

APUANO FUNDS
(an open-ended umbrella unit trust)

Interim Unaudited Condensed Financial Statements

For the financial period from 19 December 2019 (date of establishment) to 30 June 2020

Registration No. C402109

APUANO FUNDS

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Directors of the Manager and Other Information

Directors of the Manager

Julian Alworth (USA)
David Costin (UK and USA)
Cormac Byrne (Ireland)*
Michele Calzolari (Italy)*
Fergal O'Leary (Ireland)*

Investment Manager

Foundation Asset Management (HK) Limited
Suite 2703
Tower One
Lippo Centre
89 Queensway
Hong Kong

Manager

European and Global Investments Limited
28-32 Upper Pembroke Street
Dublin 2
Ireland

Trustee

CACEIS Bank, Ireland Branch
One Custom House Plaza
International Financial Services Centre
Dublin 1
Ireland

Administrator, Registrar and Transfer Agent

CACEIS Ireland Limited
One Custom House Plaza
International Financial Services Centre
Dublin 1
Ireland

Legal Advisers in Ireland

Dillon Eustace
33 Sir John Rogerson's Quay
Dublin 2
Ireland

Independent Auditor

Grant Thornton
13-18 City Quay
Dublin 2
Ireland

*non-executive director

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Investment Manager's Report

For the financial period from 1 January 2020 to 30 June 2020

The global stock market experienced a very volatile period in the first half of 2020. The S&P 500 fell 3.56%, and the Hang Seng Index fell 13.35%.

In mid-January, China and the United States signed the first phase of the Sino-US trade agreement. China's Manufacturing PMI in December 2019 stood at above 50 for two consecutive months in the expansion zone, indicating that China's stock market would have a better start in 2020.

At the end of January, the novel coronavirus broke out in Wuhan and across China, and the market experienced a sharp correction. At the end of February, the epidemic in China was effectively controlled, but the coronavirus had spread to many other countries around the world. Global financial assets fluctuated sharply, market risk appetite cratered, and risk aversion sentiment rose. The VIX index, which measures the degree of market panic, rushed to the level last seen during the 2008 financial crisis, in mid-March 2020. Investors dumped risky assets, including stocks, bonds and commodities, and reallocated into safe haven assets such as gold and treasuries.

Market liquidity has shrunk abruptly. In order to alleviate the market turmoil caused by COVID-19, the Fed cut interest rates by 150bps in March, and at the same time expanded the scope of global central bank foreign exchange rate swap agreements to inject US dollar liquidity into the global markets, while simultaneously implementing substantial quantitative easing. By the end of June, the Fed's balance sheet had risen nearly 75% from the level at the beginning of the year. Central banks around the world have followed the Fed's policy pace in interest rates to reduce the impact of the pandemic on their economies. China led the global economic recovery, which was predicated on them being one of the earliest countries to control the coronavirus outbreak. At the end of June, China's manufacturing PMI has been above 50 for four consecutive months and stayed above the expansion range. China's import and export data continued to improve in Q2 2020. Compared with the radical quantitative easing policies adopted by other central banks around the world since the pandemic, China central bank's monetary policy was relatively cautious, and the space for further adjustment is also more flexible. At the end of June, the PB ratio of the Hang Seng Index was at a historical low level of 1.10, representing an attractive value proposition for global investors.

The following opinions do not constitute any investment opinions and should not be regarded as a basis for investment recommendations. Since inception of the Fund to June 30th, the total return of the Apuano Foundation China Fund was 3.60%, which outperformed -12.60% of the Hang Seng Index. The Fund's lower volatility (1.0%) since inception is almost half of the Hang Seng Index (1.9%).

The Fund's characteristics of better downside protection is a result of our stock-picking ability of high-quality companies and appropriate hedging. The outstanding contribution of the portfolio in first half of 2020 was Luxshare Precision Industry Co. Ltd. As a provider of Internet solutions in China, its Q1 2020 revenue increased by 83.1% year-on-year and net profit increased by 59.4% year-on-year. Its consumer electronics business of Apple's AirPods presents an opportunity for future growth. Another top contributor to our portfolio is Alibaba Group. As one of the leaders in the industry, its Q1 2020 revenue increased by 22% year-on-year and Mobile MAUs in China retail markets reached 846 million. As one of the beneficiaries of the COVID-19 pandemic, we expect it to maintain its strong growth in the future.

Foundation Asset Management (HK) Limited
August 2020

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UNAUDITED STATEMENT OF FINANCIAL POSITION

As at 30 June 2020

		Apuano Foundation China Fund*
		30 June 2020
	Note	USD
Assets		
Financial assets at fair value through profit or loss:		
-Transferable securities	4	12,666,900
-Derivative contracts	4	980
Cash and cash equivalents	6	769,792
Margin cash	6	736,854
Interest and dividend receivable		20,594
Total assets		14,195,120
Liabilities		
Financial liabilities at fair value through profit or loss	4	11,804
Management fees payable	8	69,707
Performance fees payable	8	105,041
Administration fees payable	8	17,408
Depositary fees payable	8	11,231
Audit fees payable		8,289
Other liabilities		15,556
Total liabilities		239,036
Net assets attributable to holders of redeemable units		13,956,084

*Apuano Foundation China Fund commenced operations on 24 January 2020. As Apuano Foundation China Fund was the only Sub-Fund of the Trust as at 30 June 2020, the above details and those in the accompanying notes also represent the total for the Trust as at 30 June 2020.

