their risk and profit potential, and invest when it deems appropriate. Investment decisions are based on analysis and research taking into account, among other factors, the relationship of book value to the market value of the securities, cash flow and the multiple of earnings. Each prospective security is examined separately.

The Fund may use any form of financial derivative technique for hedging and for investment purposes and for efficient portfolio management including repurchase/reverse repurchase agreements for one or more of the following specific aims: (a) the reduction of risk; (b) the reduction of cost; and/or (c) the generation of additional capital or income for the Fund. In addition, the Fund may invest and/or hedge its currency exposure by entering into futures, options, derivatives, and foreign exchange transactions.

Additionally, the Fund may temporarily invest up to 100% of the Net Asset Value in credit instruments to allow for the time needed to research new opportunities in the preferred investment areas and execute the said investments. Such credit instruments must, in the opinion of the Investment Manager be liquid credit instruments, and may include but are not limited to on-demand government bonds.

The Fund does not have a benchmark index. The Fund's total value can fluctuate and capital is not guaranteed.

ALTINUM FUNDS SICAV plc

Investment manager's report (continued)

Year ended 31 August 2023

REPORT OF THE INVESTMENT MANAGER

During the financial year from 1st September 2022 to 31st August 2023, Altinum Fund returned +1.60%. We note that the average 3-month Euribor over the same period was 2.65%.

The Fund aims to generate a positive return with a low volatility regardless of market conditions. This is done by deploying the assets of the Fund through various strategies which we will elaborate on below.

Bonds

As at end August 2023, approximately 57% of the portfolio was held in corporate bonds, a higher exposure than was reported at the end of the previous financial year, which was approximately 38%. Over the past twelve months central banks scrambled to increase interest rates in a desperate attempt to control inflation with the ECB pushing the main refinancing rate to 4.50% from zero and in turn the 3-month Euribor to 3.795% (as at end August 2023), levels not reached since 2008/2009. As a direct consequence, Government bond yields increased further over the period, more pronounced increases being registered in Germany and in the UK as Italian yields moved largely sideways, registering only a slight increase, having rose sharply over the previous twelve-month period. The Manager maintained the short exposures on the BTP and the BUND all through the period, opening an additional short on UK Gilts futures (approximately 3.00% underlying exposure) towards the end of 2022 as economic and political turmoil unfolded in Britain. Unlike the previous year, the net contribution of these positions was not amongst the main drivers of the Fund's performance.

As highlighted in the previous report, in such an environment, the Manager maintained exposure towards floating rate bonds as much as possible – these positions were amongst the top performing securities held in the portfolio over the period.

The largest gain registered in the bond portfolio was in Sofima Holding SpA (bond was issued to partly finance the acquisition of Industria Macchine Automatiche SpA), in which the fund held an exposure of 4.70% at the beginning of the period at a market price of €94.27. The floating coupon rate is directly tied to the prevailing 3-month EURIBOR rate + 4.00% and currently lies just below 8.00%.

Another similar position was held is Rimini Bidco (owner of Reno De Medici SpA) floating rate bonds, with an exposure of 2.20% as at the beginning of the period with a market price of €85.63. The bond, whose coupon rate has risen to currently just above the 9.00% level, closed the period at €98.20. the same trend was observed in Rossini (52% owner of Recordati SpA) floating rate bonds, with an exposure of 2.50% as at the beginning of the period with a market price of €97.00. The increase in the EURIBOR pushed its coupon rate to just above the 7.50% level and the bond closed the period at a market price of €100.11.

ALTINUM FUNDS SICAV plc

Investment manager's report (continued)

Year ended 31 August 2023

Convertible bonds added to the portfolio over the past twelve months contributed positively to the performance of the Fund over the period, namely Glanbia 1.875% 2027 (3.35% exposure with an average purchase price of €90.33, closing the period at €102.49) and Dufry 0.75% 2026 (3.43% exposure with an average purchase price of €81.13, closing the period at €90.38) convertibles, as the price of the underlying shares appreciated. In the case of Glanbia, the company benefited from the inflationary environment and was able to pass on price increases to its customers whilst Dufry's share price ticked higher as the company released steadily improving results on the back of the continued post Covid-19 recovery in air travel and the successful merger with Autogrill which took effect in early 2023.

