

HSBC Malta Funds SICAV p.l.c.

Annual Report and Audited Financial Statements

For the year ended 31 March 2024

HSBC Malta Funds SICAV p.l.c.

Contents

Annual Report

Directors, officers and other information	1
Manager's Report	3
Comparative table	15
Report of the Directors	20
Report of the Directors (Maltese version)	25
Directors' Responsibility for the Financial Statements	30
Report of the Custodian	31
Independent Auditor's Report	33
Statement of Financial Position	42
Statement of Comprehensive Income	44
Statement of Changes in Net Assets	
Combined	46
Malta Bond Fund	47
International Bond Fund	48
Equity Growth Fund	49
Malta Government Bond Fund	50
Maltese Assets Fund	51
Statement of Cash Flows	52
Notes to the financial statements	54
General information	122

HSBC Malta Funds SICAV p.l.c.

Directors, officers and other information

For the year ended 31 March 2024

Directors

Mr. Steven Tedesco Chartered FCSI (Chartered Fellow of the Chartered Institute for Securities & Investments)

Dr. Richard Bernard B.A., LL.D.

Ms. Lisa Vella, Chartered Financial Analyst (CFA)

Manager

HSBC Global Asset Management (Malta) Limited

Operations Centre,

80 Mill Street,

Qormi, QRM 3101,

Malta.

Fund Administrator and Registrar

HSBC Securities Services (Ireland) DAC

1, Grand Canal Square,

Grand Canal Harbour,

Dublin 2 D02P820,

Ireland.

Secretary

Ganado Services Limited

171, Old Bakery Street,

Valletta VLT 1455,

Malta.

Registered Office

171, Old Bakery Street,

Valletta VLT 1455,

Malta.

Company Registration Number

SV 2

Depositary/ Custodian

Sparkasse Bank Malta p.l.c.

101, Town Square,

Ix-Xatt ta' Qui-Si-Sana,

Sliema, SLM 3112,

Malta.

HSBC Malta Funds SICAV p.l.c.

Directors, officers and other information (continued)

For the year ended 31 March 2024

Sub-Custodian

HSBC Continental Europe
38, Avenue Kléber,
75116, Paris,
France.

Legal Advisers

Ganado Advocates
171, Old Bakery Street,
Valletta VLT 1455,
Malta.

Independent Auditors

PricewaterhouseCoopers
78, Mill Street, Zone 5,
Central Business District,
Qormi CBD 5090,
Malta.

HSBC Malta Funds SICAV p.l.c.

Manager's Report

For the year ended 31 March 2024

Investment Manager's Report

The Investment Manager's Report provides an overview of the domestic and international markets, as well as the underlying economic and political developments that affected market dynamics during the period from 31 March 2023 till 31 March 2024. It provides a commentary on each Fund, outlining the key performance drivers, investment activity, and strategy, as well as the medium to long-term outlook.

Domestic Economic and Market Review

During the period under review, the Maltese economy, has been one of Europe's bright spots despite the headwind of a higher interest rate environment which dampened economic activity and growth across the continent. In fact, Malta's Gross Domestic Product (GDP) grew by 4.8% in volume terms to total €4.9 billion for the fourth quarter of 2023, as per the National Statistics Office's (NSO) latest GDP print. In nominal terms, GDP registered strong growth over 2023 from €16.9 billion to €19.4 billion, or 14.5%, which materially outpaced the stagnation observed across the Euro Area.

Malta's positive economic performance becomes increasingly impressive when factoring in one of the fastest cycles of monetary policy tightening on record. The European Central Bank (ECB) shifted to a contractionary policy stance in reaction to the acceleration in inflation registered across the Euro Area during 2022, taking the ECB's main refinancing rate to 4.5% as at the end of the period under review from 0% just a couple of years prior.

Consequently, inflation, both in Malta and across Europe, peaked during the second half of 2022 and entered a disinflationary trend throughout 2023. Over the period under review, inflation in Malta moderated from a year-on-year rate of 7.1% in March 2023 to 2.7% in March 2024, as per the NSO Harmonised Index of Consumer Prices (HICP).

Such positive developments in the taming of local inflation promise well for the continued strong performance of the Maltese economy, which has been propelled higher by an ever-strong Maltese consumer on the back of the tight local labour market. In fact, Malta's unemployment rate stood at 2.1% in February 2024 and is the second lowest in the European Union, resulting in fiercer competition for local talent which accelerated wage growth and strengthened aggregate demand across the economy. Maltese households were further aided through the continuation of energy subsidies by the Government of Malta, which shielded local consumers from the volatility in energy prices observed across Europe and safeguarded consumers' disposable income.

In conjunction to the above-mentioned subsidies, the Government of Malta further boosted the local economy's performance through its supportive fiscal stance, as can be evidenced through increased government spending. Over the twelve months ending in December 2023, Malta's fiscal budget registered a deficit of €952 million in nominal terms or 4.9% of GDP over the same time period, as per the NSO's official figures. The Maltese treasury dipped its hand in local capital markets four times over the period under review to finance such imbalance, bringing total government debt to just above €9.7 billion. On a relative basis, Malta's debt to GDP of 50.4% in December 2023 is still significantly lower versus the Eurozone's average of 89.9%, which reflects positively on the country's credit quality and capability for continued fiscal support.

A reiteration of such economic strength, along with the economy's future growth prospects, are Malta's robust sovereign credit ratings which have been recently reviewed and reaffirmed by leading international credit rating agencies. In November 2023, Moody's reaffirmed its A2 rating for Malta with a stable outlook, following an upgrade in outlook issued in November of 2022. During March of 2024, Fitch also reaffirmed its A+ rating with a stable outlook and subsequently.

HSBC Malta Funds SICAV p.l.c.

Manager's Report (continued)

For the year ended 31 March 2024

A further key factor to consider, which is supportive to the Maltese economic performance, is the strong rebound in tourism. The positive momentum registered post COVID-19 for one of Malta's key economic pillars resulted in a record performance with passenger movements breaching 7.8 million for the first time ever, as per Malta International Airport's official figures for the year 2023. This beat the previous record of 7.3 million, which was set in 2019, by 6.9%. While passenger movement figures over the first three months of 2024 totalled 1.6 million with monthly year-over-year growth figures showing strength in a seasonally weak period for local tourism. As such, this promises well with regards to MIA's forecast of 8 million passengers over 2024 being met along with a continuation of the positive contribution from the tourism industry to the local economy.

In aggregate, it would be reasonable to conclude that the Maltese economy has successfully navigated turbulent waters over the past couple of years, with the country now poised for continued economic growth in the years to come. In fact, the Central Bank of Malta (CBM) estimates GDP growth of 4.4% for 2024, 3.6% for 2025 and 3.3% for 2026, forecasting continued outperformance against the broader Euro area economy which, as per the Eurostat's projections, is expected to grow by 1.5% and 1.6% in 2025 and 2026, respectively.

Table 1: Malta Stock Exchange Listed Equities Return

MSE-Listed Equities	31-Mar-23	31-Mar-24	Change in Price (%)
Maltex Total Return Index	€7,393.91	€8,178.66	10.61%
APS Bank plc	€0.63	€0.54	-13.59%
AX Real Estate plc	€0.48	€0.50	3.26%
Bank of Valletta Plc	€0.89	€1.44	61.14%
BMIT Technologies	€0.46	€0.39	-15.69%
FIMBank Plc	€0.18	€0.18	0.00%
GO Plc	€2.97	€3.04	2.20%
Grand Harbour Marina Plc	€0.41	€0.47	12.62%
Harvest Technology Plc	€1.40	€1.10	-21.44%
Hili Properties plc	€0.23	€0.18	-18.47%
HSBC Bank Malta Plc	€1.02	€1.36	32.83%
International Hotels Inv. Plc	€0.57	€0.45	-20.90%
LifeStar Holding plc	€0.50	€0.85	70.82%
LifeStar Insurance plc	€0.50	€0.21	-58.60%
Lombard Bank plc	€0.92	€0.84	-8.69%
Loqus Plc	€0.21	€0.20	-5.74%
M&Z Plc	€0.64	€0.60	-6.26%

HSBC Malta Funds SICAV p.l.c.

Manager's Report (continued)

For the year ended 31 March 2024

MSE-Listed Equities	31-Mar-23	31-Mar-24	Change in Price (%)
Mainstreet Complex plc	€0.37	€0.35	-5.83%
Malita Investments Plc	€0.62	€0.49	-21.26%
Malta International Airport	€5.56	€5.72	2.85%
Malta Properties Company Plc	€0.43	€0.30	-30.30%
MaltaPost Plc	€0.45	€0.45	-0.22%
Mapfre Middlesea Ins plc	€1.63	€1.39	-14.73%
Medserv Plc	€0.74	€0.62	-16.24%
MIDI Plc	€0.28	€0.24	-13.62%
PG Plc	€1.97	€2.00	1.63%
Plaza Centres Plc	€0.73	€0.59	-19.20%
RS2 Software Plc	€1.06	€1.02	-3.78%
RS2 Software plc Pref	€1.40	€1.05	-24.64%
Santumas Shareholdings Plc	€1.28	€1.35	5.47%
Simonds Farsons Cisk Plc	€6.80	€6.65	-2.21%
VBL Plc	€0.24	€0.18	0.00%
The Convenience Shop Holding plc	€0.97	€0.90	-7.11%
Tigne Mall Plc	€0.75	€0.82	9.32%
Trident Estates Plc	€1.25	€1.16	-7.27%

Source: Third Party Independent Valuation

**The Convenience Shop Holding plc price of €0.97 represents the Issue Price of the IPO in May'2023*

Against the previously detailed economic backdrop, the Maltese equity market represented by the Maltex Total Return Index closed the period under review with a positive return of 10.61%, with such performance being primarily attributable to the positive returns registered by local banks on the back of positive company specific developments along with a favorable higher interest rate environment. Specifically, shares of HSBC Bank Malta Plc and Bank of Valletta Plc (BOV) were amongst the best performers returning +32.83% and +61.14% respectively. In addition, companies exposed to tourism and discretionary spending such as Grand Harbour Marina Plc and Tigne Mall Plc also performed well supported by a strong local economy and a rebound in tourism, returning +12.62% and +9.32% respectively. On the other hand, amongst the worst performers over the period under review, one can observe Malta Properties Company Plc, Hili Properties Plc and Harvest Technology Plc which fell -30.30%, -18.47% and -21.44% respectively.

The performance of the local fixed-income market during the period under review was positive, although performances have differed between different issuers on the back of company specific developments. Overall, locally listed corporate bonds registered better returns when compared to Malta Government Stocks (MGSs), with yields decreasing over the past twelve months causing corporate spreads to tighten. In fact, the Malta Stock Exchange Corporate Bonds Total Return Index registered a gain of 3.60% compared to the Malta Stock Exchange

HSBC Malta Funds SICAV p.l.c.

Manager's Report (continued)

For the year ended 31 March 2024

Malta Government Stocks Index which gained 3.15% during the period under review. The Maltese sovereign yield curve remained practically unchanged when comparing March 2023 to March 2024, with yields on the longer end falling slightly to cause a modest flattening effect. During the period under review, twelve new issuers tapped the bond market namely Bonnici Bros. Properties Plc (€12.0 mil.), AST Group Plc (€8.5 million), Juel Group Plc (€32 million), JD Capital Plc (€11 million), Mediterranean Investments Holdings Plc (€20 million), ClearFlow Plc (€25 million), APS Bank Plc (€50 million), International Hotel Investments Plc (€60 million), Plan Group Plc (€12 million), Camilleri Finance Plc (€15 million), Agora Estates Plc (€12 million) and Phoenicia Finance Company plc (€50 million).

Table 2: Malta Stock Exchange selected Corporate Bonds Returns

Selected MSE-Listed Corporate Bonds			
Security	31-Mar-23	31-Mar-24	Change in Yield (bps)
HILIPROP 4.5% 2025	4.48%	4.48%	0
IHI 5.75% 2025	5.24%	4.80%	-44
MDSMV 4.5% 2026	6.55%	5.71%	-84
PRMCPT 3.75% 2026	4.36%	4.32%	-4
HILI 3.80% 2029	4.35%	4.64%	29
BOV 3.5% 2030	4.37%	4.47%	9
GO 3.5% 2031	4.54%	3.99%	-55
AX 3.50% 2032	4.12%	4.11%	-1

Source: Bloomberg L.P.

Generic Yields On Selected MGS Tenors			
Tenor	31-Mar-23	31-Mar-24	Change in Yield (bps)
2 years	3.05%	3.08%	3
5 years	3.15%	3.15%	0
10 years	3.47%	3.38%	-9
15 years	3.73%	3.65%	-8
20 years	3.90%	3.81%	-9
25 years	3.97%	3.93%	-4

Source: Bloomberg L.P.

HSBC Malta Funds SICAV p.l.c.

Manager's Report (continued)

For the year ended 31 March 2024

International Economic and Market Review

During the twelve-month period under review ended on the 31 March 2024, international equity markets continued to climb higher, building on top of the favourable momentum from the start of last year, with some of the major global equity indices rising to record highs. This is evidenced by the 24.45% return generated by the FTSE All World Index, however, on closer inspection, one can observe material regional and sectoral divergences in market returns as distinct macro-economic developments drove markets in different directions across the globe.

The United States (US) equity market was the relative outperformer with the Standard & Poor's (S&P) S&P500 index breaking through the previous all-time highs and recording a positive performance of 30.74% over the period under review. Such strong market performance can be in major part attributed to the resilience of the US's \$28 trillion economy, in spite of an aggressive monetary policy tightening cycle enacted by the Federal Reserve (FED). In fact, since the start of 2023, FED officials deemed it appropriate to raise the central bank's interest rate by another 1.0% to the current level of 5.5%, with discussions ensuing regarding the optimal timing of the first interest rate cut during the latter months of 2023.

In this regard, inflation in the US has continued to moderate over the period under review, falling from a year-over-year rate of 5.0% in March 2023 to 3.5% in March 2024, with initial signs of stickiness being observed across the latest inflation prints. Over the past year, US economic performance has been somewhat of an unusual combination, with inflation cooling as GDP growth and employment remained strong in a higher interest rate environment resulting in increased investor optimism which drove equity markets higher, a goldilocks scenario. This was further exacerbated through robust corporate earnings, especially for US large/mega-caps, on the back of an ever-strong US consumer bolstered by a tight labour market, and the Artificial Intelligence (AI) theme which dominated headlines over the first half of 2023. In addition, the supportive fiscal stance enacted in Washington D.C. aided the aforementioned economic participants through increased public spending. An economy which has been firing on all cylinders is now prompting concern surrounding the risk of a re-acceleration in inflation, concerns which warrant merit and have caused the FED to partially pull back from its previous guidance of three interest rate cuts over the second half of 2024. Additionally, heightened geopolitical risk and a surge higher of various commodity prices, including oil, have further summoned investors' caution and attention over the first quarter of 2024.

On the other side of the Atlantic, Europe's equity markets also performed positively however these underperformed on a relative basis with the EuroStoxx 600 gaining 15.84% over the period under review. The old continent grappled with a mild recession over the start of the 2023 amid continued tightening of monetary policy. In fact, the ECB raised its benchmark rate for the Eurozone by an additional 1.0% to 4.5% by the end of September 2023. A pause has since been enacted to more attentively observe the disinflationary trend which took inflation down to a year-over-year rate of 2.4% in March 2024 from the peak observed in October 2022 of 10.7%.

With Europe's services-based economy in need of stimulation, the ECB is now poised to cut interest rates earlier and potentially faster than the FED, as ECB officials have continuously reiterated that the Euro's monetary policy decisions focus solely on the needs and economic fundamentals of the constituent economies. This has in turn prompted a revival of investor sentiment and consumer confidence, which had been somewhat dampened over 2023 and proved to be a headwind for corporate valuations across Europe. In addition, the improvement in Purchasing Managers Indexes (PMIs) observed over the past months, which crossed over to an expansionary reading of 50.3 as at March 2024 from a low of 46.5 in October 2023, promises well for a return to economic growth. Europe's economy and financial markets also rely on the continuation of the tourism sectors' strong performance across the southern states such as Italy, Spain and France while the subsidies and stimulus being announced in China, one of Europe's largest trading partners, improve the German economy's outlook and solidify corporate performance expectations, ultimately improving the investment thesis for European equity markets.