The notes on pages 7 to 16 form an integral part of these financial statements.

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UNAUDITED STATEMENT OF COMPREHENSIVE INCOME

For the financial period from 19 December 2019 (date of establishment) to 30 June 2020

		Apuano Foundation China Fund*
		For the financial period ended 30 June 2020
	Note	USD
Income		
Dividend income	3	62,503
Interest income	3	3,041
Total income		65,544
Expenses		
Management fees	8	114,413
Administration fees	8	17,408
Legal fees		5,414
Depository fees	8	11,231
Transfer Agency fees		1,651
Audit fees		8,289
Transaction fees		88,384
Performance fees	8	105,041
Establishment fees	3	98,089
Other fees and expenses		6,669
Total expenses		456,589
Net investment loss		(391,045)
Net realised and unrealised gain/(loss) on investments and foreign currency		
Net realised gain on foreign currency	5	32,603
Realised loss from investments at fair value through profit and loss	5	(510,892)
Change in unrealised gain from investments at fair value through profit and loss	5	1,520,335
		1,042,046
Finance costs		
Withholding tax		(4,068)
Interest expense	3	(6,175)
		(10,243)
Change in net assets attributable to holders of redeemable units resulting from operations		640,758

*Apuano Foundation China Fund commenced operations on 24 January 2020. As Apuano Foundation China Fund was the only Sub-Fund of the Trust for the financial period from 19 December 2019 to 30 June 2020, the above details and those in the accompanying notes also represent the total for the Trust for the financial period.

All amounts arose solely from continuing operations. There were no recognised gains or losses other than those dealt with in the Unaudited Statement of Comprehensive Income.

The notes on pages 7 to 16 form an integral part of these financial statements.

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UNAUDITED STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE UNITS

For the financial period from 19 December 2019 (date of establishment) to 30 June 2020

	Apuano Foundation China Fund*
	For the financial period ended 30 June 2020
	USD
Net assets attributable to holders of redeemable units for dealing purposes at beginning of the period	-
Change in net assets attributable to holders of redeemable units resulting from operations	640,758
Share capital transactions	
Redeemable units issued	14,093,215
Redeemable units redeemed	(777,889)
Net increase in net assets resulting from share capital transactions	<u>13,315,326</u>
Net assets attributable to holders of redeemable units at end of period	<u><u>13,956,084</u></u>

*Apuano Foundation China Fund commenced operations on 24 January 2020. As Apuano Foundation China Fund was the only Sub-Fund of the Trust for the financial period from 19 December 2019 (date of establishment) to 30 June 2020, the above details and those in the accompanying notes also represent the total for the Trust for the financial period.

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UNAUDITED STATEMENT OF CASH FLOWS

For the financial period from 19 December 2019 (date of establishment) to 30 June 2020

	Apuano Foundation China Fund* For the financial period ended 30 June 2020 USD
Cash flows from operating activities	
Increase in net assets attributable to holders of redeemable units resulting from operations	640,758
Cash flows used in operations:	
Increase in net accounts payable and accrued expenses	227,232
Movement in margin cash balance	(736,854)
Increase in interest and dividend receivable	(20,594)
Movement in financial assets and financial liabilities	(12,656,076)
Net cash used in operating activities	<u>(12,545,534)</u>
Cash flows from financing activities	
Proceeds from issue of redeemable units	14,093,215
Payments on redemption of redeemable units	(777,889)
Net cash provided by financing activities	<u>13,315,326</u>
Net increase in cash and cash equivalents	769,792
Cash and cash equivalents at beginning of period	-
Cash and cash equivalents at end of period	<u><u>769,792</u></u>
Net cash flow from operating activities and financing activities includes:	
Interest received	3,041
Interest paid	(6,175)
Dividend received	41,909

*Apuano Foundation China Fund commenced operations on 24 January 2020. As Apuano Foundation China Fund was the only Sub-Fund of the Trust as at 30 June 2020, the above details and those in the accompanying notes also represent the total for the Trust as at 30 June 2020.

The notes on pages 7 to 16 form an integral part of these financial statements.

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Notes to the Financial Statements

For the financial period from 19 December 2019 (date of establishment) to 30 June 2020

1. GENERAL INFORMATION

Apuano Funds is an open-ended umbrella unit trust (the "Trust") established on 19 December 2019. The Trust has been authorised by the Central Bank of Ireland (the "Central Bank") as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011, (as amended) (the "UCITS Regulations") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 as amended (the "Central Bank UCITS Regulations") on 19 December 2019.

The Trust is structured as an umbrella fund and may comprise several Sub-Funds each representing a separate portfolio of assets.

The Trust currently has one Sub-Fund, Apuano Foundation China Fund (the "Sub-Fund") which was authorised on 19 December 2019. The Sub-Fund launched on 24 January 2020.

Investment objective

The investment objective of the Sub-Fund is to achieve long-term capital appreciation by primarily investing in equities and equity-related securities issued by companies that are incorporated in China or companies which have significant operations in or derive a significant portion of revenue or profits from China.