Equities

At the end of the financial year, approximately 29% of the Fund was held in equities, comprising of both long-term holdings in small to mid-caps as well as special situations. The exposure is lower than the previous year's which stood at 51% - the reduction and shift in exposure is mainly due to a number of large positions held in special situations whose proceeds were reinvested in corporate bonds and the lack of lucrative special situation investment opportunities, unlike previous periods.

a) Small to mid-cap holdings

For the second consecutive year, Autostrade Meridionali SpA has been the top performing equity security and also, the top overall performer during the financial year. In November 2022 the company announced that it will be paying out €32 per share (when the share was trading at €37.30) out of its extraordinary reserves to shareholders, returning back the capital to its shareholders after the compensation received earlier in the year from the winner of the tender to manage the Napoli-Pompei-Salerno highway.

Sol SpA was the second most important equity contributor, starting the period at €17.82 and ending at €25.35. The company benefitted strongly from the inflationary environment as an important portion of its contracts with the technical gasses division are linked to inflation thus the company was able to pass on price increases to its customers. Furthermore, the company, within its medical gasses division, supplies its customers with products that inherently allow the company to pass on energy price increases, alleviating the impact on its bottom line of rising energy prices.

On the other end of the performance spectrum, the holding in Havila Kystruten was the main equity negative casualty over the period as the company faced several issues and headwinds relating to the delivery of two ships on which the future of the company was hanging, namely setbacks in securing financing due to its previous Russian partner being sanctioned and disruptions to the build process subsequent to the earthquake which hit Turkey and Syria. These events led the company to tap the capital market to raise capital and in the process its share price tumbled.

ALTINUM FUNDS SICAV plc

Investment manager's report (continued)

Year ended 31 August 2023

As per previous periods, the long exposure towards Italian equities was hedged via a short position on the FTSEMIB Index futures. Over the period large cap Italian stocks outperformed small caps and this dynamic had a negative net impact on the Fund. To reduce the overall impact and excess volatility attributed to this strategy, the Manager reduced the long exposure towards Italian equities and in line reduced the short exposure on the FTSEMIB Index.

b) Special Situations

The Fund also invests in securities which are undergoing special situations. For example, for companies that are subject to a takeover offer, the Manager may buy the share at a certain percentage below the offer price and then tender the shares into the offer if the risk/reward is deemed to be attractive. The return offered by these situations had to be re-assessed over the past twelve months given the yield attained from short term Government Bonds with relatively minimal risk.

The largest gain within this segment was Net Insurance SpA – prior to the offer announcement the Fund held Net Insurance Convertible Bonds, with an exposure of 3.40%. Pre-offer, in early September 2022, the shares traded within the range of €7.10 - €7.50 and the Convertible Bond was in-the-money as the conversion price was €6.00. As the offer was announced at a price of €9.50, the share price re-rated close to this level, with the same trend being reflected in the high delta, in-the-money Convertible Bond. The Manager purchased Net Insurance shares at a discount and converted the Convertible Bond to eventually deliver all the shares at the offer price.

The second largest gain within the Special Situations portion of the portfolio was BE Shaping the Future SpA, which was already present and mentioned in the previous report and came to a successful conclusion during this financial year. The shares closed the previous financial year at €3.395 and were sold at €3.45 in November 2022.

Other positive contributors within the Special Situations strategy for the reference period include DEA Capital SpA, Majorel Group, Autogrill SpA, Ordina NV, REEVO SpA, Finlogic SpA and KME Group SpA amongst others.

REMUNERATION DISCLOSURE

Praude Asset Management Limited's Remuneration Policy is designed, structured and implemented on the basis of the company's long-term strategic objectives which are to:

- Achieve strong investment performance; and
- Be instrumental in our client's success

The Policy aims to ensure that the following objectives are achieved:

- Align individual awards with client and shareholder success;
- Promote sound and effective risk management and not encourage risk taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the relevant Clients;
- Align individual awards with business strategies, objectives, values and interest of the company, the Clients and their investors and avoid conflict of interest;
- Reinforce our meritocracy by differentially rewarding high performers; and
- Recognise and retain top talent by ensuring a meaningful mix of upfront and deferred compensation.