HSBC Malta Funds SICAV p.l.c.

Manager's Report (continued)

For the year ended 31 March 2024

In this regard, the People's Bank of China (PBoC) announced a series of stimulus measures, such as cutting a variety of benchmark interest rates, over the past six months in an effort at re-igniting economic growth and activity across the world's second largest economy. The Morgan Stanley Capital International (MSCI) Asia excluding Japan index registered a gain of 4.67% over the period under review as investors weighed the effectiveness of such stimulus on an economy which has grappled with deflation over the past couple of years. The liquidity issues faced by some of China's largest real estate developers further contributed to a deterioration of investor sentiment towards the country's investment proposition. Its close neighbour on the other hand, Japan, saw its benchmark equity index rise to a new record high after 34 years, with the Nikkei 225 gaining 28.71% over the period under review on the back of attractive corporate valuations and a weakening Japanese Yen which continually attracted foreign investment.

Closer to home, the United Kingdom (UK) equity market registered a return of 11.30% as the market's expectation of an overly hawkish Bank of England (BoE) subsided to a more optimistic view in response to a quick moderation in the country's inflation. Investors' sentiment was however partially weighed down by the shallow recession observed across the second half of 2023, worsening the FTSE 100's underperformance from a relative perspective.

Global Emerging Markets (EM) returned +8.94% over the period under review as measured by the MSCI Emerging Market Index amid improving economic fundamentals and the easing of monetary policy in some regions. The interdependencies between emerging markets and developed markets, namely the US and Europe, promise well in view of developed economies' resilience and heightened economic activity which could potentially translate into a faster reacceleration of global growth as monetary policy is eased, acting as a tailwind for corporate valuations in emerging markets.

Table 4: Equity Market Performance across the Globe

Equity Indices	Total Return (%)
FTSE All World Index (EUR)	24.45%
S&P 500 Index (EUR)	30.74%
FTSE 100 Index (EUR)	11.30%
STOXX Europe 600 Index (EUR)	15.84%
Japan Nikkei 225 Average (EUR)	28.71%
MSCI AC Asia Ex. Japan Index (EUR)	4.67%
MSCI Emerging Market Index (EUR)	8.94%

Source: Bloomberg L.P.

Moving on to the fixed income market, during the period under review, significant variances can be observed in sovereign bonds' performances across various geographies as markets reflected divergences in the expectations of underlying macro-economic trends, which become more pronounced over the second half of 2023 and during the first quarter of 2024. In the US, yields have repriced higher over the most recent couple of months as the risks with regards to a reacceleration in inflation prompt a potentially higher for longer interest rate environment. The German 10-year Bond yield is practically unchanged over the period under observation, although volatility was quite high, as markets repriced in line with ever-evolving expectations regarding monetary policy in the Eurozone. In Europe, Spanish and Italian 10-year bonds registered positive performances over the period under observation as improving economic fundamentals drove markets to warrant a lower risk premium for these countries' sovereign debt, pushing spreads tighter. UK sovereign bonds had a negative performance over the observation period with the UK 10-year repricing to a higher yield of 3.93% while Japan, which scrapped its policy of Yield Curve control in March 2024, saw yields jump higher by around 0.38%. Corporate credit spreads remain tight with corporate debt outperforming

HSBC Malta Funds SICAV p.l.c.

Manager's Report (continued)

For the year ended 31 March 2024

sovereigns over the period under review on the back of a stronger than expected global economy, robust corporate balance sheets and a low rate of defaults which supported a risk on sentiment in global capital markets.

Table 5: 10-Year Sovereign Bonds Performance

Developed Market 10-Year Bond Yields			
Country	31-Mar-23	31-Mar-24	Change in Yield (bps)
US	3.47%	4.20%	73
UK	3.49%	3.93%	44
Germany	2.29%	2.30%	1
Italy	4.10%	3.68%	-42
Spain	3.30%	3.16%	-14
Japan	0.35%	0.73%	38

Source: Bloomberg L.P.

The yields on Maltese sovereign debt remained relatively stable over the period under review. This could incorrectly allude to stability over the entire observation period, however, it is worth noting that the past year was a time of heightened volatility as the Maltese yield curve continuously repriced ever evolving expectations of developments in European monetary policy. Comparing March 2023 to March 2024, the Maltese yield curve flattened slightly as yields on the longer end fell reflecting an improvement in the country's credit profile through tighter spreads and a lower risk premium.

Table 6: Malta Government Bonds Return by Tenor

Generic Yields On Selected MGS Tenors			
Tenor	31-Mar-23	31-Mar-24	Change in Yield (bps)
2 years	3.05%	3.08%	3
5 years	3.15%	3.15%	0
10 years	3.47%	3.38%	-9
15 years	3.73%	3.65%	-8
20 years	3.90%	3.81%	-9
25 years	3.97%	3.93%	-4

Source: Bloomberg L.P.

HSBC Malta Funds SICAV p.l.c.

Manager's Report (continued)

For the year ended 31 March 2024

Having outlined the market and economic developments that materialized during the reporting period, the rest of this report highlights the performance, activity, strategy, and outlook for each of the Funds. The commentary for each Fund is presented under a separate heading.

Malta Government Bond Fund

Fund Performance

During the period under review, the unit price of the Accumulator shares in the Malta Government Bond Fund increased by 2.81% from €436.95 as at 31 March 2023¹ to €449.22 as at 31 March 2024¹.

During the period under review, the Fund paid the following dividends to the holders of the Income Shares –

- €1.185 per share declared on 30 June 2023
- €1.229 per share declared on 30 September 2023
- €1.439 per share declared on 31 December 2023
- €1.523 per share declared on 31 March 2024

Malta's government stocks (MGSs) have performed positively over the past six months as investor sentiment improved in view of an optimistic anticipation of the first interest rate cut by the ECB. In view of the market developments over the past year, the fund manager has been cautiously adding duration to the portfolio as we approach the easing of monetary policy in the Eurozone.

The fund continued to liquidate shorter maturity issues to rotate into longer dated bonds along with adding specific foreign sovereign exposure at attractive risk-reward profiles. Looking forward, the manager will potentially continue to cautiously add duration to the fund's portfolio in line with economic and market developments in an effort to possibly reap the benefits of capital appreciation in view of the expected loosening of monetary conditions in the coming years.

Malta Bond Fund

Fund Performance

During the period under review, the unit price of the Accumulator shares in the Malta Bond Fund increased by 4.16% from €631.10 as at 31 March 2023¹ to €657.35 as at 31 March 2024¹.

During the period under review, the Fund paid the following dividends to the holders of the Income Shares –

- €2.278 per share declared on 30 June 2023
- €2.394 per share declared on 30 September 2023
- €2.811 per share declared on 31 December 2023
- €2.604 per share declared on 31 March 2024

¹ Prices are based on last dealing date of the year under review.

HSBC Malta Funds SICAV p.l.c.

Manager's Report (continued)

For the year ended 31 March 2024

During the twelve months ending 31 March 2024, the Fund outperformed the local corporate fixed income market, as measured by the MSE's Corporate Bonds Total Return Index, thanks to its actively managed positioning and a positive contribution from security selection.

A healthy stream of new fixed income issues has been materializing in the local market which reiterates Malta's economic growth as corporates tap the local capital markets in chase of continued growth. With the increase in local corporate issuance, the ability to be more selective (more alternatives to invest in rather than MGSs) should continue to contribute positively to performance by improving diversification and returns.

Looking forward, the fund manager continues to closely follow macro-economic developments both on a local and international level. During the period under review, the fund reduced shorter dated MGS holdings to rotate into longer dated ones and also added selective international bond exposures which presented attractive risk-reward profiles. Over the long-term, the manager continues to be positive on duration and adding such to the portfolio in a cautious manner, with sector weightings actively adjusted while also managing credit exposures, term buckets, duration, and reinvestment risks, attempting to generate positive returns through capital appreciation and interest income.

International Bond Fund

Fund Performance

During the period under review, the unit price of the Accumulator Shares of the International Bond Fund increased by 6.80% from €422.32 as at 31 March 2023¹ to €451.06 as at 31 March 2024¹.

During the period under review, the Fund paid the following dividends to the holders of the Income Shares –

- €1.058 per share declared on 30 June 2023
- €1.521 per share declared on 30 September 2023
- €1.914 per share declared on 31 December 2023
- €2.026 per share declared on 31 March 2024

Over the twelve months ending 31 March 2024, inline with the other Fixed income strategies, the Fund Manager continued to cautiously add duration to the portfolio while aiming to maintain or improve the underlying credit quality and managing sector specific exposures.

Looking forward, the fund manager will continue to reposition the portfolio in accordance with the fund's objectives and restrictions as specified in the prospectus, while also closely monitoring the evolution of inflation expectations and its impact on major central banks policy meetings and discussions which are reflected in the duration positioning of the fund. Over the longer-term, careful selection and diligent monitoring of a globally diversified portfolio of credit exposures, both sovereign and corporate, promises well in the achievement of capital appreciation through a mix of interest income and capital gains.

HSBC Malta Funds SICAV p.l.c.

Manager's Report (continued)

For the year ended 31 March 2024

Maltese Assets Fund

Fund Performance

During the period under review, the unit price of the Accumulator shares in the Maltese Assets Fund registered a gain of 7.69% from €550.65 as of 31 March 2023¹ to €593.00 as at 31 March 2024¹.

During the period under review, the Fund paid the following dividends to the holders of the Income Shares –

- €2.958 per share declared on 30 June 2023
- €2.133 per share declared on 30 September 2023
- €1.192 per share declared on 31 December 2023
- €3.073 per share declared on 31 March 2024

Despite the challenging market environment, the fund registered solid gains thanks to the active management of asset allocation and underlying security selection. The fund has primarily invested in quality Maltese listed equities that offer attractive valuations and dividend yields along with local corporate and sovereign bonds and which outperformed their international counterparts.

Looking forward, the Fund Manager will continue to diligently manage specific underlying exposures in both local equities and fixed income along with taking advantage of any opportunities that may arise on the local capital market while closely monitoring both local and international macro-economic developments.

Equity Growth Fund

Fund Performance

During the period under review, the unit price of the Accumulator shares in the Equity Growth Fund increased by 14.06% from €347.31 as of 31 March 2023¹ to €396.11 as of 31 March 2024¹.

Despite the challenging international macro-economic backdrop over the period under review, with a higher interest rate environment posing as a headwind and weighing down equity valuations from a fundamental standpoint, global equity markets rallied to record highs. This was achieved on the back of the Artificial Intelligence (AI) theme which strengthened momentum over the first half of 2023 and was further exacerbated by strong corporate earnings, the promise of easier monetary conditions and supportive government fiscal policies which outweighed risks surrounding equity markets and prompted a risk on mood, bolstering investor sentiment over the second half of 2023 and into 2024.

In this context, developed market equities are now in what can be considered as expensive territory, as such, the manager continues to prefer a defensive equity allocation which focuses on specific emerging markets that offer relatively attractive valuations and enjoy improving underlying economic conditions along with structural growth tailwinds.

As such the manager will continue to be selective in terms of which areas within international equity markets to invest in, along with actively managing sectoral allocation and security selection. Closely following macro-economic developments for a potential rotation into sectors and names that will stand to benefit from the easing of monetary policy will also be of utmost importance.

HSBC Malta Funds SICAV p.l.c.

Manager's Report (continued)

For the year ended 31 March 2024

Compliance with Directive (EU) 2017/828

Directive (EU) 2017/828 amending Directive 2007/36/EC has been issued with the objective of encouraging long-term unitholder engagement.

Intermediaries are obliged under the Directive to pass on any company information that will enable the unitholders to exercise their rights in a timely manner. The focus of this directive is on unitholder identification, transmission of information, facilitation of unitholder rights, transparency and non-discrimination of costs, remuneration of directors and related party transactions. The Directive brought about new requirements which will affect asset managers' transparency in relation to their approach to unitholder engagement.

The disclosure requirements are covered in the relevant sections of the financial statements, more specifically in Note 9 Portfolio of Net Assets, Note 13 Financial instruments and associated risks, together with the information provided throughout the Managers' report.

Turnover figures (annual) as at 31 March 2024 are as follows:

Equity Growth Fund	1.90%
Maltese Assets Funds	7.07%
Malta Bond Fund	5.69%
International Bond Fund	28.19%
Malta Government Bond Fund	21.00%

Turnover is calculated as the lesser of purchases or sales over the average value of portfolio assets during the period in accordance to the U.S. Securities and Exchange Commission Form N-SAR (semi-annual report for registered investment companies). This measure shows the average buying and selling activity in the portfolio and is expressed in terms of how much of the portfolio's value gets turned over in a given time period. Turnover costs (annual) as at 31 March 2024 are as follows:

Equity Growth Fund	0.023%
Maltese Assets Funds	0.014%
Malta Bond Fund	0.008%
International Bond Fund	0.002%
Malta Government Bond Fund	0.021%

The turnover costs are expressing the total explicit costs (e.g. broker commission and stamp duty), for the reporting period as a percentage of the average Asset Under Management (AUM). Implicit costs are therefore excluded and the average AUM is calculated based on a daily net asset value (NAV).

For our actively managed strategies, financial analysis underpins all of our investment decisions and drives our investment processes. We believe that markets are not fully efficient, they are complex and hard to beat. They are prone to misbehaviour and miss-pricings. This creates opportunities for long-horizon investors who focus on fundamentals. Anomalies can persist for a while, but ultimately there is mean reversion to fundamentals. Our investment process is anchored in strong independent research that is focussed on these fundamentals not only in the short term but also over the medium and long term as well.

HSBC Malta Funds SICAV p.l.c.

Manager's Report (continued)

For the year ended 31 March 2024

We aim to incorporate Environmental, Social and Governance (ESG) factors into our investment decisions to generate sustainable, long-term returns. Responsible investing is integral to our investment philosophy and approach. We invest in, and engage with, companies and governments committed to long-term returns. This is why evaluating how companies and governments manage their impact on the environment, their relationships with stakeholders, and their operations enables us to identify potential risks and opportunities which financial markets may not price appropriately.

To date there were no conflicts of interest in connection with engagement activities. Nonetheless, processes are in place to be in a position to deal with them, should the need arise.

No disclosures are required in relation to the use of proxy advisors for the purpose of engagement activities and with respect to the policy on securities lending as they are not applicable.

As at 31 March 2024, Citadel Insurance Ltd is a transferable security referred to in Article 50(2) a of the UCITS Directive and are being represented as a percentage of net assets in Note 9 Portfolio of Net Assets.

Sustainable Finance Disclosure Regulation

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities. The products of the Company are classified under article 6 of the Sustainable Finance Disclosure Regulation.

Investment Manager
29 July 2024

HSBC Malta Funds SICAV p.l.c.