2. BASIS OF PREPARATION

(a) Statement of compliance

These condensed financial statements for the financial period ended 30 June 2020 have been prepared in accordance with IAS 34 'Interim Financial Reporting' and pursuant to the UCITS Regulations and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 (the "Central Bank UCITS Regulations") and in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU").

(b) Basis of measurement

The financial statements have been prepared under the historical cost basis.

The financial statements have been prepared on a going concern basis.

(c) Functional and presentation currency

The financial statements are presented in US Dollar ("USD"), which is the Sub-Fund's functional currency. Functional currency is the currency of the primary economic environment in which the entity operates.

(d) Use of estimates and judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that may affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the financial period in which the estimate is revised if the revision affects only that financial period or in the financial period of the revision and future periods if the revision affects both current and future periods.

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Notes to the Financial Statements (continued)

For the financial period from 19 December 2019 (date of establishment) to 30 June 2020

2. BASIS OF PREPARATION (continued)

(e) New standards and interpretations

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2020, and have not been early adopted in preparing these financial statements. None of these are expected to have a material effect on the financial statements of the Trust.

(f) Financial assets/liabilities at fair value through profit or loss

Classification

The Trust classifies its investments based on both the Trust's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Trust is primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Trust has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. Consequently, all investments are measured at fair value through profit or loss.

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss. As such, the Trust classifies all of its investment portfolio as financial assets or liabilities as fair value through profit or loss.

The Trust's policy requires the Manager to evaluate the information about these financial assets and liabilities on a fair value basis together with other related financial information.

Recognition/Derecognition

Purchases and sales of investments are recognised on the trade date, which is the date that the Trust commits to purchase or sell the asset. Investments are initially recognised at cost, and transaction costs for all financial assets and financial liabilities carried at fair value through profit or loss are expensed as incurred. Investments are derecognised when the rights to receive cash flows from the investments have expired or the Trust has transferred substantially all risks and rewards of ownership.

Measurement

Financial assets and liabilities at fair value through profit or loss are initially recognised at cost. Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the financial assets or financial liabilities at fair value through profit or loss are presented in the Unaudited Statement of Comprehensive Income in the period in which they arise.

Fair Value Estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial assets and liabilities traded in active markets (such as publicly traded derivatives and trading securities) are based on quoted market prices at the close of trading on the reporting date. The Trust utilises the mid-market price for both financial assets and financial liabilities. Use of mid-market pricing results in a valuation of an asset or liability at the mid-point of the bid-ask spread.

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques, which include using arm's length transactions; reference to the current market value of another instrument that is substantially the same; discounted cash flow analysis and option pricing models making as much use of available and supportable market data as possible.

Forward Foreign Currency Contracts

The Trust may enter into forward foreign currency contracts. All forward foreign currency contracts are fair valued using exchange rates prevailing at the relevant valuation date for the remaining period to maturity and any resulting unrealised gains are recorded as financial assets and unrealised losses as financial liabilities in the Unaudited Statement of Financial Position, accordingly. Realised gains and losses are recorded in the Unaudited Statement of Comprehensive Income at the time the forward foreign currency contracts settle.

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Notes to the Financial Statements (continued)

For the financial period from 19 December 2019 (date of establishment) to 30 June 2020

2. BASIS OF PREPARATION (continued)

(f) Financial assets/liabilities at fair value through profit or loss (continued)

Futures Contracts

Futures contracts are contracts for delayed delivery of commodities, securities or money market instruments in which the seller agrees to make delivery at a specified future date of a specified commodity or instrument, at a specified price or yield. Gains and losses on futures are recorded by the Trust based upon market fluctuations and are recorded as realised or unrealised gains or losses in the Unaudited Statement of Comprehensive Income.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the Unaudited Statement of Financial Position when there is a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis, or realise the assets and settle the liability simultaneously. All financial assets and financial liabilities are presented gross as at 30 June 2020.

Realised Gains and Losses from Sale of Investments

Realised gains and losses on investment transactions are calculated using the average cost method. Gains and losses realised on the sale of all financial assets and financial liabilities carried at fair value through profit or loss are recognised in the Unaudited Statement of Comprehensive Income.

3. SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below.

(a) Foreign currency

Transactions in foreign currencies are translated into USD at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the Statement of Financial Position date are translated into USD at the foreign currency closing exchange rate ruling at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value through profit or loss are translated into USD at the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated into USD using the exchange rate at the date of the transaction.

Foreign currency differences arising on translation and on derivative financial instruments at fair value through profit or loss are recognised in the Unaudited Statement of Comprehensive Income in the realised gain/(loss) on foreign exchange line.

(b) Interest income and interest expense

Interest income is earned from deposits held at bank held by the Sub-Fund. Interest expense comprises of interest incurred from short-term overdraft balances. Interest income and interest expense are recognised in the Unaudited Statement of Comprehensive Income on an accrual basis.

(c) Dividend income

Dividends are credited to the Unaudited Statement of Comprehensive Income on the dates on which the relevant securities are listed as "ex-dividend". Income is shown gross of any non-recoverable withholding taxes, which is disclosed separately in the Unaudited Statement of Comprehensive Income, and net of any tax credits.