ALTINUM FUNDS SICAV plc

Investment manager's report (continued)

Year ended 31 August 2023

The company's remuneration packages reflect the relevant duties and responsibilities of its staff members, are fair and equitable, and incorporate rewards that are clearly and measurably linked to performance, both on an individual basis as well as on a unit, divisional and corporate perspective.

Furthermore, in designing remuneration packages, consideration is also given to qualitative aspects such as compliance, culture, ethics, conduct towards customers, and measures to mitigate conflicts of interest.

ESMA Guidelines on Sound Remuneration Policies under the UCITS Directive and AIFMD Directive requires that the Investment Manager considers the additional disclosures, in accordance with the principle of proportionality, and at least on an annual basis, presents certain information regarding its Remuneration Policy and practices for 'identified staff'.

Following due consideration of the Investment Manager's size, internal organisation as well as the nature, scope and complexity of its activities, the MFSA has granted the company a derogation from the requirement to set up a remuneration committee and such derogation needs to be reassessed two years from the day it was granted. It is therefore the Board of Directors that is responsible for the oversight of compliance with the Remuneration Policy with the non-executive director having the ultimate say in case of any conflict.

The remuneration of the Directors of the Investment Manager is a fixed pay based on level of competencies, responsibilities and contribution. One of the Directors does not get a directorship fee.

The above-mentioned policies taken from the Remuneration Policy of the company permits that a variable component may be added to fixed remuneration. The relation between fixed and variable remuneration shall not exceed 100 per cent of the fixed component. The MFSA has also granted a derogation to the company in relation to deferral or equity measures. The company's Remuneration Policy does not provide for pension benefits.

'Identified Staff' of the Investment Manager consist of its Directors, Senior Management, Investment Committee Members, Portfolio Managers, Compliance Officer, Risk Officer and Money Laundering Reporting Officer.

The average number of persons employed during the year, including executive directors, was 8 (2021: 10).

Aggregate fixed remuneration for Identified Staff during the financial year-ended 31 December 2022 included as key management personnel above was EUR296,379 (31 December 2021: EUR476,432), while variable remuneration paid amounted to Eur102,000 (31 December 2021: Eur191,500).

Information regarding the Remuneration Policies of the Investment Manager can be accessed free of charge at the Investment Manager's website: Remuneration Policy (www.praude.com.mt)

ALTINUM FUNDS SICAV plc

Investment manager's report (continued)

Year ended 31 August 2023

CONCLUSION

The Manager will continue to deploy the assets of the Fund in the manner described above: in attractive fixed income opportunities whilst protecting the bond portfolio from interest rate risks, in small to mid-caps which the Manager deems to be undervalued and attractive from a fundamental point of view over the medium to long term whilst hedging against market risk, and in special situation opportunities that arise from time to time with an attractive risk/reward profile.

The Directors

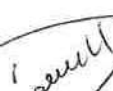
Altinum Funds SICAV p.l.c.
Quad Central, Q3 Level 9
Triq L-Esportaturi,
Zone 1 Central Business District,
Birkirkara CBD 1040
Malta

14th November 2023

Custodian's Report


As Custodian to *Altinum Fund* ("the Sub-fund"), sub-fund of *Altinum Fund SICAV plc* ("the Scheme"), we hereby confirm having enquired into the conduct of the Scheme in relation to the above mentioned Sub-fund for the period *1st September 2022* until *31st August 2023* and confirm that during this period:

- I. the Sub-fund was managed in accordance with the limitations imposed on the investment and borrowing powers of the respective sub-fund by its constitutional documents and by the Malta Financial Services Authority;
- II. And in accordance with the provision of the constitutional documents and the License Conditions.



Paul Mifsud
Managing Director
o.b.o.

Sparkasse Bank Malta p.l.c.



Anna Mironova
Head of Securities & Custody and Depositary Services