Comparative table

	Malta Bond Fund	International Bond Fund*		Equity Growth Fund**	Malta Government Bond Fund	Maltese Assets Fund
	EUR	EUR	GBP	EUR	EUR	EUR
Net Asset Value as at:						
31 March 2024	125,862,678	55,471,112	-	42,913,533	57,296,748	54,486,032
31 March 2023	119,442,072	49,874,172	-	32,700,462	61,366,077	49,423,378
31 March 2022	141,301,392	53,804,757	-	28,925,806	84,839,951	47,282,063
Net Asset Value per unit (using mid-market prices) as at: (Accumulator Class / Income Class)						
31 March 2024	657.60 / 389.55	451.18 / 274.44	386.02 / 234.47	396.10	449.29 / 290.37	592.97 / 456.07
31 March 2023	631.20 / 383.80	423.17 / 263.68	372.11 / 231.54	349.38	437.01 / 287.76	551.02 / 432.64
31 March 2022	656.41 / 407.80	437.56 / 276.08	370.04 / 233.13	370.73	480.90 / 321.14	567.52 / 448.45
	Units	Units	Units	Units	Units	Units
Number of units in circulation:						
31 March 2024	197,767	124,510	-	108,342	133,756	91,976
31 March 2023	195,763	119,479	-	93,595	147,118	89,803
31 March 2022	222,451	124,771	-	78,024	183,723	83,428

As at the financial reporting date, the accumulator factor on the Malta Bond Fund, International Bond Fund, Malta Government Bond Fund and Maltese Assets Fund stood at 1.688102 (2023: 1.644607), 1.644002 (2023: 1.604862), 1.547302 (2023: 1.518661) and 1.300173 (2023: 1.273622) respectively.

* In accordance with the Prospectus, where a Fund has one or more Currencies of Expression apart from the Base Currency, the Net Asset Value per unit for that Fund shall, after the calculation thereof be made in the Base Currency, and also converted into and expressed in the applicable Currency of Expression at the appropriate commercial rates of exchange applicable on the relevant Dealing Day. In view of this, the highest and lowest quoted prices for the sterling variant are stated having regard to exchange movements.

** The Equity Growth Fund has an accumulator class of shares only (Class A and Class B).

HSBC Malta Funds SICAV p.l.c.

Comparative table (continued)

ACCUMULATOR SHARES	Malta Bond Fund	International Bond Fund		Equity Growth Fund	Malta Government Bond Fund	Maltese Assets Fund
	EUR	EUR	GBP	EUR	EUR	EUR
Price movement from 1 April 2023 (first Dealing Day of year) to 28 March 2024 ¹ (last Dealing Day of year):						
<u>Malta Bond Fund</u>						
- Highest quoted price (on 28 March 2024)	657.35	-	-	-	-	-
- Lowest quoted price (on 20 April 2023)	629.98	-	-	-	-	-
<u>International Bond Fund</u>						
Highest quoted price in:						
- GBP (on 22 March 2024)	-	-	386.67	-	-	-
- EUR (on 28 March 2024)	-	451.06	-	-	-	-
Lowest quoted price in:						
- GBP (on 11 July 2023)	-	-	361.24	-	-	-
- EUR (on 13 April 2023)	-	422.08	-	-	-	-
<u>Equity Growth Fund</u>						
- Highest quoted price (on 28 March 2024)	-	-	-	396.13	-	-
- Lowest quoted price (on 4 May 2023)	-	-	-	346.86	-	-
<u>Malta Government Bond Fund</u>						
- Highest quoted price (on 28 Dec 2023)	-	-	-	-	450.82	-
- Lowest quoted price (on 19 October 2023)	-	-	-	-	425.02	-
<u>Maltese Assets Fund</u>						
- Highest quoted price (on 29 Dec 2023)	-	-	-	-	-	602.36
- Lowest quoted price (on 3 April 2023)	-	-	-	-	-	549.14

¹ Prices are based on last dealing date of the year under review.

HSBC Malta Funds SICAV p.l.c.

Comparative table (continued)

INCOME SHARES	Malta Bond Fund	International Bond Fund		Malta Government Bond Fund	Maltese Assets Fund
	EUR	EUR	GBP	EUR	EUR
Price movement from 1 April 2023 (first Dealing Day of year) to 28 March 2024 ¹ (last Dealing Day of year):					
<u>Malta Bond Fund</u>					
- Highest quoted price (on 28 March 2024)	392.01	-	-	-	-
- Lowest quoted price (on 19 October 2023)	378.55	-	-	-	-
<u>International Bond Fund</u>					
Highest quoted price in:					
- GBP (on 28 December 2023)	-	-	238.05	-	-
- EUR (on 28 March 2024)	-	276.39	-	-	-
Lowest quoted price in:					
- GBP (on 11 July 2023)	-	-	223.88	-	-
- EUR (on 11 July 2023)	-	262.89	-	-	-
<u>Malta Government Bond Fund</u>					
- Highest quoted price (on 28 December 2023)	-	-	-	294.33	-
- Lowest quoted price (on 19 October 2023)	-	-	-	277.49	-
<u>Maltese Assets Fund</u>					
- Highest quoted price (on 29 December 2023)	-	-	-	-	466.42
- Lowest quoted price (on 3 April 2023)	-	-	-	-	431.17

HSBC Malta Funds SICAV p.l.c.

Comparative table (continued)

ACCUMULATOR SHARES	Malta Bond Fund	International Bond Fund		Equity Growth Fund	Malta Government Bond Fund	Maltese Assets Fund
	EUR	EUR	GBP	EUR	EUR	EUR
Price movement from 1 April 2022 (first Dealing Day of year) to 30 March 2023 ¹ (last Dealing Day of year):						
<u>Malta Bond Fund</u>						
- Highest quoted price (on 4 April 2022)	657.55	-	-	-	-	-
- Lowest quoted price (on 27 December 2022)	620.66	-	-	-	-	-
<u>International Bond Fund</u>						
Highest quoted price in:						
- GBP (on 26 September 2022)	-	-	384.07	-	-	-
- EUR (on 16 August 2022)	-	439.22	-	-	-	-
Lowest quoted price in:						
- GBP (on 14 April 2022)	-	-	361.55	-	-	-
- EUR (on 30 December 2022)	-	420.97	-	-	-	-
<u>Equity Growth Fund</u>						
- Highest quoted price (on 4 April 2022)	-	-	-	374.29	-	-
- Lowest quoted price (on 12 October 2022)	-	-	-	336.25	-	-
<u>Malta Government Bond Fund</u>						
- Highest quoted price (on 4 April 2022)	-	-	-	-	482.18	-
- Lowest quoted price (on 20 October 2022)	-	-	-	-	430.58	-
<u>Maltese Assets Fund</u>						
- Highest quoted price (on 5 May 2022)	-	-	-	-	-	583.63
- Lowest quoted price (on 20 December 2022)	-	-	-	-	-	535.25

HSBC Malta Funds SICAV p.l.c.

Comparative table (continued)

INCOME SHARES	Malta Bond Fund	International Bond Fund		Malta Government Bond Fund	Maltese Assets Fund
	EUR	EUR	GBP	EUR	EUR
Price movement from 1 April 2022 (first Dealing Day of year) to 30 March 2023 ¹ (last Dealing Day of year):					
<u>Malta Bond Fund</u>					
- Highest quoted price (on 4 April 2022)	408.51	-	-	-	-
- Lowest quoted price (on 30 December 2022)	380.87	-	-	-	-
<u>International Bond Fund</u>					
Highest quoted price in:					
- GBP (on 26 September 2022)	-	-	241.39	-	-
- EUR (on 4 April 2022)	-	276.85	-	-	-
Lowest quoted price in:					
- GBP (on 17 October 2022)	-	-	227.71	-	-
- EUR (on 30 December 2022)	-	263.25	-	-	-
<u>Malta Government Bond Fund</u>					
- Highest quoted price (on 4 April 2022)	-	-	-	322.00	-
- Lowest quoted price (on 28 February 2023)	-	-	-	284.98	-
<u>Maltese Assets Fund</u>					
- Highest quoted price (on 5 May 2022)	-	-	-	-	461.18
- Lowest quoted price (on 20 December 2022)	-	-	-	-	421.65

HSBC Malta Funds SICAV p.l.c.

Report of the Directors

For the year ended 31 March 2024

The Directors present the twenty sixth annual report and financial statements of HSBC Malta Funds SICAV p.l.c. ('the Company') for the year ended 31 March 2024.

Principal activities

The Company is an open-ended collective investment scheme organised as a multi-fund public limited liability company with variable share capital registered under the Laws of Malta and licensed by the Malta Financial Services Authority (MFSA) in terms of the Investment Services Act (Chapter 370, Laws of Malta). The Company qualifies as a 'Maltese UCITS' in terms of the Investment Services Act (Marketing of UCITS) Regulations (S.L. 370.18, Laws of Malta). As such, the Company aims to provide investors with a choice of Sub-Funds having diverse investment objectives and investing in a range of assets. The objectives of each Sub-Fund are further described in the Manager's Report.

Business review and future developments

The financial year under review has been characterised by the stronger than expected global economic resilience exhibited by the so-called developed economies, especially in the United States of America (USA), during a relatively high interest rate environment that has historically led to major economic slowdowns or outright recessions. Two of the world's major central banks, the Federal Reserve (Fed) and the European Central Bank (ECB) had been raising interest rates since early/mid-2022 and continued to do so even during this financial year raising the Fed Funds by 0.50% to 5.5% and the ECB's deposit rate by 1.00% to 4.00% respectively.

The USA continued to exhibit why most market participants continue to consider it to be the world's best working economic model, as notwithstanding all the headwinds it faced, it still managed to foster a tight labour market that propelled wage growth and held up household disposable income. A supportive fiscal stance financed by increased government spending also fuelled the American economic engine, albeit on the other hand, one needs to acknowledge that the USA debt levels accelerated to record highs. This arguably led to divergent trajectories in both the USA's and global equity and fixed income/bond markets during the last half of this financial year. The 'higher for longer interest rates' scenario triggered by the evermore present risk of the second round effects of the inflationary shock witnessed post COVID 19 and the start of the military conflict in Ukraine, led yields across both the USA's and global bond markets higher (and prices lower) during the first quarter of this calendar year offsetting a good portion of the rally registered by these markets in 2023. Admittedly, annual inflation in the USA had fallen at a rapid pace, going from a high of 9.1% in June 2022 to 3.5% in March 2024; however, this remains stubbornly above the Fed's target of 2%, with the latest data releases showing clear signs of stickiness. Also, the upward surge in various commodity prices, such as oil and copper, which are inputs to a vast array of production processes, further exacerbates these inflationary pressures. In contrast, equity investors were not at all disheartened, with sentiment remaining positive, further buoyed by a strong earnings season and expectations that the Fed will still cut interest rates in 2024, most likely during the second half of the year. Against this backdrop, both US and global equity markets performed strongly, climbing to record highs, albeit it is now well documented that a number of investors are questioning the resilience of such gains.

As mentioned, similar market movements were observed across developed capital markets including European equity markets, although to a lesser extent, as Europe's economic stagnation weighed on investors' sentiment and equity valuations, ultimately justifying their discount in terms of valuation metrics relative to their US counterparts. The EU faced a technical recession during 2023, however, leading economic indicators improved closer to the end of year supported by strong corporate earnings, resilient consumer spending and governments' supportive fiscal stances. In addition, over the past few months, global economic activity was also boosted through the plethora of announced stimulus measures in China, an undoubted world economic power in today's world, which improved expectations of an increase in global trading activity, in particular between the two regions.

HSBC Malta Funds SICAV p.l.c.

Report of the Directors (continued)

For the year ended 31 March 2024

Business review and future developments (continued)

As a result, one can conclude that Europe has also weathered the onset of higher interest rates relatively well when compared to similar historical scenarios, with corporate defaults steadily contained at low levels and an unemployment rate which dropped from the highs of around 8.5% observed in 2020 to 6.5% during 2023. Moreover, investors' sentiment in Europe was further buoyed by the expectations that the ECB will cut rates by end of the first half of the year, earlier, and eventually, potentially at a faster rate than the Fed. Nonetheless, whilst undoubtedly at arguably a lesser extent than their USA counterparts, EUR denominated sovereign bond markets' trajectory was still mainly driven by expectations of the Fed's actions, with prices surging higher in Q4 2023, and then lower during the first quarter of 2024.

Corporate debt markets fared better, with strong underlying economic fundamentals and higher yields fuelling a risk on mood, compressing credit spreads to multi-year lows. In this scenario the High-yield corporate debt market was the best performing bond market during the financial year under review.

The Maltese sovereign yield curve also mirrored the volatile shifts witnessed in international bond markets, however the local economy's positive performance and future growth prospects fuelled strong support for the MGS market during the first three months of 2024 and its yields didn't shift as high as its EU counterparts, leading to the MGS curve trading at tighter spreads to the EU's main sovereign bond market i.e. the German Bund market's curve.

Despite this volatile environment for bond markets, the Company's three bond funds, namely the International Bond Fund, the Malta Bond Fund and the Malta Government Bond Fund all delivered healthy gains during this financial year under review, rising by 6.62%, 4.19% and 2.81% respectively. In terms of fund flows, the Malta Government Bond Fund registered net redemptions over the period under review while the International Bond Fund and the Malta Bond Fund both registered net subscriptions.

In the meantime, overall, notwithstanding bumpier periods of heightened volatility along the way, major international equity markets maintained their upward trajectory over the past financial year and marched on to record highs. The FTSE All World Index gained 24.45% in EUR terms with the USA's S&P500 and the Japanese Nikkei 225 outperforming most other equity market indices, gaining 30.74% and 28.71% in EUR terms respectively. The European STOXX600 gained 15.84% reflecting the relative economic underperformance of the continent, followed closely by the UK's FTSE100 which gained 11.30% in EUR terms as the country's economy and financial markets faced similar woes to those encountered by their European peers. The relative underperformers were Emerging Markets with the Morgan Stanley Capital International (MSCI) Emerging Market Index gaining 8.94% in EUR terms and the MSCI Asia Ex. Japan Index, which gained just 4.67%, dragged lower by Chinese equity market performance where investor sentiment was adversely affected by the country's deflationary struggles and real estate woes.

In this context, the Equity Growth Fund returned 13.38% during the financial year under review. The effect of this positive return on this Sub-Fund's net assets under management was further amplified by net inflows of EUR 5.3 million over the period under review, which drove the assets under management as at end March 2024 to an all-time high to EUR 42.9 million.

The local equity market also enjoyed positive returns with the Malta Stock Exchange Total Return Index returning 10.61% over the financial year under review, buoyed by the banking and tourism sectors. As a result, the Maltese Assets Fund registered a gain of 7.62%. Net subscription inflows in this Sub-Fund further bolstered assets under management which increased from EUR 49.4 million as at end March 2023 to EUR 54.5 million as at end March 2024.

HSBC Malta Funds SICAV p.l.c.

Report of the Directors (continued)

For the year ended 31 March 2024

Business review and future developments (continued)

Overall, the Net Asset Value (NAV) of the Company increased from EUR 312,806,161 as at 31st March 2023 to EUR 336,030,103 as at 31 March 2024, an increase of EUR 23,223,942 or 7.42% from the previous fiscal year-end.

Looking forward, the outlook for the global economy in the medium term has over the past few months improved considerably. Paradoxically this might delay interest rate cuts and dampen investor sentiment both across bond and equity markets. Hence the risk of short-term volatility remains high across all capital markets around the world, with such risks further exacerbated by the ever-increasing geopolitical tensions.

Hence, in the forthcoming months, the Directors, together with HSBC Global Asset Management (Malta) Ltd. (“the Manager”) will keep on constantly reviewing the strategic objectives of the Company, particularly with regards to the Company’s endeavours to increase the marketability of the Sub-Funds in what remains, despite the recent healthy gains delivered, an extremely challenging market environment.

A review of the business of the Company during the current year and an indication of its likely future developments are given in the Manager’s report on pages 3 to 14.

Compliance with standard licence conditions, regulatory sanctions, corporate governance manual for directors of collective investment schemes and the MFSA’s code of good corporate governance

During the period under review, there were no breaches of the standard licence conditions that were subject to administrative penalty or regulatory sanctions and the SICAV was compliant with all applicable code of good corporate governance.

However, a trade executed by the Manager on 12 September 2023 in respect of the Malta Government Bond Fund exacerbated this sub-fund’s inadvertent breach of the Prospectus restriction which requires that ‘in order to preserve the prescribed status of the Sub-Fund, no less than 85% of the total assets of the Sub-Fund shall consist of assets situated in Malta’, which existing inadvertent breach had been triggered on 16 August 2023.