(d) Taxation

The Trust is an investment undertaking as defined in section 739B of the Taxes Consolidation Act, 1997. Therefore, the Trust will not be liable to Irish tax in respect of its income and gains, other than on the occurrence of a chargeable event. A chargeable event includes any distribution payments to unitholders or any encashment, redemption or transfer of units or the ending period for which the investments was held.

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Notes to the Financial Statements (continued)

For the financial period from 19 December 2019 (date of establishment) to 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Taxation (continued)

Generally, a chargeable event arises on any distributions, redemption, repurchase, cancellation, transfer of units or the ending of a “relevant period”. A relevant period is an eight year period beginning with the acquisition of the units by the unitholder and each subsequent period of eight years beginning immediately after the preceding relevant period.

A gain on a chargeable event does not arise in respect of:

- (i) a unitholder who is not an Irish resident and not ordinarily resident in Ireland at the time of the chargeable event, provided the necessary signed statutory declarations are held by the Trust ;
- (ii) certain exempted Irish tax resident investors who have provided the Trust with the necessary signed statutory declarations;
- (iii) an exchange of units arising on a qualifying amalgamation or reconstruction of the Trust with another fund;
- (iv) any transaction in relation to units held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland;
- (v) certain exchanges of units between spouses and former spouses on the occasion of judicial separation and/or divorce; and
- (vi) an exchange by a unitholder, effected by way of an arm's length bargain where no payment is made to the unitholder of units in the Trust for other unit in the Trust.

Capital gains, dividends and interest (if any) received on investments made by the Trust may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the Trust or its unitholders.

In the absence of an appropriate declaration, the Trust will be liable for Irish tax on the occurrence of a chargeable event and the Trust reserves its right to withhold such taxes from the relevant unitholders. There were no chargeable events in the financial period under review.

(e) Expenses

The Sub-Fund of the Trust pays all of its expenses and such proportion of the Trust's expenses as is attributable to it. All expenses are accrued on a daily basis as part of net asset valuation. See note 8 for further details on fees paid by the Sub-Fund.

(f) Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less. Bank overdrafts are presented as a liability in the Unaudited Statement of Financial Position.

(g) Margin cash

Margin cash consists of cash holdings with brokers transferred as collateral against derivatives.

(h) Units

Unitholders may redeem their units in respect of any dealing day. All redemptions will be dealt with on a forward pricing basis, i.e. by reference to the redemption price calculated in respect of a fund as at the valuation point on the relevant valuation day. In accordance with IAS 32, “Financial Instruments: Presentation”, such instruments give rise to a financial liability for the present value of the redemption amount.

(i) Accrued expenses

Accrued expenses consist of expenses outstanding payment.

(j) Transaction costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the Trust had not acquired, issued or disposed of the financial instrument.

When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value through profit or loss plus, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

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Notes to the Financial Statements (continued)

For the financial period from 19 December 2019 (date of establishment) to 30 June 2020

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) Transaction costs (continued)

Transaction costs on the purchase and sale of some derivative instruments are included in the purchase and sale price of an investment. They cannot be practically or reliably gathered as they are embedded in the cost of the investment and cannot be separately verified or disclosed. Only transaction costs which are separately identifiable are disclosed. These include transaction costs paid to CACEIS Bank, Ireland Branch and sub-depositaries, identifiable brokerage charges, identifiable transaction related taxes and other market charges and separately identifiable transaction costs related to derivative financial instruments.

(k) Subscription fee

A subscription fee may be added to the issue price of the initial issue of units and may be retained by the Manager or by any placing or sales agent or agents or distributors appointed by the Manager for its or their absolute use or benefit and shall not form part of the assets of the relevant Sub-Fund. The Manager may at its sole discretion waive such subscription fee or differentiate between applicants as to the amount of such subscription fee within the permitted limits.

In the case of units issued subsequently to the initial issue of units in the relevant Sub-Fund the Manager shall deduct a subscription fee not exceeding five per cent (5%) of the total subscription amount from the total subscription amount and such fee may differ between Sub-Funds and classes of units in a particular Sub-Fund. A subscription fee applied upon any subsequent issue of units shall be deducted from the total subscription amount upon issue of units and shall be paid to the Manager or to any placing or sales agents or distributors appointed by the Manager for its or their absolute use or benefit and shall not form part of the assets of the relevant Sub-Fund.

(l) Establishment fees

For the purpose of calculating the dealing Net Asset Value and as per the Trust's Prospectus, the preliminary expenses incurred in connection with the establishment and initial issue of units in the Sub-Fund when incurred will be amortised over the first three financial years of the Trust. However, as required by IFRS, this expense must be written off when incurred and so these financial statements have been adjusted accordingly, as set out in note 11. This is for financial purposes only and has no impact on the Dealing Net Asset Value of the Sub-Fund.

4. FAIR VALUE INFORMATION

The Sub-Fund's investments will be carried at fair value on the Unaudited Statement of Financial Position. Usually the fair value of the financial assets and liabilities can be reliably determined within a reasonable range of estimates. The carrying amounts of all the Sub-Fund's financial assets and financial liabilities at the Unaudited Statement of Financial Position date will approximate their fair values.

Determining fair values

The determination of fair value for financial assets for which there is no observable market price requires the use of valuation techniques. For financial instruments that trade infrequently and have little price transparency, fair value is less objective, and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

Valuation of financial instruments

The Sub-Fund measures fair values using the following hierarchy of methods:

- Level 1 - Quoted market price (unadjusted) in an active market for an identical instrument.
- Level 2 - Valuation techniques based on observable inputs, either directly (i.e. as prices) or indirectly (i.e. derived by prices). This category includes instruments valued using: quoted market prices in active markets for similar instruments; quoted prices for similar instruments in markets that are considered less than active; or other valuation techniques where all significant inputs are directly or indirectly observable from market data.

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Notes to the Financial Statements (continued)

For the financial period from 19 December 2019 (date of establishment) to 30 June 2020

4. FAIR VALUE INFORMATION (continued)

Valuation of financial instruments (continued)

- Level 3 - Valuation techniques using significant unobservable inputs. This category includes all instruments where the valuation technique includes inputs not based on observable data and the unobservable inputs could have a significant effect on the instrument's valuation. This category includes instruments that are valued based on quoted prices for similar instruments where significant unobservable adjustments or assumptions are required to reflect differences between the instruments.

The table below summarises the Sub-Fund's classification of investments, into the above hierarchy levels as of 30 June 2020:

Apuano Foundation China Fund

	Level 1	Level 2	Level 3	Total
	USD	USD	USD	USD
Financial assets at fair value through profit or loss - held for trading:				
Equity securities	12,666,900	-	-	12,666,900
Forward foreign currency contracts	-	141	-	141
Futures contracts	839	-	-	839
	12,667,739	141	-	12,667,880
	USD	USD	USD	USD
Financial liabilities at fair value through profit or loss:				
Forward foreign currency contracts	-	(11,804)	-	(11,804)
	-	(11,804)	-	(11,804)

5. NET GAINS AND LOSSES ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

Apuano Foundation China Fund

30 June 2019
USD

Net realised loss from financial assets and financial liabilities at fair value through profit or loss:

Equity securities	(623,568)
Futures contracts	112,676
Foreign currency	32,603
	(478,289)

Net change in unrealised gain from financial assets and financial liabilities at fair value through profit or loss:

Equity securities	1,531,159
Forward foreign currency contracts	(11,663)
Futures contracts	839
	1,520,335

Total net gain on financial assets and financial liabilities at fair value through profit or loss

1,042,046

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Notes to the Financial Statements (continued)

For the financial period from 19 December 2019 (date of establishment) to 30 June 2020

6. CASH AT BANK AND MARGIN CASH

Apuano Foundation China Fund

30 June 2020	CACEIS Bank USD	Interactive Brokers USD	Essence Futures Limited USD	Total USD
Cash at bank	769,792	-	-	769,792
Margin cash	-	173,742	563,112	736,854
	769,792	173,742	563,112	1,506,646

7. UNITHOLDERS' INTERESTS

Units of each Sub-Fund are all freely transferable and entitle the unitholder to participate equally in the profits and distributions (if any) of that Sub-Fund and in its assets in the event of termination. The units, which are of no par value and which must be fully paid for upon issue, carry no preferential or preemptive rights. A unit in a Sub-Fund represents the beneficial ownership under a trust of one undivided share in the assets of the relevant Sub-Fund attributable to the relevant Class.

"A" units are non-distributing units and, accordingly, the Manager does not intend to make distributions in respect of "A" units.

The Administrator will at any time, following receipt of a request in writing by a unitholder, redeem on any dealing day all or any part of such unitholder's holding of units at a price per unit equal to the Net Asset Value per unit.

Unit transactions for the financial period ended 30 June 2020 are summarised in the table below:

Apuano Foundation China Fund

30 June 2020

	A Institutional USD	A Retail Plus EUR	A Retail Premium EUR	A Institutional EUR
Opening Balance	-	-	-	-
Units issued	57,341	26,031	39,637	11,038
Units redeemed	(682)	-	(768)	(5,856)
Ending balance	56,659	26,031	38,869	5,182

8. CHARGES AND EXPENSES

Management Fee

The Manager is entitled to an annual management fee as set out in the table below, accrued daily and payable monthly in arrears out of the assets of the Sub Fund attributable to the class and is calculated on that proportion of the Net Asset Value of the class (plus VAT, if any).

Unit Class	Management Fee
A Institutional USD	1.50%
A Retail Plus EUR	2.25%
A Retail Premium EUR	2.25%
A Institutional EUR	1.50%
A Institutional D EUR	1.00%

The Manager, in its capacity as Global Distributor shall also be entitled to a service and maintenance fee (plus VAT, if any), accrued daily and payable monthly out of the net assets of each class of the Sub-Fund attributable to the relevant class at an annual rate, which will be 0.30% of the net assets in respect of each class of the Sub Fund subject to minimum of €50,000 for net assets below €45 million. The service and maintenance fee on net assets in excess of €45 million will be 0.15% of the net assets in respect of each Class of the Sub Fund.

The Investment Manager's fee is paid out of the Management fee.

Management fees charged for the financial period ended 30 June 2020 were USD 114,413 of which USD 69,707 were payable at the period end.