The initial breach to the above-mentioned restriction was initiated as a result of circumstances totally beyond the Manager’s control and, as such, was classified as an inadvertent breach. On 12 September 2023, in its endeavour to rectify this inadvertent breach, the Manager attempted to simultaneously sell a foreign security (i.e. an asset not situated in Malta) held by the said Sub-Fund and buy a different foreign security of a lesser magnitude. The purchase of the security was executed on 12 September 2023 however the sale transaction was executed on 15 September 2023, resulting in the Sub-Fund being arguably advertently in breach of the above mentioned Prospectus restriction for 3 business days.

This did not negatively affect any of subscribing, redeeming or remaining investors in the Sub-Fund since during the days when this Sub-Fund was in breach, the independent valuation of the asset was higher than its purchase price, hence overall, redeeming, and remaining investors in the Sub-Fund benefitted from a higher NAV price. Subscribing investors could have been adversely impacted, however there were no subscribing investors in the Sub-Fund during the relevant period.

The MFSA was duly informed of the breach.

HSBC Malta Funds SICAV p.l.c.

Report of the Directors (continued)

For the year ended 31 March 2024

Principal risks and uncertainties

The Company is exposed to financial risks which include market risk, credit risk and liquidity risk. The Company regularly evaluates and analyses its strategic, operative and financial risks within the framework of its risk management policy and takes actions to mitigate these risks.

The individual financial risk management objectives, policies and exposures of the Sub-Funds are further described in the Notes to the Financial Statements.

Material Events after the reporting period

The Directors confirm that there are no material events to be reported following the reporting period.

Results and dividends

The Company registered a net increase in net assets attributable to unit holders of EUR 17,999,216 as can be found in the statement of comprehensive income on page 44.

HSBC Malta Funds SICAV p.l.c.

Report of the Directors (continued)

For the year ended 31 March 2024

Results and dividends (continued)

For the year ended 31 March 2024, the Company declared the following dividends on its income share classes:

	Ex-dividend date	Currency	Rate per share	Dividend paid	Dividend payable
Malta Bond Fund	30-Jun-23	EUR	2.278	37,510	-
	30-Sep-23	EUR	2.394	38,544	-
	31-Dec-23	EUR	2.811	44,348	-
	31-Mar-24	EUR	2.604	-	40,701
International Bond Fund	30-Jun-23	EUR	1.058	3,739	-
	30-Jun-23	GBP	0.907	712	-
	30-Sep-23	EUR	1.521	5,319	-
	30-Sep-23	GBP	1.319	1,024	-
	31-Dec-23	EUR	1.914	6,498	-
	31-Dec-23	GBP	1.658	1,289	-
	31-Mar-24	EUR	2.026	-	6,752
31-Mar-24	GBP	1.731	-	1,366	
Malta Government Bond Fund	30-Jun-23	EUR	1.185	22,523	-
	30-Sep-23	EUR	1.229	22,697	-
	31-Dec-23	EUR	1.439	25,457	-
	31-Mar-24	EUR	1.523	-	26,818
Maltese Assets Fund	30-Jun-23	EUR	2.958	1,502	-
	30-Sep-23	EUR	2.133	1,071	-
	31-Dec-23	EUR	1.192	482	-
	31-Mar-24	EUR	3.073	-	1,187

Directors

The Directors who served in office during the current financial year are listed on page 1.


Auditors

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution to re-appoint them as auditors will be proposed at the Annual General Meeting.

Approved by the Board on 29 July 2024.


Steven Tedesco
Chairman


Lisa Vella
Director


Richard Bernard
Director

HSBC Malta Funds SICAV p.l.c.

Ir-Rapport tad-Diretturi

Ghas-sena li ntemmet fil-31 ta' Marzu 2024

Id-Diretturi qegħdin jipprezentaw ir-rapport annwali numru sitta u għoxrin u r-rendikonti finanzjarji ta' HSBC Malta Funds SICAV p.l.c. ('il-Kumpannija') għas-sena li ntemmet fil-31 ta' Marzu 2024.

Attivitajiet prinċipali

Il-Kumpannija hija skema ta' investment kollettiv stabbilita bħala kumpannija pubblika ta' investment b'aktar minn sottofond wieċed b'kapital varjabbli (SICAV), registrata skont il-liġijiet ta' Malta u liċenzjata mill-Awtorità għas-Servizzi Finanzjarji ta' Malta (MFSA) skont it-termini tar-regolamenti tal-Att dwar is-Servizzi ta' Investment (Kapitlu 370, Liġijiet ta' Malta). Il-Kumpannija tikkwalifika bħala 'Maltese UCITS' (Undertaking for Collective Investments in Transferable Securities) skont it-termini tar-regolamenti tal-Att dwar is-Servizzi ta' Investment (Marketing of UCITS, S.L. 370.18, Liġijiet ta' Malta). L-għan tal-Kumpannija huwa li tipprovdi lill-investituri għażla ta' fondi sottostanti li għandhom objettivi ta' investment differenti u li jinvestu f'varjetà ta' assi. L-objettivi ta' kull sottofond huma spjegati f'izjed dettall fir-Rapport tal-Maniġer (HSBC Global Asset Management Malta Limited).

Analizi tan-negozju u żviluppi prospettivi għall-futur

Is-sena finanzjarja li qiegħda ssir ir-reviżjoni tagħha kienet ikkaratterizzata minn reżiljenza ekonomika b'saħħitha aktar milli mistenni li wrew l'hekk imsejha pajjiżi żviluppanti, b'mod speċjali l-Istati Uniti tal-Amerika. Dan, seħħ minkejja l-ambjent ta' rati tal-interessi pjuttost għolja, ambjent li storikament dejjem wassal biex is-saħħa tal-ekonomija tbatu jew twassal saħansitra għal riċessjoni. Fil-fatt, tnejn mill-banek ċentrali ewlenin tad-Dinja, il-*Federal Reserve* tal-Istati Uniti tal-Amerika (Fed) u l-Bank Ċentrali Ewropew (ECB) kienu ilhom jgħollu r-rata tal-interessi minn kmieni/lejn nofs l-2022, u baqgħu jagħmlu dan anki matul din is-sena finanzjarja, hekk kif rispettivament, komplew jgħollu r-rati tal-interessi b'0.5% għal 5.5%, u b'1.0% għal 4.0%.

L-Istati Uniti tal-Amerika wriet biċ-ċar għaliex il-biċċa l-kbira tal-partecipanti fis-swieq kapitali globali jibqgħu jikkunsidrawha bħala l-aqwa mudell ekonomiku fid-dinja, għax minkejja l-isfidi kollha li ħabbtet wiċċha magħhom, l-ekonomija Amerikana xorta rnexxielha tkompli tkattar ix-xogħol u fl-istess ħin tixpruna tkabbir fis-salarji u żżomm stabbli d-dhul disponibbli għall-familji. Il-magna ekonomika Amerikana għiet ukoll sostnuta fiskalment minn żieda fin-nefqa tal-gvern Amerikan li min-naħa l-oħra, kompliet tgħolli l-livell tad-dejn tal-Istati Uniti, tant li dan lahaq livell rekord. Dan x'aktarx li wassal biex matul l-aħħar nofs ta' din is-sena finanzjarja, rajna traġettorji diverġenti bejn is-swieq tat-titoli tas-self u dawk tal-ishma, kemm fl-Istati Uniti kif ukoll f'dawk globali. Dan l-ambjent ta' rati ta' interessi oghla għal żmien itwal' li nħoloq biex jikkontrolla kemm jista' jkun ix-xokk inflazzjonarju globali li kellu l-bidu tiegħu wara l-pandemija tal-COVID 19 u l-bidu tal-kunflitt militari fl-Ukrajna, wassal biex is-swieq tat-titoli tas-self fl-Istati Uniti u anki dawk globali, isofru telf matul l-ewwel tliet xhur ta' din is-sena kalendarja, telf li naqqas biċċa sew miż-żidiet li dawn is-swieq kienu rreġistraw lejn l-aħħar nofs tal-2023. Bla dubju, l-inflazzjoni annwali fl-Istati Uniti, li wara li beda l-kunflitt militari fl-Ukrajna kienet għoliet għal 9.1% f'Gunju tal-2022, naqset b'pass mghaġġel sewwa f'dawn l-aħħar xhur u niżlet għal 3.5% f'Marzu tal-2024; madankollu, dan il-livell jibqa' l fuq mill-objettiv ta' 2% tal-Fed, bl-aħħar ċifri ekonomiċi mahruġa juru biċ-ċar li l-inflazzjoni ser tibqa' tippersisti f'dan il-livell għal żmien itwal milli kien mistenni. Ta' min isemmi wkoll, li ż-żieda li rajna fil-prezzijiet ta' għadd ta' materji primi matul dawn l-aħħar xhur, bħalma huma ż-żejt u r-ram, li t-tnejn jintużaw f'għadd kbir ta' proċessi ta' produzzjoni, tkompli tagħmilha diffiċli biex il-banek ċentrali u l-gvernijiet jikkontrollaw l-inflazzjoni kif jixtiequ.

HSBC Malta Funds SICAV p.l.c.

Ir-Rapport tad-Diretturi (ikompli)

Ghas-sena li ntemmet fil-31 ta' Marzu 2024

Analizi tan-negozju u żviluppi prospettivi għall-futur (ikompli)

F'kuntrast ma' dan kollu u mas-swieq ta-titoli tas-self, is-sentiment fis-swieq tal-ishma baqa' wiehed pozittiv, mghejjun ukoll mill-qligh qawwi li rreġistraw hafna kumpanniji madwar id-dinja u mill-istennija li l-Fed xorta ser ikollu eventwalment ibaxxi r-rati tal-interessi, x'aktarx lejn it-tieni nofs tas-sena 2024. Fuq dan l-isfond, is-swieq tal-ishma globali u dawk tal-Istati Uniti komplew telgħin u laħqu livelli rekord, għalkemm l-lum huwa fatt magħruf li numru ta' investituri madwar id-dinja qegħdin jiddubitaw kemm dawn il-valutazzjonijiet/prezzijiet/livelli (tal-ishma) preżenti huma sostenibbli.

Kif issemma' diġà, dan iċ-ċaqliq fis-swieq ġie osservat b'mod simili madwar is-swieq kapitali żviluppatti tista' tgħid kollha, inkluż is-swieq tal-ishma tal-Ewropa, għalkemm fuq skala anqas, minhabba li l-istaġnar ekonomiku Ewropew naqqas l-entuzjażmu tal-investituri f'dan ir-reġjun, u għalhekk, il-prezzijiet tal-ishma Ewropej m'għolewx bl-istess pass ta' dawk Amerikani, b'din tkun probabli r-raġuni principali għaliex wiehed jista' jargumenta li mil-lat purament ta' valutazzjonijiet fundamentali, l-ishma Ewropej jidhru relattivament orħos minn dawk Amerikani. Fil-fatt, l-Unjoni Ewropea ħabbtet wiċċha ma' riċessjoni teknika matul l-2023 u kien biss lejn tmiem is-sena li l-indikaturi ekonomiċi ewlenin Ewropej bdew juru titjib fl-andament ekonomiku, titjib mghejjun primarjament mill-profitti sodisfaċenti li rreġistraw numru ta' kumpanniji Ewropej, l-infiq reżiljenti tal-konsumaturi, kif ukoll mill-ghajnuniet finanzjarji tal-gvernijiet. Ma' dan, wiehed irid jikkunsidra wkoll li matul ix-xhur li għaddew, l-attività ekonomika globali ingħatat spinta wkoll mill-ammont kbir ta' miżuri ta' stimolu li ħabbar il-gvern fiċ-Ċina, pajjiż li bla dubju, l-lum, hu wiehed mill-qawwiet ekonomiċi ewlenin fid-dinja. Dawn il-miżuri žiedu l-istennija għal titjib fl-attività kummerċjali globali, partikolarment bejn iż-żewġ reġjuni.

Kollox ma' kollox, wiehed jista' jikkonkludi li anki l-Ewropa rnexxielha tvinċi t-theddida mir-rati ta' interessi għoljin b'mod tajjeb, speċjalment meta mqabbel ma' xenarji simili li ġraw fl-imghoddi. Fil-fatt, il-fallimenti azjendali baqgħu miżmuma f'livell baxx, waqt li r-rata ta' qgħad naqset sew mit-8.5% osservati fl-2020 għal 6.5% matul l-2023. Minbarra hekk, is-sentiment tal-investituri fl-Ewropa kien mghejjun ukoll mill-istennija li l-ECB għandu jnaqqas ir-rati tal-interessi lejn nofs is-sena, u qabel, u potenzjalment b'aktar heffa mill-Fed. Minkejja dan, anki jekk bla dubju f'miżura iċken minn dak li jseħh fl-Amerika, it-traġettorja tas-swieq tat-titoli tas-self tal-gvernijiet denominati fl-Ewro baqgħet xorta waħda tiġi xprunata aktar mill-istennija għall-miżuri li se jieħu l-Fed, milli għal dawk li se jieħu l-ECB, bil-prezzijiet ta' dawn is-swieq joghlew fl-aħħar tliet xhur tal-2023, u mbagħad tbaxxew matul l-ewwel tliet xhur tal-2024.

Is-swieq tat-titoli tas-self tal-kumpanniji marru aħjar minn dawk tal-gvernijiet, hekk kif il-fundamenti b'saħħithom tagħhom u r-rendimenti oghla li joffru, wasslu lill-investituri biex jippreferuhom. F'dan ix-xenarju, is-suq tat-titoli tas-self tal-kumpanniji hekk msejġha *High Yield* kien l-aktar suq fost is-swieq kollha tat-titoli tas-self li renda l-aktar matul is-sena finanzjarja li qiegħda ssir ir-reviżjoni tagħha.

Il-kurvatura tar-rendiment tas-suq tat-titoli tas-self tal-gvern Malti rriflettiet iċ-ċaqliq turbolenti li rajna fis-swieq ta' titoli ta' self tal-gvernijiet internazzjonali. Madankollu, l-andament pozittiv ferm tal-ekonomija Maltija u l-prospetti li t-tkabbir tagħha ser jibqa' fost l-aqwa fl-Ewropa, xpruna appogg b'saħħtu għal dan is-suq u matul l-ewwel tliet xhur tal-2024, wassal għal žieda qawwija fil-prezzijiet tat-titoli tas-self tal-gvern Malti.

Minkejja dan l-ambjent turbolenti għas-swieq tat-titoli tas-self, it-tliet fondi tal-Kumpannija li jinvestu speċifikament f'dawn is-swieq, iġifieri l-International Bond Fund, il-Malta Bond Fund u l-Malta Government Bond Fund kollha rreġistraw gwadann sostanzjali matul din is-sena finanzjarja li qiegħda ssir ir-reviżjoni tagħha, fejn kibru b'6.62%, 4.19% u 2.81% rispettivament. F'termini ta' sottokrizzjonijiet u fidwiet netti minn dawn il-fondi, il-Malta Government Bond Fund irreġistra fidwa netta matul il-perjodu li qed issir ir-reviżjoni tiegħu, filwaqt li kemm l-International Bond Fund u l-Malta Bond Fund irreġistraw sottokrizzjonijiet netti.

HSBC Malta Funds SICAV p.l.c.