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Notes to the Financial Statements (continued)

For the financial period from 19 December 2019 (date of establishment) to 30 June 2020

8. CHARGES AND EXPENSES (continued)

Performance Fee

The Investment Manager shall also be entitled out of the assets attributable to a relevant class to a performance fee at a rate of 15% per annum of the increase in the Net Asset Value of the relevant class (plus VAT, if any), taking subscriptions and redemptions into account. At the end of the first performance period, the benchmark is the initial price of the relevant class. If the Net Asset Value per unit at the end of a performance period, which runs from the first business day of the accounting period to the last business day of the accounting period, exceeds the benchmark, a performance fee is payable. The benchmark is the value, on the last valuation day of each performance period which the Net Asset Value per unit on the same day must exceed in order for a performance fee to be payable. The performance fee shall be accrued on each valuation day and will crystallise and be payable annually in arrears at the end of each performance period.

Performance fees charged for the financial period ended 30 June 2020 were USD 105,041, all of which were payable at the period end.

Administrator Fee

The Administrator shall be entitled to receive out of the assets of the Sub-Fund an annual fee, accrued and calculated on each valuation point and payable monthly in arrears, at a rate of:

- 0.07% per annum up to EUR 100 million of the average net assets of each Sub-Fund; and
- 0.06% per annum on the average net assets of each Sub-Fund between EUR 100 million and EUR 300 million; and
- 0.05% per annum on the average net assets of each Sub-Fund in excess of EUR 300 million.

The administration fee is subject to an annual minimum fee of EUR 20,000 per Sub-Fund in the first year and EUR 36,000 per annum thereafter.

The Administrator is also entitled to receive out of the assets of the Sub-Fund, reasonable out-of-pocket expenses incurred in relation to the administration of the Sub-Fund.

Administrator fees charged for the financial period ended 30 June 2020 were USD 17,408, all of which were payable at the period end.

Trustee Fee

The Trustee shall be entitled to receive out of the assets of the Sub-Fund an annual fee, accrued and calculated on each valuation point and payable monthly in arrears, at a rate of 0.035% per annum of the net assets of each Sub-Fund.

The Trustee fee is subject to an annual minimum fee of EUR 20,000 per Sub-Fund in the first year and EUR 24,000 per annum thereafter.

The Trustee is also entitled to receive out of the assets of the Trustee, reasonable out-of-pocket expenses incurred by the Trustee and for transaction charges, banking and safe custody fees (which will not exceed normal commercial rates) and reasonable out-of-pocket expenses of any sub-custodian appointed by the Trustee.

Trustee fees charged for the financial period ended 30 June 2020 were USD 11,231, all of which were payable at the period end.

9. RELATED PARTIES AND CONNECTED PARTIES

European and Investment Consulting (EIC) provides risk and performance measurement to the Sub-Fund. Fees charged for the financial period ended 30 June 2020 were USD 2,103. Julian Alworth is a Director of the Manager and part owner of EIC.

The Board of Directors of the Manager are satisfied that: (i) there are arrangements in place, evidenced by written procedures, to ensure that the obligations set out in Regulation 43 (1) of the Central Bank UCITS Regulations are applied to all transactions with connected persons; and (ii) transactions with connected persons entered into during the period complied with the obligations set out in that regulation.

The Directors of the Manager may be entitled to remuneration as determined by the Directors as disclosed in Note 8. The Trust is not liable for Director fees of the Manager.

APUANO FUNDS

Notes to the Financial Statements (continued)

For the financial period from 19 December 2019 (date of establishment) to 30 June 2020

9. RELATED PARTIES AND CONNECTED PARTIES (continued)

The fees payable to related parties are discussed in Note 8.

10. NET ASSET VALUE COMPARISON

Apuano Foundation China Fund

A Institutional USD	30 June 2020
Net Asset Value	USD 5,831,725
Shares in Issue	56,659
Net Asset Value per share	USD 102.93
A Retail Plus EUR	30 June 2020
Net Asset Value	EUR 2,688,506
Shares in Issue	26,031
Net Asset Value per share	EUR 103.28
A Retail Premium EUR	30 June 2020
Net Asset Value	EUR 4,009,424
Shares in Issue	38,869
Net Asset Value per share	EUR 103.15
A Institutional EUR	30 June 2020
Net Asset Value	EUR 535,618
Shares in Issue	5,182
Net Asset Value per share	EUR 103.37

11. RECONCILIATION OF THE DEALING NET ASSET VALUE TO FINANCIAL STATEMENTS NET ASSET VALUE

	Apuano Foundation
	China Fund
	30 June 2020
	USD
Net Asset Value for dealing purposes	14,046,873
Adjustment for write off of organisation costs	(90,789)
Net Asset Value per financial statements	13,956,084

12. EFFICIENT PORTFOLIO MANAGEMENT

Efficient portfolio management transactions relating to the assets of a Sub-Fund may be entered into by the Manager/Portfolio Manager with one of the following aims a) a reduction of risk b) a reduction of cost c) generation of additional capital or income (relative to the expected return) and the diversification requirements in accordance with the CBI UCITS Regulations and any applicable guidance issued by the Central Bank. In relation to efficient portfolio management operations the Manager/Portfolio Manager will look to ensure that the techniques and instruments used are economically appropriate in that they will be realised in a cost effective way. Such techniques and instruments may include foreign exchange transactions which alter the currency characteristics of transferable securities held on behalf of the Sub-Fund.

The underlying exposures of the Financial Derivative Instruments will be consistent with the relevant Sub-Funds' investment objectives and policies and in each case may relate to transferable securities, collective investment schemes (including exchange traded funds), Money Market Instruments, stock indices, fixed income indices, foreign exchange rates or currencies.

APUANO FUNDS

Notes to the Financial Statements (continued)

For the financial period from 19 December 2019 (date of establishment) to 30 June 2020

13. EXCHANGE RATES

The following exchange rates were used at 30 June 2020 to convert investments and other assets and liabilities denominated from local to base currency:

	30 June 2020
CNY	0.1414
EUR	1.1232
HKD	0.1290

14. SOFT COMMISSIONS

There were no soft commissions paid during the financial period from 19 December 2019 (date of establishment) to 30 June 2020.

15. SIGNIFICANT EVENTS DURING THE FINANCIAL PERIOD

During the period we saw the development of the coronavirus Covid-19 outbreak initially in China and now reaching most continents. It has been declared a global pandemic by the World Health Organisation. The nature and extent of the impact of such an event is difficult to predict but it may adversely affect the return on each Fund and its investments and there is growing concern about the impact on the world economy, especially if there is a second wave in the coming months. There was a significant correction in the financial markets in the period although this has been partially recouped. The Directors of the Manager and the Investment Manager continue to monitor the efforts of governments to contain the spread of the virus and monitor the economic impact on the investments in the portfolios.

Investors should be aware of the liquidity risk presented by this global pandemic. There is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. Market disruptions or closures may result in the Investment Manager being unable to accurately value the assets of a Fund, or in the event of high levels of redemption, the Manager may use certain liquidity management tools permitted by the Central Bank, including deferred redemptions, the implementation of fair value pricing or temporarily suspension of a Fund.

The Directors of the Manager have evaluated events that have occurred during the financial period and determined that no other events have occurred that would require recognition or additional disclosures in the financial statements.

16. SIGNIFICANT EVENTS AFTER THE FINANCIAL PERIOD END DATE

The Directors of the Manager have evaluated events that have occurred up to the date of approval of the financial statements and determined that no events have occurred that would require recognition or additional disclosures in the financial statements.

17. APPROVAL OF THE FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors of the Manager on 26 August 2020.

APUANO FUNDS

Unaudited Schedule of Investments

As at 30 June 2020

Quantity	Description	Fair Value USD	% of Net Asset Value
Transferable Securities			
Equity Securities			
<i>Cayman Islands</i>			
142,400	SANDS CHINA LTD	558,541	4.00%
119,000	ZHONGSHENG GROUP	658,682	4.72%
49,100	ENN ENERGY HOLDINGS LTD	552,421	3.96%
11,100	TENCENT HLDG	714,080	5.12%
29,000	MEITUAN DIANPIN - SHS 114A/REG S	643,199	4.61%
22,000	ALIBABA GROUP HOLDING LTD	594,957	4.26%
		3,721,880	26.67%
<i>China</i>			
309,000	WEICHAH POWER -H-	575,702	4.13%
3,100	KWEICHOW MOUTAI CO LTD	641,063	4.59%
95,045	ANGEL YEAST CO LTD -A-	664,798	4.76%
100,231	SHENZHEN LUXSHARE PRECISION INDUSTRY -A-	727,567	5.21%
107,750	A-LIVING SERVICES CO LTD	542,887	3.89%
52,400	WUXI APPTTEC CO LTD.	680,820	4.88%
15,100	SZ MINDRAY BIO --- REGISTERED SHS -A-	652,533	4.68%
467,600	ASIAINFO TECHNOLOGIES LIMITED	615,384	4.41%
		5,100,754	36.55%
<i>United States of America</i>			
700	ILLUMINA INC	259,245	1.86%
1,336	ESTEE LAUDER COMPANIES INC -A-	252,076	1.81%
1,301	VISA INC -A-	251,314	1.80%
255	TESLA MOTORS INC	275,352	1.97%
9,573	TAL EDUCAT GR -A- ADR REPR 1/3 SH -A-	654,602	4.69%
1,129	FACEBOOK -A-	256,362	1.83%
5,158	LONZA GRP UNSPONSORED ADR REPR 1/10TH SH	273,322	1.95%
782	S&P GLOBAL	257,653	1.85%
93	AMAZON.COM INC	256,570	1.84%
598	ADOBE INC	260,315	1.87%
799	APPLE INC	291,475	2.09%
1,386	MICROSOFT CORP	282,065	2.02%
721	NVIDIA CORP	273,915	1.96%
		3,844,266	27.54%
	Total Equity Securities	12,666,900	90.76%

Futures Contracts

Quantity	Description	CCY	Maturity Date	Counterparty	Fair Value USD	% of Net Asset Value
(4)	HANG SENG IN	HKD	31 July 2020	Essence Futures (Hong Kong) Limited	839	0.01%
	Total Futures - Assets				839	0.01%

APUANO FUNDS

Unaudited Schedule of Investments (continued)