Ir-Rapport tad-Diretturi (ikompli)

Ghas-sena li ntemmet fil-31 ta' Marzu 2024

Analizi tan-negozju u żviluppi prospettivi għall-futur (ikompli)

Intant, b'mod ġenerali, minkejja dan il-perjodu ta' taqlib u l-inċertezza li jgħib miegħu, hafna mis-swieq internazzjonali tal-ishma ewlenin żammew xejra pożittiva 'l fuq matul is-sena finanzjarja li għaddiet u baqgħu telgħin biex laquq ċifri rekord. Fil-fatt, l-*FTSE All World Index* iggwadanja 24.45% f'termini tal-Ewro, waqt li l-*S&P500* tal-Istati Uniti u n-*Nikkei 225* tal-Ġappun sebgħu l-biċċa l-kbira tal-indiċi tas-swieq internazzjonali tal-ishma, b'żieda ta' 30.74% u 28.71% f'termini tal-Ewro rispettivament. L-Euro STOXX600, l-indiċi tas-swieq tal-ishma Ewropej li addottaw il-munita Ewro, irreġistra żieda ta' 15.84% waqt li l-FTSE100 tar-Renju Unit żied 11.30% f'termini tal-Ewro, żidiet pjuttost iċken minn żidiet ta' swieq ta' pajjiżi/regjuni żvillupati oħra li jirriflettu l-qagħda ekonomika relattivament mwiegħra taż-żewġ pajjiżi/regjuni fil-konfront tal-pajjiżi/regjuni l-oħra. Is-swieq tal-ishma li żdiedu l-anqas kienu dawk hekk imsejha emergenti, bl-*MSCI Emerging Market Index* jirreġistra żieda ta' 8.94% f'termini tal-Ewro u l-*MSCI Asia Ex. Japan Index* jżidied b'4.67% biss, hekk kif dawn ġew imkaxkra 'l isfel mill-wirja batuta tas-suq tal-ishma Ċiniżi fejn is-sentiment tal-investituri kien affettwat b'mod negattiv mid-deflazżjoni li laqgħet ir-regjun u mill-problemi fis-settur tal-propjetá.

Fuq dan l-isfond, l-Equity Growth Fund irreġistra żieda ta' 13.38% matul is-sena finanzjarja li qiegħda tiġi riveduta. L-effett ta' din iż-żieda pożittiva fuq l-assi netti mħaddma minn dan is-sottofond miżjud mas-sottoskrizzjonijiet netti ta' €5.3 miljuni li rċieva matul l-istess perjodu wassal biex fl-aħħar ta' Marzu 2024 l-assi netti ta' dan is-sottofond jikbru għal total rekord ta' €42.9 miljun.

Is-suq lokali tal-ishma wkoll gawda minn andament pożittiv bl-Indiċi tal-Borża ta' Malta jirreġistra gwadann ta' 10.61% matul is-sena finanzjarja li qed issir revizjoni tagħha, riżultat li kien xprunat l-aktar mis-setturi tal-ishma tal-banek u l-kumpanniji li joperaw fit-turizmu. B'riżultat ta' dan, il-Maltese Assets Fund irreġistra żieda ta' 7.62%. L-effett ta' din iż-żieda pożittiva fuq l-assi netti mħaddma minn dan is-sottofond miżjud mas-sottoskrizzjonijiet netti li rċieva kabbru l-assi netti ta' dan is-sottofond minn €49.4 miljuni fl-aħħar ta' Marzu 2023 għal valur ta' €54.5 miljuni sal-aħħar ta' Marzu 2024.

F'dan ix-xenarju, il-Valur tal-Assi Netti (NAV) tal-Kumpannija żdied minn € 312,806,161 kif irreġistrat fil-31 ta' Marzu 2023 għal € 336,030,103 fil-31 ta' Marzu 2024, żieda ta' € 23,223,942 jew 7.42% aktar meta mqabbel mal-perjodu finanzjarju ta' qabel.

Ix-xejra 'l quddiem tal-ekonomija globali wriet titjib sostanzjali matul ix-xhur li għaddew. Biss, b'mod paradossali, dan it-titjib jaf iwassal lill-Fed, l-ECB u banek ċentrali ewlenin oħra biex jistennew aktar qabel inaqqsu r-rati tal-interessi u dan jista' jaffettwa negattivament is-sentiment tal-investituri fis-swieq tat-titoli tas-self kif ukoll f'dawk tal-ishma. Minhabba f'hekk, ir-riskju ta' aktar turbulenza fis-swieq kapitali kollha madwar id-dinja għax-xhur li ġejjin jibqa' wieħed għoli. Tajjeb ukoll li nirrikonoxxu li t-tensjoni ġeopolitika li sfortunatament għadha tiddomina d-dinja u li donnha qed tkompli tikber aktar ma jgħaddi żmien, tkompli iżżid ir-riskju għas-swieq kollha.

Matul ix-xhur li ġejjin, id-Diretturi, flimkien mal-Maniġer, se jkomplu konstantament jirvedu l-għanijiet strateġiċi tal-Kumpannija, partikolarment fejn jidhlu l-isforzi li l-Kumpannija qed tagħmel sabiex thajjar aktar investituri jinvestu fis-sottofondi tagħha f'ambjent, li minkejja ż-żidiet b'saħħithom li offra lill-investituri matul din l-aħħar sena finanzjarja, jibqa' joffri sfidi kbar.

L-analizi tan-negozju tal-Kumpannija matul il-perjodu li qed issir ir-revizjoni tiegħu u l-indikazzjonijiet tal-iżviluppi prospettivi għall-futur qed jingħataw fir-rapport tal-Maniġer minn paġna 3 sa 14.

HSBC Malta Funds SICAV p.l.c.

Ir-Rapport tad-Diretturi (ikompli)

Ghas-sena li ntemmet fil-31 ta' Marzu 2024

Kundizzjonijiet tal-liċenzja standard, sanzjonijiet regolatorji, manwal ta' governanza korporattiva ghad-diretturi ta' skemi ta' investment kollettivi u l-kodiċi tal-MFSA ghal governanza korporattiva tajba

Matul il-perjodu li qed issir ir-reviżjoni tiegħu ma kien hemm ebda ksur tal-Kundizzjonijiet tal-Liċenzja Standard li kien sugġett għal xi penali amministrattiva jew sanzjonijiet regolatorji u s-SICAV kien konformi ma' kull kodiċi applikabbli għal governanza korporattiva tajba.

Iżda, tranżazzjoni magħmula mill-Maniġer nhar it-12 ta' Settembru tal-2023 f'isem il-Malta Government Bond Fund aggravat ksur involontarju tar-restrizzjoni tal-Prospett ta' dan is-sottofond li tirrikjedi li *'sabiex ikun ippreservat l-istatus preskritt tas-sottofond, mhux anqas minn 85% tal-assi totali tas-sottofond iridu jkun jikkonsistu minn assi investiti f'Malta'*, fejn dan il-ksur involontarju eżistenti kien origina nhar is-16 t' Awwissu tal-2023.

Il-Maniġer ma kellu ebda kontroll fuq iċ-ċirkustanzi li wasslu għall-ksur inizjali tar-restrizzjoni msemmija aktar 'il fuq, u b'hekk, l-inċident kien ġie ikklassifikat bħala ksur involontarju. Fit-12 ta' Settembru tal-2023, bil-ħsieb li jagħmel tajjeb għal dan il-ksur involontarju, il-Maniġer ipprova b'mod simultanju jbiegħ titlu barrani (i.e. ass li mhux investit f'Malta) miżmum fi hdan dan l-istess sottofond, u jixtri titlu barrani differenti iżda ta' daqs iżgħar. Ix-xiri ta' dan it-titlu sar nhar it-12 ta' Settembru tal-2023, iżda t-tranżazzjoni ta' bejgħ saret fil-15 ta' Settembru tal-2023, bir-riżultat li s-sottofond seta' jitqies li kiser ir-restrizzjoni tal-prospett imsemmija aktar 'il fuq għal tlett ijiem.

Dan kollu ma kellu l-ebda effett negattiv fuq investituri li sottoskrivew, fdew jew baqgħu investiti fis-sottofond matul dawn it-tlett ijiem, dan għaliex f'dawn il-jiem li fih is-sottofond kien fi ksur tal-prospett, il-valutazzjoni indipendenti tal-ass li nxtara kienet oġhla mill-valur li bih nxtara, għalhekk, l-investituri li fdew jew baqgħu investiti fis-sottofond gawdew minn prezz oġhla tan-NAV. Investituri li sottoskrivew fis-sottofond matul dawn it-tlett ijiem setgħu ġew milquta b'mod negattiv, iżda ma kien hemm l-ebda investitur li s-sottofond matul dan il-perjodu.

L-MFSA giet infurmata b'dan il-ksur ta' din ir-restrizzjoni tal-Prospett.

Riskji prinċipali u incertezzi

Il-Kumpanija hija esposta għal riskji finanzjarji li jinkludu riskju fis-suk, riskju ta' kreditu u riskju ta' likwidità. Il-Kumpanija tevalwa u tanalizza b'mod regolari r-riskji strateġiċi, operattivi u finanzjarji tagħha fi hdan il-qafas tal-politika tal-ġestjoni tar-riskji tagħha, u tiegħu l-azzjonijiet necessarji biex ittaffi dawn ir-riskji.

L-obiettivi individwali tal-ġestjoni tar-riskju finanzjarju, regoli operattivi u l-espożizzjoni tas-sottofondi huma deskritti f'aktar dettall fin-Noti tar-Rendikont Finanzjarju.

Avvenimenti wara l-perjodu ta' rrapurtar

Id-Diretturi jikkonfermaw li ma kienx hemm avvenimenti materjali x'jiġu rrapurtati wara l-perjodu ta' rrapurtar.

Riżultati u dividendi

Il-Kumpanija rreġistrat zieda netta fl-assi attribwiti tad-detenturi tal-units li jammontaw għal €17,999,216 kif jidher fir-rendikont tad-dhul komprensiv f'paġna 44.

HSBC Malta Funds SICAV p.l.c.

Ir-Rapport tad-Diretturi (ikompli)

Ghas-sena li ntemmet fil-31 ta' Marzu 2024

Rizultati u dividendi (ikompli)

Ghas-sena finanzjarja li ntemmet fil-31 ta' Marzu 2024, il-Kumpannija ddikjarat dawn id-dividendi għall-ishma tagħha li jqassmu d-dhul:

	Data Ex-dividend	Monita	Rata ghal kull sehem	Dividendi imhallas	Dividendi dovut
Malta Bond Fund	30-Ġun-23	EUR	2.278	37,510	-
	30-Sett-23	EUR	2.394	38,544	-
	31-Diċ-23	EUR	2.811	44,348	-
	31-Mar-24	EUR	2.604	-	40,701
International Bond Fund	30-Ġun-23	EUR	1.058	3,739	-
	30-Ġun-23	GBP	0.907	712	-
	30-Sett-23	EUR	1.521	5,319	-
	30-Sett-23	GBP	1.319	1,024	-
	31-Diċ-23	EUR	1.914	6,498	-
	31-Diċ-23	GBP	1.658	1,289	-
	31-Mar-24	EUR	2.026	-	6,752
	31-Mar-24	GBP	1.731	-	1,366
Malta Government Bond Fund	30-Ġun-23	EUR	1.185	22,523	-
	30-Sett-23	EUR	1.229	22,697	-
	31-Diċ-23	EUR	1.439	25,457	-
	31-Mar-24	EUR	1.523	-	26,818
Maltese Assets Fund	30-Ġun-23	EUR	2.958	1,502	-
	30-Sett-23	EUR	2.133	1,071	-
	31-Diċ-23	EUR	1.192	482	-
	31-Mar-24	EUR	3.073	-	1,187

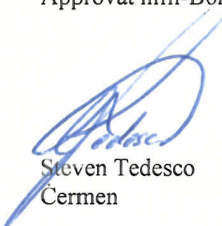
Diretturi

Id-Diretturi li servew matul il-perjodu li qed jiġi rivedut jidhru f'pagna 1.

Awdituri

PricewaterhouseCoopers urew ix-xewqa li jkomplu hidmiethom bhala awdituri, u r-rezoluzzjoni biex jerggħu jiġu appuntati se titressaq fil-laqgħa generali annwali.

Approvat mill-Bord nhar id-29 ta' Lulju 2024.


Steven Tedesco
Ċermen


Lisa Vella
Direttur


Richard Bernard
Direttur

HSBC Malta Funds SICAV p.l.c.

Directors' Responsibilities for the Financial Statements

The Maltese Companies Act, 1995 (Chapter 386, Laws of Malta) (the "Act") requires the Directors of HSBC Malta Funds SICAV p.l.c. (the "Company") to prepare financial statements for each financial year which give a true and fair view of the financial position of the Company as at the end of the financial year and of the profit or loss of the Company for that year in accordance with the requirements of International Financial Reporting Standards as adopted by the EU.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy, at any time, the financial position of the Company and to enable them to ensure that the financial statements have been properly prepared in accordance with the provisions of the Act.

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.

The Directors are responsible to ensure that the Company establishes and maintains internal controls to provide reasonable assurance with regard to reliability of financial reporting, effectiveness and efficiency of operations and compliance with applicable laws and regulations.

The Directors are responsible to establish a control environment and maintain policies and procedures to assist in achieving the objective of ensuring, as far as possible, the orderly and efficient conduct of the Company's business. This responsibility includes establishing and maintaining controls pertaining to the Company's objective of preparing financial statements as required by the Act and managing risks that may give rise to material misstatements in those financial statements. In determining which controls to implement to prevent and detect fraud, the Directors consider the risks that the financial statements may be materially misstated as a result of fraud.

The financial statements of HSBC Malta Funds SICAV p.l.c. for the year ended 31 March 2024 are included in the Annual Report 2024, which is available for inspection during usual business hours at the registered office of the Company and which may be made available on the Manager's website. Access to information published on the Manager's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.



Steven Tedesco
Chairman



Lisa Vella
Director



Richard Bernard
Director

HSBC Malta Funds SICAV p.l.c.

Report of the Custodian

The Directors
HSBC Malta Fund SICAV p.l.c.
171, Old Bakery Street,
Valletta VLT 1455,
Malta.

19th July 2024

As Custodian to *Equity Growth Fund, International Bond Fund, Malta Bond Fund, Malta Government Bond Fund and Maltese Assets Fund* (the "Sub-funds") being Sub-funds of the *HSBC MALTA FUNDS SICAV PLC* (the "Scheme"), we hereby confirm having enquired into the conduct of the Scheme in relation to the above mentioned Sub-funds for the period *1st April 2023 until 31st March 2024* and confirm that during this period:

I. The Sub-Funds were 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 with the exception of the below:


- *Malta Government Bond Fund*

Reference is made to the Prospectus, dated 23rd of December 2022 where it states that "[...]no less than 85% of the total assets of the Sub-Fund shall consist of assets situated in Malta". The Depositary recorded an inadvertent breach of said restriction as from the 16th of August 2023, originating from market price movements, and allowing the Manager to rectify the breach within 6 months from the detection of the contravention.


The Depositary was advised that in an endeavour to rectify the breach, the Manager had attempted to sell a foreign security (i.e. an asset not being situated in Malta) of a greater market value and simultaneously purchase another foreign security. However, the sale was executed on the 15th of September 2023, whilst the purchase was executed on the 12th of September 2023. The mismatch of trade executions dropped the exposure to assets situated in Malta further below the 85% restriction and ultimately led to the Sub-Fund being arguably advertently in breach of the above-mentioned restriction for a total of 3 business days.

Insofar as the Depositary is aware, there was no negative impact on both redeeming and subscribing investors during the duration of the breach and that the MFSA was duly informed.

II. And in accordance with the provision of the constitutional documents and the License Conditions.



Mr. Paul Mifsud
Managing Director
o.b.o. Sparkasse Bank Malta p.l.c.
19th July 2024



Ms. Anna Mironova
Head of Securities & Custody and
Depositary Services



Independent auditor's report

To the Shareholders of HSBC Malta Funds SICAV p.l.c.

Report on the audit of the financial statements

Our opinion

In our opinion:

- The financial statements give a true and fair view of the financial position of HSBC Malta Funds SICAV p.l.c. (the Company) as at 31 March 2024, and of the company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Our opinion is consistent with our additional report to the directors.

What we have audited

HSBC Malta Funds SICAV p.l.c.'s financial statements, set out on pages 42 to 121 comprise:

- the statement of financial position as at 31 March 2024;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Independent auditor's report - continued

To the Shareholders of HSBC Malta Funds SICAV p.l.c.

Independence

We are independent of the company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these Codes.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the company are in accordance with the applicable law and regulations in Malta and that we have not provided non-audit services that are prohibited under Article 18A of the Accountancy Profession Act (Cap. 281).

The non-audit services that we have provided to the company, in the period from 1 April 2023 to 31 March 2024, are disclosed in Note 8.6 to the financial statements.

Our audit approach

Overview

Materiality	<ul style="list-style-type: none">• Overall materiality: 1% of net asset value.
Key audit matters	<ul style="list-style-type: none">• Valuation and existence of financial assets at fair value through profit or loss.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which the company operates.



Independent auditor's report - continued

To the Shareholders of HSBC Malta Funds SICAV p.l.c.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

<i>Overall materiality and how we determined it</i>	1% of net asset value
<i>Rationale for the materiality benchmark applied</i>	We have applied this benchmark as we consider it to be one of the principal considerations for principal users in assessing the financial performance of the company and the sub-funds. We also believe this provides an appropriate and consistent year-on-year basis for our audit. We chose 1% based on professional judgment, noting that it is also within the range of commonly accepted net asset related thresholds that we consider acceptable.

We agreed with the Directors that we would report to them misstatements identified during our audit above 0.1% of the net asset value as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

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



Independent auditor's report - continued

To the Shareholders of HSBC Malta Funds SICAV p.l.c.

Key audit matter	How our audit addressed the Key audit matter
<p><i>Valuation and existence of financial assets at fair value through profit or loss</i></p> <p>The financial assets at fair value through profit or loss are described in Note 9. The valuation of these assets is the key driver of the Company's net asset value and investment return.</p> <p>We focused on this area as errors in valuation and existence of assets held by the Company could have a significant impact on portfolio valuation and, therefore, the return generated for shareholders.</p>	<p>We agreed all the investment prices used in the valuation of investments as at year-end to independent third-party sources.</p> <p>We agreed the foreign currency exchange rates used to translate the investments priced in currencies other than the Euro as at year-end to independent third-party sources.</p> <p>We agreed all investment holdings as at year-end to the confirmation provided by the third-party custodian, Sparkasse Bank Malta p.l.c.</p> <p>In addition, we evaluated the adequacy of the disclosures made in Notes 9 and 13 of the financial statements.</p> <p>The results of our procedures did not identify any material misstatements.</p>

Other information

The directors are responsible for the other information. The other information comprises the Directors, officers and other information section, the Manager's Report, the Comparative table, the Report of the Directors, the Director's Responsibility for the Financial Statements and the General information section (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except as explicitly stated within the *Report on other legal and regulatory requirements*.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.



Independent auditor's report - continued

To the Shareholders of HSBC Malta Funds SICAV p.l.c.

Responsibilities of the directors for the financial statements

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 Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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



Independent auditor's report - continued

To the Shareholders of HSBC Malta Funds SICAV p.l.c.

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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on other legal and regulatory requirements

The *Annual Report and Audited Financial Statements 2024* contains other areas required by legislation or regulation on which we are required to report. The directors are responsible for these other areas.

The table below sets out these areas presented within the Annual Report, our related responsibilities and reporting, in addition to our responsibilities and reporting reflected in the *Other information* section of our report. Except as outlined in the table, we have not provided an audit opinion or any form of assurance.



Independent auditor's report - continued

To the Shareholders of HSBC Malta Funds SICAV p.l.c.

<p><i>Area of the Annual Report and Audited Financial Statements 2024 and the related Directors' responsibilities</i></p>	<p><i>Our responsibilities</i></p>	<p><i>Our reporting</i></p>
<p>Report of the Directors and Directors' Responsibility for the Financial Statements (on pages 20 to 23, and 29) The Maltese Companies Act (Cap. 386) requires the directors to prepare a Directors' report, which includes the contents required by Article 177 of the Act and the Sixth Schedule to the Act.</p>	<p>We are required to consider whether the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.</p> <p>We are also required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements.</p> <p>In addition, we are required to state whether, in the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, we have identified any material misstatements in the Directors' report, and if so to give an indication of the nature of any such misstatements.</p>	<p>In our opinion:</p> <ul style="list-style-type: none"> the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386). <p>We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the <i>Other information</i> section.</p>



Independent auditor’s report - continued

To the Shareholders of HSBC Malta Funds SICAV p.l.c.

<i>Area of the Annual Report and Audited Financial Statements 2024 and the related Directors’ responsibilities</i>	<i>Our responsibilities</i>	<i>Our reporting</i>
	<p>Other matters on which we are required to report by exception</p> <p>We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion:</p> <ul style="list-style-type: none"> • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us. • the financial statements are not in agreement with the accounting records and returns. • we have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit. 	<p>We have nothing to report to you in respect of these responsibilities.</p>



Independent auditor's report - continued

To the Shareholders of HSBC Malta Funds SICAV p.l.c.

Other matter – use of this report

Our report, including the opinions, has been prepared for and only for the Company's shareholders as a body in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

Appointment

We were first appointed as auditors of the Company on 26 September 2014. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 10 years.

A handwritten signature in blue ink, appearing to read 'Joanne Saliba', with a stylized flourish at the end.

Joanne Saliba
Principal

For and on behalf of
PricewaterhouseCoopers
78, Mill Street
Zone 5, Central Business District
Qormi CBD 5090
Malta

29 July 2024

HSBC Malta Funds SICAV p.l.c.

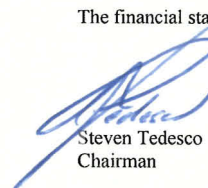
Statement of Financial Position

As at 31 March 2024

		Combined 2024 EUR	Malta Bond Fund 2024 EUR	International Bond Fund 2024 EUR	Equity Growth Fund 2024 EUR	Malta Government Bond Fund 2024 EUR	Maltese Assets Fund 2024 EUR
Assets							
Financial assets at fair value through profit or loss	9	324,959,982	123,605,950	53,303,406	39,233,746	56,128,270	52,688,610
Trade and other receivables		40,524	8,438	18,240	-	5,236	8,610
Settlement receivable		214,037	199,416	-	-	-	14,621
Dividends receivable		361,447	-	-	71,257	-	290,190
Cash and cash equivalents	4, 6	11,207,390	2,428,804	2,218,067	3,660,289	1,324,888	1,575,342
Total assets		336,783,380	126,242,608	55,539,713	42,965,292	57,458,394	54,577,373
Liabilities							
Settlements payable		-	-	-	-	-	-
Payables and accrued expenses		753,277	379,930	68,601	51,759	161,646	91,341
Total liabilities excluding net assets attributable to unit holders		753,277	379,930	68,601	51,759	161,646	91,341
Net assets attributable to unit holders		336,030,103	125,862,678	55,471,112	42,913,533	57,296,748	54,486,032

The accompanying notes are an integral part of these financial statements.

The financial statements set out on pages 42 to 121 were approved by the Board on 29 July 2024.


Steven Tedesco
Chairman


Lisa Vella
Director


Richard Bernard
Director

HSBC Malta Funds SICAV p.l.c.

Statement of Financial Position

As at 31 March 2023

		Combined	Malta Bond Fund	International Bond Fund	Equity Growth Fund	Malta Government Bond Fund	Maltese Assets Fund
	Note	2023 EUR	2023 EUR	2023 EUR	2023 EUR	2023 EUR	2023 EUR
Assets							
Financial assets at fair value through profit or loss	9	289,051,642	115,243,710	40,478,663	27,314,305	60,022,207	45,992,757
Trade and other receivables		82,707	40,819	33,278	-	-	8,610
Settlement receivable		94,686	9,331	85,355	-	-	-
Dividends receivable		176,533	-	-	27,080	-	149,453
Cash and cash equivalents	4, 6	24,187,836	4,502,059	9,423,564	5,397,269	1,510,752	3,354,192
Total assets		313,593,404	119,795,919	50,020,860	32,738,654	61,532,959	49,505,012
Liabilities							
Settlements payable		85,328	-	85,328	-	-	-
Payables and accrued expenses		701,915	353,847	61,360	38,192	166,882	81,634
Total liabilities excluding net assets attributable to unit holders		787,243	353,847	146,688	38,192	166,882	81,634
Net assets attributable to unit holders		312,806,161	119,442,072	49,874,172	32,700,462	61,366,077	49,423,378

HSBC Malta Funds SICAV p.l.c.

Statement of Comprehensive Income

For the year ended 31 March 2024

		Combined	Malta Bond Fund	International Bond Fund	Equity Growth Fund	Malta Government Bond Fund	Maltese Assets Fund
	Note	2024 EUR	2024 EUR	2024 EUR	2024 EUR	2024 EUR	2024 EUR
Income							
Dividend income		2,583,208	-	-	698,667	-	1,884,541
Interest income on financial instruments at fair value through profit or loss		9,085,049	4,758,443	1,694,710	175,112	1,953,159	503,625
Net realised (losses)/gains on financial instruments at fair value through profit or loss		(3,158,515)	(1,264,823)	(858,011)	409,306	(1,125,884)	(319,103)
Net unrealised gains on financial instruments at fair value through profit or loss		14,731,686	3,043,955	2,945,163	4,162,703	1,562,357	3,017,508
Net foreign currency (losses)/gains on cash and cash equivalents		(11,951)	(12,872)	(35,215)	28,620	329	7,187
Other income		5,760	4,376	27	118	25	1,214
Net investment profit		23,235,237	6,529,079	3,746,674	5,474,526	2,389,986	5,094,972
Expenses							
Management fees	8.1	2,602,710	927,518	290,812	375,531	455,528	553,321
Administration fees	8.2	178,705	66,761	28,824	21,208	32,796	29,116
Custodian/depositary fees	8.4	257,898	92,762	36,346	28,922	50,529	49,339
Investment account fees	8.5	389,049	117,213	46,659	46,614	111,174	67,389
Audit fees	8.6	38,550	14,323	6,025	5,303	5,863	7,036
Directors' fees	11(d)	33,672	12,771	5,379	4,613	4,916	5,993
Transaction fees		37,988	9,614	1,179	8,196	11,945	7,054
Other operating expenses		142,206	31,188	36,183	20,692	24,816	29,327
Total operating expenses		3,680,778	1,272,150	451,407	511,079	697,567	748,575
Operating profit before finance costs		19,554,459	5,256,929	3,295,267	4,963,447	1,692,419	4,346,397
Finance costs							
Distributions to unitholders	10	289,540	161,104	26,699	-	97,495	4,242
Total finance costs		289,540	161,104	26,699	-	97,495	4,242
Profit before tax		19,264,919	5,095,825	3,268,568	4,963,447	1,594,924	4,342,155
Withholding tax		1,265,703	401,258	-	137,937	170,427	556,081
Net increase in net assets attributable to unitholders		17,999,216	4,694,567	3,268,568	4,825,510	1,424,497	3,786,074

The accompanying notes are an integral part of these financial statements.

HSBC Malta Funds SICAV p.l.c.

Statement of Comprehensive Income

For the year ended 31 March 2023

		Malta Bond Fund	International Bond Fund	Equity Growth Fund	Malta Government Bond Fund	Maltese Assets Fund
	Combined	2023	2023	2023	2023	2023
Note	2023 EUR	EUR	EUR	EUR	EUR	EUR
Income						
Dividend income	1,105,426	-	-	319,256	-	786,170
Interest income on financial instruments at fair value through profit or loss	8,108,797	4,555,451	1,083,341	23,562	1,967,591	478,852
Net realised (losses)/ gains on financial instruments at fair value through profit or loss	(4,304,747)	(1,783,670)	(217,928)	350,816	(3,068,294)	414,329
Net unrealised losses on financial instruments at fair value through profit or loss	(17,459,401)	(6,286,884)	(2,004,850)	(1,922,361)	(5,050,134)	(2,195,172)
Net foreign currency gains/(losses) on cash and cash equivalents	41,645	184,739	(116,805)	(19,722)	111	(6,678)
Other income	8,342	7,586	79	-	-	677
Net investment loss	(12,499,938)	(3,322,778)	(1,256,163)	(1,248,449)	(6,150,726)	(521,822)
Expenses						
Management fees	8.1	2,653,717	1,003,931	289,298	544,738	522,667
Administration fees	8.2	183,159	71,889	28,530	39,006	27,260
Custodian/depositary fees	8.4	256,152	101,221	37,053	53,552	44,601
Investment account fees	8.5	411,110	135,118	46,648	127,906	64,911
Audit fees	8.6	36,200	14,088	5,408	8,782	4,882
Directors' fees	11(d)	30,991	12,158	4,595	7,938	3,935
Transaction fees		38,396	8,371	1,343	12,137	11,136
Other operating expenses		234,691	84,636	46,481	46,305	33,068
Total operating expenses	3,844,416	1,431,412	459,356	400,824	840,364	712,460
Operating loss before finance costs	(16,344,354)	(4,754,190)	(1,715,519)	(1,649,273)	(6,991,090)	(1,234,282)
Finance costs						
Distributions to unitholders	10	242,536	143,783	15,032	82,240	1,481
Total finance costs	242,536	143,783	15,032	-	82,240	1,481
Loss before tax	(16,586,890)	(4,897,973)	(1,730,551)	(1,649,273)	(7,073,330)	(1,235,763)
Withholding tax		903,618	428,147	-	181,594	247,782
Net decrease in net assets attributable to unitholders	(17,490,508)	(5,326,120)	(1,730,551)	(1,695,368)	(7,254,924)	(1,483,545)

The accompanying notes are an integral part of these financial statements.

HSBC Malta Funds SICAV p.l.c.

Statement of Changes in Net Assets – Combined

For the year ended 31 March 2024

	Total EUR
Net assets as at 1 April 2022	356,153,969 =====
Unit transactions	
Creation of shares	15,081,583
Redemption of shares	(40,938,883) -----
Total transactions with holders of redeemable units	(25,857,300) -----
Net equalisation	-
Net decrease in net assets attributable to unitholders	(17,490,508) ----- (17,490,508) -----
Net assets as at 31 March 2023	312,806,161 =====
Net assets as at 1 April 2023	312,806,161 =====
Unit transactions	
Creation of shares	26,015,549
Redemption of shares	(20,790,823) -----
Total transactions with holders of redeemable units	5,224,726 -----
Net equalisation	-
Net increase in net assets attributable to unitholders	17,999,216 ----- 17,999,216 -----
Net assets as at 31 March 2024	336,030,103 =====

The accompanying notes are an integral part of these financial statements.

HSBC Malta Funds SICAV p.l.c.

Statement of Changes in Net Assets – Malta Bond Fund

For the year ended 31 March 2024

	Total EUR	Accumulator Share Class EUR	Income Share Class EUR
Net assets as at 1 April 2022	141,301,392	133,562,012	7,739,380
Unit transactions			
Creation of shares	967,805	952,601	15,204
Redemption of shares	(17,501,005)	(16,435,157)	(1,065,848)
Total transactions with holders of redeemable units	(16,533,200)	(15,482,556)	(1,050,644)
Net equalisation	-	(132,849)	132,849
Net decrease in net assets attributable to unitholders	(5,326,120)	(4,902,719)	(423,401)
	(5,326,120)	(5,035,568)	(290,552)
Net assets as at 31 March 2023	119,442,072	113,043,888	6,398,184
Net assets as at 1 April 2023	119,442,072	113,043,888	6,398,184
Unit transactions			
Creation of shares	10,005,640	9,956,772	48,868
Redemption of shares	(8,279,601)	(7,955,431)	(324,170)
Total transactions with holders of redeemable units	1,726,039	2,001,341	(275,302)
Net equalisation	-	122,997	(122,997)
Net increase in net assets attributable to unitholders	4,694,567	4,604,799	89,768
	4,694,567	4,727,796	(33,229)
Net assets as at 31 March 2024	125,862,678	119,773,025	6,089,653

The accompanying notes are an integral part of these financial statements.

HSBC Malta Funds SICAV p.l.c.