As at 30 June 2020

Forward foreign currency contracts

CCY	Buy	CCY	Sell	Maturity Date	Counterparty	Unrealised Gain USD	% of Net Asset Value
EUR	100,000	USD	(112,360)	15 September 2020	CACEIS Bank	141	0.00%
Unrealised gain on forward foreign currency contracts						141	0.00%

CCY	Buy	CCY	Sell	Maturity Date	Counterparty	Unrealised Loss USD	% of Net Asset Value
EUR	7,200,000	USD	(8,111,880)	15 September 2020	CACEIS Bank	(11,804)	(0.08)%
Unrealised loss on forward foreign currency contracts						(11,804)	(0.08)%

Description	Fair Value USD	% of Net Asset Value
Investment at fair value	12,666,900	90.76%
Unrealised gain on futures contracts	839	0.01%
Unrealised gain on forward foreign currency contracts	141	0.00%
Financial Assets at fair value through profit or loss	12,667,880	90.77%
Unrealised loss on forward foreign currency contracts	(11,804)	(0.08)%
Other assets in excess of other liabilities	1,300,008	9.31%
Net assets attributable to holders of redeemable units	13,956,084	100.00%

Analysis of Total Assets

Assets	% of Total Assets
Transferable securities	89.23%
Financial derivative instruments	0.01%
Cash and cash equivalents and margin cash	10.61%
Other assets	0.15%
	100.00%

APUANO FUNDS

Unaudited Statement of Material Changes in the Composition of the Portfolio For the financial period 19 December 2019 (date of establishment) to 30 June 2020

Purchases	USD
ALIBABA GROUP HOLDIN	1,713,836
ZHONGSHENG GROUP	1,700,090
TENCENT HLDG	1,582,839
A-LIVING SERVICES CO	1,504,719
TAL EDUCAT GR -A- AD	1,311,321
WEICHAJ POWER -H-	1,253,517
MEITUAN DIANPIN - SH	1,157,023
ANHUI CONCH CEMENT C	896,000
SHENZHEN LUXSHARE PR	828,695
SANDS CHINA LTD	797,682
SZ MINDRAY BIO --- R	779,609
APPLE INC	755,068
MICROSOFT CORP	754,206
ESTEE LAUDER COMPANI	752,522
S&P GLOBAL	751,789
VISA INC -A-	747,560
ADOBE INC	704,015
AMAZON.COM INC	701,208
AIA GROUP LTD	680,087
ASIAINFO TECHNOLOGIE	608,049
WUXI APPTec CO LTD.	600,386
KWEICHOW MOUTAI CO L	565,358
ANGEL YEAST CO LTD -	555,188
COSTCO WHOLESALE COR	541,301
GILEAD SCIENCES INC	539,607
QUALCOMM INC	526,383
ENN ENERGY HOLDINGS	488,022
POWER ASSETS HOLDING	446,667
HANGZHOU HIKVISION D	441,962
SINOPHARM GROUP CO L	441,627
WH GROUP 144A/REGS	440,080
NARI TECHNOLOGY -A-	423,472
SANY HEAVY INDUSTRY	412,899
HKE AND HKE LTD STAP	401,769
HUA HONG SEMICONDUCT	308,429
NVIDIA CORP	304,594
ABBOTT LABORATORIES	299,361

Under UCITS Regulations (as amended), the Trust is required to disclose all purchases and all sales over 1% of total purchases and total sales respectively and at a minimum the largest twenty purchases and the largest twenty sales during the period.

APUANO FUNDS

Unaudited Statement of Material Changes in the Composition of the Portfolio (continued)

For the financial period 19 December 2019 (date of establishment) to 30 June 2020

Sales	USD
ZHONGSHENG GROUP	1,217,006
ALIBABA GROUP HOLDIN	1,082,727
A-LIVING SERVICES CO	1,070,844
TENCENT HLDG	1,019,512
ANHUI CONCH CEMENT C	941,501
TAL EDUCAT GR -A- AD	687,705
AIA GROUP LTD	615,988
WEICHAJ POWER -H-	574,172
GILEAD SCIENCES INC	554,751
COSTCO WHOLESALE COR	544,924
MEITUAN DIANPIN - SH	518,328
S&P GLOBAL	492,351
MICROSOFT CORP	489,436
APPLE INC	486,710
QUALCOMM INC	481,172
VISA INC -A-	475,304
AMAZON.COM INC	472,297
ESTEE LAUDER COMPANI	466,716
ADOBE INC	462,731
HANGZHOU HIKVISION D	460,214
WH GROUP 144A/REGS	459,045
NARI TECHNOLOGY -A-	420,918
HKE AND HKE LTD STAP	415,500
SINOPHARM GROUP CO L	410,735
POWER ASSETS HOLDING	402,716
SANY HEAVY INDUSTRY	401,732
SHENZHEN LUXSHARE PR	315,632
ABBOTT LABORATORIES	305,592
HUA HONG SEMICONDUCT	268,438
LOCKHEED MARTIN - RE	251,436
SANDS CHINA LTD	219,113
SZ MINDRAY BIO --- R	209,824
CBRE GROUP	203,256
HKBN 144A REG	194,477
YUEXIU TRANSPORT INF	188,257

Under UCITS Regulations (as amended), the Trust is required to disclose all purchases and all sales over 1% of total purchases and total sales respectively and at a minimum the largest twenty purchases and the largest twenty sales during the period.