Statement of Changes in Net Assets – International Bond Fund

For the year ended 31 March 2024

	Total EUR	Accumulator Share Class EUR	Income Share Class EUR
Net assets as at 1 April 2022	53,804,757	52,449,261	1,355,496
Unit transactions			
Creation of shares	2,024,238	2,013,014	11,224
Redemption of shares	(4,224,272)	(4,052,729)	(171,543)
Total transactions with holders of redeemable units	(2,200,034)	(2,039,715)	(160,319)
Net equalisation	-	(111)	111
Net decrease in net assets attributable to unitholders	(1,730,551)	(1,673,045)	(57,506)
	(1,730,551)	(1,673,156)	(57,395)
Net assets as at 31 March 2023	49,874,172	48,736,390	1,137,782
Net assets as at 1 April 2023	49,874,172	48,736,390	1,137,782
Unit transactions			
Creation of shares	4,877,848	4,876,797	1,051
Redemption of shares	(2,549,476)	(2,521,282)	(28,194)
Total transactions with holders of redeemable units	2,328,372	2,355,515	(27,143)
Net equalisation	-	55,169	(55,169)
Net increase in net assets attributable to unitholders	3,268,568	3,224,219	44,349
	3,268,568	3,279,388	(10,820)
Net assets as at 31 March 2024	55,471,112	54,371,293	1,099,819

The accompanying notes are an integral part of these financial statements.

HSBC Malta Funds SICAV p.l.c.

Statement of Changes in Net Assets – Equity Growth Fund

For the year ended 31 March 2024

	Total EUR	Class A Accumulator Shares EUR	Class B Accumulator Shares EUR
Net assets as at 1 April 2022	28,925,806	9,559,977	19,365,829
Unit transactions			
Creation of shares	6,022,439	277,641	5,744,798
Redemption of shares	(552,415)	(457,609)	(94,806)
Total transactions with holders of redeemable units	5,470,024	(179,968)	5,649,992
Net decrease in net assets attributable to unitholders	(1,695,368)	(552,150)	(1,143,218)
	(1,695,368)	(552,150)	(1,143,218)
Net assets as at 31 March 2023	32,700,462	8,827,859	23,872,603
Net assets as at 1 April 2023	32,700,462	8,827,859	23,872,603
Unit transactions			
Creation of shares	6,206,944	51,794	6,155,150
Redemption of shares	(819,383)	(470,555)	(348,828)
Total transactions with holders of redeemable units	5,387,561	(418,761)	5,806,322
Net increase in net assets attributable to unitholders	4,825,510	1,156,049	3,669,461
	4,825,510	1,156,049	3,669,461
Net assets as at 31 March 2024	42,913,533	9,565,147	33,348,386

The accompanying notes are an integral part of these financial statements.

HSBC Malta Funds SICAV p.l.c.

Statement of Changes in Net Assets – Malta Government Bond Fund

For the year ended 31 March 2024

	Total EUR	Accumulator Share Class EUR	Income Share Class EUR
Net assets as at 1 April 2022	84,839,951	77,780,960	7,058,991
Unit transactions			
Creation of shares	231,698	226,316	5,382
Redemption of shares	(16,450,648)	(15,653,835)	(796,813)
Total transactions with holders of redeemable units	(16,218,950)	(15,427,519)	(791,431)
Net equalisation	-	(79,467)	79,467
Net decrease in net assets attributable to unitholders	(7,254,924)	(6,548,861)	(706,063)
	(7,254,924)	(6,628,328)	(626,596)
Net assets as at 31 March 2023	61,366,077	55,725,113	5,640,964
Net assets as at 1 April 2023	61,366,077	55,725,113	5,640,964
Unit transactions			
Creation of shares	1,002,713	936,900	65,813
Redemption of shares	(6,496,539)	(5,832,092)	(664,447)
Total transactions with holders of redeemable units	(5,493,826)	(4,895,192)	(598,634)
Net equalisation	-	(32,785)	32,785
Net increase in net assets attributable to unitholders	1,424,497	1,385,041	39,456
	1,424,497	1,352,256	72,241
Net assets as at 31 March 2024	57,296,748	52,182,177	5,114,571

The accompanying notes are an integral part of these financial statements.

HSBC Malta Funds SICAV p.l.c.

Statement of Changes in Net Assets – Maltese Assets Fund

For the year ended 31 March 2024

	Total EUR	Accumulator Share Class EUR	Income Share Class EUR
Net assets as at 1 April 2022	47,282,063	47,037,457	244,606
Unit transactions			
Creation of shares	5,835,403	5,835,287	116
Redemption of shares	(2,210,543)	(2,208,604)	(1,939)
Total transactions with holders of redeemable units	3,624,860	3,626,683	(1,823)
Net equalisation	-	14,938	(14,938)
Net decrease in net assets attributable to unitholders	(1,483,545)	(1,475,283)	(8,262)
	(1,483,545)	(1,460,345)	(23,200)
Net assets as at 31 March 2023	49,423,378	49,203,795	219,583
Net assets as at 1 April 2023	49,423,378	49,203,795	219,583
Unit transactions			
Creation of shares	3,922,404	3,922,030	374
Redemption of shares	(2,645,824)	(2,609,928)	(35,896)
Total transactions with holders of redeemable units	1,276,580	1,312,102	(35,522)
Net equalisation	-	18,509	(18,509)
Net increase in net assets attributable to unitholders	3,786,074	3,775,223	10,851
	3,786,074	3,793,732	(7,658)
Net assets as at 31 March 2024	54,486,032	54,309,629	176,403

The accompanying notes are an integral part of these financial statements.

HSBC Malta Funds SICAV p.l.c.

Statement of Cash Flows

For the year ended 31 March 2024

	Note	Combined 2024 EUR	Malta Bond Fund 2024 EUR	International Bond Fund 2024 EUR	Equity Growth Fund 2024 EUR	Malta Government Bond Fund 2024 EUR	Maltese Assets Fund 2024 EUR
Cash flows generated (used in)/from operating activities							
Interest and other income received		10,798,652	4,595,781	1,319,736	795,699	1,877,452	2,209,984
Payments to service providers		(3,629,416)	(1,246,067)	(444,166)	(497,512)	(702,803)	(738,868)
Tax paid		(1,265,703)	(401,258)	-	(137,937)	(170,427)	(556,081)
Net (amounts paid on purchases)/proceeds on disposal financial assets at fair value through profit or loss		(23,807,214)	(6,573,774)	(10,347,525)	(7,313,411)	4,400,906	(3,973,410)
Net cash flows generated (used in)/from operating activities		(17,903,681)	(3,625,318)	(9,471,955)	(7,153,161)	5,405,128	(3,058,375)
Cash flows generated from/(used in) financing activities							
Proceeds from creation of units		26,015,549	10,005,640	4,877,848	6,206,944	1,002,713	3,922,404
Amounts paid on redemption of units		(20,790,823)	(8,279,601)	(2,549,476)	(819,383)	(6,496,539)	(2,645,824)
Distribution of dividend		(289,540)	(161,104)	(26,699)	-	(97,495)	(4,242)
Net cash flows generated from/(used in) financing activities		4,935,186	1,564,935	2,301,673	5,387,561	(5,591,321)	1,272,338
Net decrease in cash and cash equivalents		(12,968,495)	(2,060,383)	(7,170,282)	(1,765,600)	(186,193)	(1,786,037)
Cash and cash equivalents at beginning of year		24,187,836	4,502,059	9,423,564	5,397,269	1,510,752	3,354,192
Exchange (losses)/gains on cash and cash equivalents		(11,951)	(12,872)	(35,215)	28,620	329	7,187
Cash and cash equivalents at end of year	6	11,207,390	2,428,804	2,218,067	3,660,289	1,324,888	1,575,342

Non-cash transactions

There were no non-cash transactions for the year ended 31 March 2024.

The accompanying notes are an integral part of these financial statements.

HSBC Malta Funds SICAV p.l.c.

Statement of Cash Flows

For the year ended 31 March 2023

	Note	Combined 2023 EUR	Malta Bond Fund 2023 EUR	International Bond Fund 2023 EUR	Equity Growth Fund 2023 EUR	Malta Government Bond Fund 2023 EUR	Maltese Assets Fund 2023 EUR
Cash flows generated from/(used in) operating activities							
Interest and other income received		9,146,490	4,442,467	1,084,152	300,293	2,079,439	1,240,139
Payments to service providers		(3,669,272)	(1,357,520)	(439,348)	(377,517)	(814,188)	(680,699)
Tax paid		(903,618)	(428,147)	-	(46,095)	(181,594)	(247,782)
Net proceeds on disposal/(amounts paid on purchases) of financial assets at fair value through profit or loss		23,309,517	10,186,909	4,103,080	(3,477,419)	16,854,107	(4,357,160)
Net cash flows generated from/(used in) operating activities		27,883,117	12,843,709	4,747,884	(3,600,738)	17,937,764	(4,045,502)
Cash flows (used in)/generated from financing activities							
Proceeds from creation of units		15,081,583	967,805	2,024,238	6,022,439	231,698	5,835,403
Amounts paid on redemption of units		(41,395,675)	(17,516,402)	(4,259,185)	(552,415)	(16,852,130)	(2,215,543)
Distribution of dividend		(242,536)	(143,783)	(15,032)	-	(82,240)	(1,481)
Net cash flows (used in)/generated from financing activities		(26,556,628)	(16,692,380)	(2,249,979)	5,470,024	(16,702,672)	3,618,379
Net increase/(decrease) in cash and cash equivalents		1,326,489	(3,848,671)	2,497,905	1,869,286	1,235,092	(427,123)
Cash and cash equivalents at beginning of year		22,819,702	8,165,991	7,042,464	3,547,705	275,549	3,787,993
Exchange gains/(losses) on cash and cash equivalents		41,645	184,739	(116,805)	(19,722)	111	(6,678)
Cash and cash equivalents at end of year	6	24,187,836	4,502,059	9,423,564	5,397,269	1,510,752	3,354,192

Non-cash transactions

There were no non-cash transactions for the year ended 31 March 2023.

The accompanying notes are an integral part of these financial statements.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

1 Reporting entity

HSBC Malta Funds SICAV p.l.c. ('the Company') was incorporated as a multi-fund limited liability Company with variable share capital (SICAV) in Malta on 24 January 1997 under registration number SV 2. The Company's registered address is 171, Old Bakery Street, Valletta, VLT 1455, Malta. The Company is licensed by the Malta Financial Services Authority and qualifies as a 'Maltese UCITS' in terms of the Investment Services Act (Marketing of UCITS) Regulations.

As at 31 March 2024, the Company comprised of five sub-funds, namely Malta Bond Fund, International Bond Fund, Equity Growth Fund, Malta Government Bond Fund and Maltese Assets Fund.

The Company maintains a separate account for each Fund, to which the proceeds are credited, and against which expenses are charged. Upon redemption, unitholders are entitled only to their proportion of the net assets held in the account relating to the Fund in which their participating units are designated. Separate statements of financial position, statements of changes in net assets attributable to unitholders, statements of comprehensive income and statements of cash flow have accordingly been prepared for each Fund. All references to net assets throughout this document refer to net assets attributable to unitholders of the respective Fund.

The statement of financial position presents assets and liabilities in increasing order of liquidity. Financial assets at fair value through profit or loss are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or in accordance with the Investment Manager's recommendations. All other assets and liabilities are expected to be realised within one year.

2 Basis of preparation

2.1 Statement of compliance

The financial statements have been prepared and presented in accordance with International Financial Reporting Standards as adopted by the EU. All references in these financial statements to IAS, IFRS or SIC/IFRIC interpretations refer to those adopted by the EU.

They have also been drawn up in accordance with the provisions of the Maltese Companies Act, 1995 (Chapter 386, Laws of Malta).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except that financial instruments at fair value through profit or loss (FVTPL) are measured at fair value.

2.3 Functional and presentation currency

The financial statements are presented in Euro, which is the functional currency of the individual funds.

The combined financial statements have also been presented in Euro.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

2 Basis of preparation (continued)

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with IFRS requires the Directors to make judgements, estimates and assumptions that affect both the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

In the opinion of the Directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1 (revised).

3 Material accounting policies

The material accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Foreign currency

Transactions in foreign currencies are translated to the functional currency at the spot exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the reporting date to the functional currency at the spot exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the spot exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the statement of comprehensive income as net foreign currency gain/loss, except for those arising on financial instruments at fair value through profit or loss, which are recognised as a component of net realised/unrealised gain/loss on financial instruments at fair value through profit or loss.

3.2 Financial assets and liabilities

3.2.1 Recognition and initial measurement

The Company initially recognises financial assets and financial liabilities at fair value through profit or loss (FVTPL) on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instrument. Other financial assets and financial liabilities are recognised on the date on which they are originated.

A financial asset or financial liability is measured initially at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

3 Material accounting policies (continued)

3.2 Financial assets and liabilities (continued)

3.2.2 Classification and subsequent measurement

On initial recognition, the Company classifies financial assets as measured at amortised cost or FVTPL. For financial assets measured at amortised cost, changes in the carrying amount as a result of foreign exchange gains or losses, impairment gains or losses and interest income are recognised in profit or loss.

Financial assets measured at FVTPL are subsequently measured at fair value at the end of each reporting period, with any fair value gains or losses including foreign exchange gains and losses, recognised in profit or loss. Dividend income is presented within the line item '*Dividend income*'. Where applicable, interest income is disclosed within the line item '*Interest income on financial instruments at fair value through profit or loss*'.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold 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.

All other financial assets of the Fund are measured at FVTPL.

3.2.2.1 Financial assets - Business model assessment

In making an assessment of the objective of the business model in which a financial asset is held, the Company considers all of the relevant information about how the business is managed, including:

- the documented investment strategy and the execution of this strategy in practice. This includes whether the investment strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how the investment manager is compensated: e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

3 Material accounting policies (continued)

3.2 Financial assets and liabilities (continued)

3.2.2 Classification and subsequent measurement (continued)

3.2.2.1 Financial assets - Business model assessment (continued)

The Company has determined that it has two business models.

- Held-to-collect business model: this includes cash and cash equivalents, settlement receivable, dividends receivable and accrued interest. These financial assets are held to collect contractual cash flows.
- Other business model: this includes debt securities, equity investments, investments in unlisted open-ended investment funds and unlisted private equities. These financial assets are managed and their performance is evaluated, on a fair value basis, with frequent sales taking place.

3.2.2.2 Financial assets - Assessment whether contractual cash flows are solely payments of principal and interests (SPPI)

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin as well as profit margin that is consistent with the basic lending arrangements.

In assessing whether the contractual cash flows are SPPI, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension features;
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features); and
- features that modify consideration of the time value of money (e.g. periodical reset of interest rates).

For a reconciliation of line items in the statement of financial position to the categories of financial instruments, as defined by IFRS 9, see Note 9.

3.2.2.3 Financial assets - Reclassifications

Financial assets are not reclassified subsequent to their initial recognition unless the Company were to change its business model for managing financial assets, in which case all affected financial assets would be reclassified on the first day of the first reporting period following the change in the business model.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

3 Material accounting policies (continued)

3.2 Financial assets and liabilities (continued)

3.2.2 Classification and subsequent measurement (continued)

3.2.2.4 Financial liabilities – Classification, subsequent measurement and gains and losses

Financial liabilities, other than those at *fair value through profit or loss*, are measured at amortised cost using the effective interest rate method. Financial liabilities arising from the puttable feature of units issued by the Company are carried at the amount representing the unit holder's right to a residual interest in the Company's net assets.

When applying the effective interest method, the annual amortisation of any discount or premium is aggregated with other investment income payable over the term of the instrument, if any, so that the revenue recognised in each period represents a constant yield on the investment.

Financial liabilities that were not at *fair value through profit or loss* included settlements payable, redemptions payable, accruals and other payables.

3.2.3 Impairment

The Company recognises loss allowances for Expected Credit Loss (ECLs) on financial assets measured at amortised cost.

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

- financial assets that are determined to have 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 asset) 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. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment and including forward-looking information.

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

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 realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Company considers a financial asset to have low credit risk when the credit rating of the counterparty is equivalent to the globally understood definition of 'investment grade'. The Company considers this to be Baa3 or higher per Moody's or BBB- or higher per S&P.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

3 Material accounting policies (continued)

3.2 Financial assets and liabilities (continued)

3.2.3 Impairment (continued)

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument. 12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

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

3.2.3.1 Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

3.2.3.2 Credit-impaired financial assets

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due; or
- it is probable that the borrower will enter bankruptcy or other financial reorganisation.

3.2.3.3 Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

3.2.3.4 Write-off

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof.

3.2.4 Fair value measurement principles

'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 in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

3 Material accounting policies (continued)

3.2 Financial assets and liabilities (continued)

3.2.4 Fair value measurement principles (continued)

When available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

The best evidence of the fair value of a financial instrument at initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value at initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique that uses only data from observable markets, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value at initial recognition and the transaction price.

Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

If an asset or liability measured at fair value has a bid price and ask price, IFRS 13 *Fair Value Measurement* requires valuation to be based on a price within the bid-ask spread that is most representative of fair value and allows the use of mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurement within a bid-ask spread. If an asset or liability is not available for further subscriptions, all of its underlying securities are measured at the bid price (the price at which these securities can eventually be liquidated).

Unquoted investments are initially measured at cost, and restated to fair value as determined by the Directors, acting on the advice of the Manager or such other person commissioned and appointed from time to time for that purpose by the Directors. The fair value is estimated using valuation techniques, including the use of recent arm's length market transactions, reference to the current fair value of another instrument that is substantially the same, discounted cash flow techniques, option pricing models or any other valuation techniques that provide a reliable estimate of prices obtained in actual market transactions.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

3 Material accounting policies (continued)

3.2 Financial assets and liabilities (continued)

3.2.5 *Collective Investment Schemes*

The Scheme's investments in other funds are subject to terms and conditions of the respective Investment Fund's offering documentation. The investments in open-ended Investment Funds are valued based on the latest available redemption price of such units for each Investment Fund, as determined by the Investment Funds' administrators. The Company's Investment Manager reviews the details of the reported information obtained from the Investment Funds and considers:

- The liquidity of the Investment Funds or its underlying investments;
- The value date of the net asset value provided;
- Any restrictions on redemptions; and
- The basis of accounting and fair value information.

If necessary, the Scheme makes adjustments to the net asset value of various Investment Funds to obtain the best estimate of fair value. Net fair value changes on financial assets at fair value through profit or loss in the statement of changes in net assets available to participants for benefits include the change in fair value of each of the Investment Funds.

Investments in closed-ended Investment Funds are valued by reference to the unitholders' capital attributable to the relevant sub-fund as determined by the Investment Fund's administrator. The unitholders in these closed-ended funds are not entitled to have any of their holding redeemed prior to the termination period. As a result, the carrying values of the Investment Funds may not be indicative of the values ultimately realised on redemption. In addition, the Scheme may be materially affected by the actions of other investors who have invested in the Investment Funds in which the Scheme is invested.

All of the Investment Funds in the investment portfolio are managed by investment providers who are compensated by the respective Investment Fund's for their services. Such compensation generally consists of an asset-based fee and a performance-based incentive fee. Such compensation is reflected in the valuation of the Scheme's investment in each of the Investment Funds.

3.2.6 *Derecognition*

The Company derecognises a financial asset when the contractual rights to the cash flow from the financial asset expire, or when it transfers the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all the risks and rewards of ownership and does not retain control of the financial asset. Any interest in transferred financial assets that qualify for derecognition that is created or retained by the Company is recognised as a separate asset or liability in the statement of financial position.

Upon derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

3 Material accounting policies (continued)

3.2 Financial assets and liabilities (continued)

3.2.6 Derecognition (continued)

The Company enters into transactions whereby it transfers assets recognised on its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets or a portion of them. If all or substantially all risks and rewards are retained, then the transferred assets or a portion of them are not derecognised. Transfers of assets with retention of all or substantially all risks and rewards include, for example, securities lending and repurchase transactions.

The Company uses the weighted average method to determine realised gains and losses on derecognition.

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

3.3 Cash and cash equivalents

Cash comprises current deposits with banks with original maturities of less than three months. 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.

3.4 Expenses

All expenses, including management fees and custodian fees, are recognised in profit or loss on an accruals basis.

3.5 Redeemable units

The Company classifies financial instruments issued as financial liabilities in accordance with the substance of the contractual terms of the instruments.

The Company issues redeemable units which are redeemable at the holder's option. Such units are classified as financial liabilities. Redeemable units can be put back to the Funds at any time for cash equal to a proportionate share of the Funds' net asset value attributable to the share class.

The redeemable units are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the unit back to the Funds.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

3 Material accounting policies (continued)

3.5 Redeemable units (continued)

Redeemable units are issued and redeemed at the holder's option at prices based on the Funds' net asset value per unit at the time of issue or redemption. The Funds' net asset value per unit is calculated by dividing the net assets attributable to the holders of each redeemable unit with the total number of outstanding redeemable units. In accordance with the provisions of the Funds' regulations, investment positions are valued based on the last traded mid-market price for the purpose of determining the net asset value per unit for subscriptions and redemptions.

3.6 Offsetting financial instruments

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

3.7 Dividend distributions

Dividends payable on income shares are recognised in profit or loss as finance costs.

The amount available for distribution by the relevant Funds includes:

- a) the net increase in unitholders' funds excluding gains/losses on financial instruments and dividends payable; and
- b) the net income equalisation on units that are issued and redeemed during the period.

Such amounts available for distribution are transferred to the Distribution Account. Any undistributed income will be reflected in the net asset value per unit of the Funds.

3.8 Equalisation

The purchase price of any units in the Funds generally contains an element representing the accrued income earned by the units since the start of the current dividend period.

This means that when investors buy units, part of the consideration represents payment of net income. The corresponding portion of the purchase price (the equalisation payment) will be notionally credited by the relative Fund to an equalisation account.

3.9 New Standards and amendments to existing standards

3.9.1 *Standards and amendments to existing standards effective 1 April 2023*

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”.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

3 Material accounting policies (continued)

3.9 New Standards and amendments to existing standards (continued)

3.9.1 Standards and amendments to existing standards effective 1 April 2023 (continued)

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

- 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.
- 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.

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.

None of these standards, amendments and interpretations are expected to have a significant impact on the financial statements of the Company in the period of their initial application.

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

Amendments to IAS 21 – the Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability

The amendments specify when a currency is exchangeable into another currency and when it is not and how an entity determines the exchange rate to apply when a currency is not exchangeable. The amendments also introduce new disclosure requirements when a currency is not exchangeable.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

3 Material accounting policies (continued)

3.9 New Standards and amendments to existing standards (continued)

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

Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current (effective for financial years on or after 1 January 2024)

The amendments to IAS 1 published on January 2020 affect only the presentation of liabilities as current and non-current in the statement of financial position – not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. They:

- Clarify that the classification of liabilities as current or non-current should be based on rights that are in existence at the end of the reporting period and align the wording in all affected paragraphs to refer to the “right” to defer settlement by at least twelve months and make explicit that only rights in place “at the end of the reporting period” should affect the classification of a liability;
- Clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability; and
- Make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2024, with early application permitted. The IASB has aligned the effective date with the 2022 amendments to IAS 1. If an entity applies the 2020 amendments for an earlier period, it is also required to apply the 2022 amendments early.

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.

4 Bank balances and bank facilities

4.1 Malta Bond Fund

Bank balances as at 31 March 2024 comprise call deposits (2023: call deposits) with credit institutions, which did not exceed 10% of the net assets of the Fund.

The Fund has a stand-by overdraft facility of a maximum of EUR9,700,000 (2023: EUR10,700,000) with interest chargeable at a base rate floored at zero plus 2% per annum. The base rate will be reviewed and, if it was changed, will reset each calendar quarter in advance. The base rate shall be the rate for overnight deposits with the Central Bank of the currency concerned namely: European Central Bank deposit facility rate with respect to EUR currency, Bank of England bank rate with respect of GBP currency and Federal Reserve federal funds rate with respect to USD currency. If the base rate is negative it shall be deemed to be zero.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

4 Bank balances and bank facilities (continued)

4.1 Malta Bond Fund (continued)

The Fund also has a stand-by settlement line of a maximum of EUR9,700,000 (2023: EUR10,700,000) with interest applied on any outstanding balance not repaid by the settlement date in accordance with the provisions regarding unauthorised overdrafts under the general terms and conditions for banking services of the depositary.

During the year, the Fund did not avail itself of these facilities. These facilities were secured by the cash and investments held by the Fund with the Depositary/Custodian.

4.2 International Bond Fund

Bank balances as at 31 March 2024 comprise call deposits (2023: call deposits) with credit institutions, which did not exceed 10% of the net assets of the Fund.

For the comparative year, call deposits with credit institutions, the amount of which exceed 10% of the net assets of the Fund and were held with the following institutions.

	31 March 2023	
	EUR	% of net assets
HSBC Bank Malta plc	9,423,564	18.89
	-----	-----
	9,423,564	18.89
	=====	=====

The Fund has a stand-by overdraft facility of a maximum of EUR1,500,000 (2023: EUR1,500,000) with interest chargeable at a base rate floored at zero plus 2% per annum. The base rate will be reviewed and, if it was changed, will reset each calendar quarter in advance. The base rate shall be the rate for overnight deposits with the Central Bank of the currency concerned namely: European Central Bank deposit facility rate with respect to EUR currency, Bank of England bank rate with respect of GBP currency and Federal Reserve federal funds rate with respect to USD currency. If the base rate is negative it shall be deemed to be zero.

The Fund also has a stand-by settlement line of a maximum of EUR1,500,000 (2023: EUR1,500,000) with interest applied on any outstanding balance not repaid by the settlement date in accordance with the provisions regarding unauthorised overdrafts under the general terms and conditions for banking services of the depositary.

During the year, the Fund did not avail itself of these facilities. These facilities were secured by the cash and investments held by the Fund with the Depositary/Custodian.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

4 Bank balances and bank facilities (continued)

4.3 Equity Growth Fund

Bank balances as at 31 March 2024 comprise call deposits (2023: call deposits) with credit institutions, which did not exceed 10% of the net assets of the Fund.

For the comparative year, call deposits with credit institutions, the amount of which exceed 10% of the net assets of the Fund and were held with the following institutions.

	31 March 2023	
	EUR	% of net assets
HSBC Bank Malta plc	5,397,269	16.51
	-----	-----
	5,397,269	16.51
	=====	=====

The Fund has a stand-by overdraft facility of a maximum of EUR700,000 (2023: EUR700,000) with interest chargeable at a base rate floored at zero plus 2% per annum. The base rate will be reviewed and, if it was changed, will reset each calendar quarter in advance. The base rate shall be the rate for overnight deposits with the Central Bank of the currency concerned namely: European Central Bank deposit facility rate with respect to EUR currency, Bank of England bank rate with respect of GBP currency and Federal Reserve federal funds rate with respect to USD currency. If the base rate is negative it shall be deemed to be zero.

The Fund also has a stand-by settlement line of a maximum of EUR700,000 (2023: EUR700,000) with interest applied on any outstanding balance not repaid by the settlement date in accordance with the provisions regarding unauthorised overdrafts under the general terms and conditions for banking services of the depositary.

During the year, the Fund did not avail itself of these facilities. These facilities were secured by the cash and investments held by the Fund with the Depositary/Custodian.

4.4 Malta Government Bond Fund

Bank balances as at 31 March 2024 comprise call deposits (2023: call deposits) with credit institutions, which did not exceed 10% of the net assets of the Fund.

The Fund has a stand-by overdraft facility of a maximum of EUR2,500,000 (2023: EUR2,500,000) with interest chargeable at a base rate floored at zero plus 2% per annum. The base rate will be reviewed and, if it was changed, will reset each calendar quarter in advance. The base rate shall be the rate for overnight deposits with the Central Bank of the currency concerned namely: European Central Bank deposit facility rate with respect to EUR currency, Bank of England bank rate with respect of GBP currency and Federal Reserve federal funds rate with respect to USD currency. If the base rate is negative it shall be deemed to be zero.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

4 Bank balances and bank facilities (continued)

4.4 Malta Government Bond Fund (continued)

The Fund also has a stand-by settlement line of a maximum of EUR2,500,000 (2023: EUR2,500,000) with interest applied on any outstanding balance not repaid by the settlement date in accordance with the provisions regarding unauthorised overdrafts under the general terms and conditions for banking services of the depositary.

During the year, the Fund did not avail itself of these facilities. These facilities were secured by the cash and investments held by the Fund with the Depositary/Custodian.

4.5 Maltese Assets Fund

Bank balances as at 31 March 2024 comprise call deposits (2023: call deposits) with credit institutions, which did not exceed 10% of the net assets of the Fund.

The Fund has a stand-by overdraft facility of a maximum of EUR2,200,000 (2023: EUR2,200,000) with interest chargeable at a base rate floored at zero plus 2% per annum. The base rate will be reviewed and, if it was changed, will reset each calendar quarter in advance. The base rate shall be the rate for overnight deposits with the Central Bank of the currency concerned namely: European Central Bank deposit facility rate with respect to EUR currency, Bank of England bank rate with respect of GBP currency and Federal Reserve federal funds rate with respect to USD currency. If the base rate is negative it shall be deemed to be zero.

The Fund also has a stand-by settlement line of a maximum of EUR2,200,000 (2023: EUR2,200,000) with interest applied on any outstanding balance not repaid by the settlement date in accordance with the provisions regarding unauthorised overdrafts under the general terms and conditions for banking services of the depositary.

During the year, the Fund did not avail itself of these facilities. These facilities were secured by the cash and investments held by the Fund with the Depositary/Custodian.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

5 Share capital

(a) The number of shares in issue to unitholders at the end of the year is analysed below:

		Malta Bond Fund	International Bond Fund	Equity Growth Fund	Malta Government Bond Fund	Maltese Assets Fund
	Combined No.	No.	No.	No.	No.	No.
31 March 2024						
Authorised	100,000,000					
Issued	656,351	197,767	124,510	108,342	133,756	91,976
31 March 2023		Malta Bond Fund	International Bond Fund	Equity Growth Fund	Malta Government Bond Fund	Maltese Assets Fund
	Combined No.	No.	No.	No.	No.	No.
Authorised	100,000,000					
Issued	645,758	195,763	119,479	93,595	147,118	89,803

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

5 Share capital (continued)

Analysed as follows:

	Combined	Malta Bond Fund	International Bond Fund	Equity Growth Fund	Malta Government Bond Fund	Maltese Assets Fund
	2024 No.	2024 No.	2024 No.	2024 No.	2024 No.	2024 No.
<i>Accumulator Share Class</i>						
At beginning of the year	604,663	179,092	115,164	93,595	127,516	89,296
Creation of units	52,835	15,666	11,235	16,942	2,136	6,856
Redemption of units	(38,779)	(12,622)	(5,895)	(2,195)	(13,505)	(4,562)
	-----	-----	-----	-----	-----	-----
At end of the year	618,719	182,136	120,504	108,342	116,147	91,590
	=====	=====	=====	=====	=====	=====
	Combined	Malta	International	Equity	Malta	Maltese Assets
	2024	Bond Fund	Bond Fund	Growth Fund	Government	Fund
	No.	2024	2024	2024	Bond Fund	2024
	No.	No.	No.	No.	2024	No.
	No.	No.	No.	No.	No.	No.
<i>Income Share Class</i>						
At beginning of the year	41,095	16,671	4,315	-	19,602	507
Creation of units	361	127	4	-	229	1
Redemption of units	(3,824)	(1,167)	(313)	-	(2,222)	(122)
	-----	-----	-----	-----	-----	-----
At end of the year	37,632	15,631	4,006	-	17,609	386
	=====	=====	=====	=====	=====	=====
Total units at end of year	656,351	197,767	124,510	108,342	133,756	91,976
	=====	=====	=====	=====	=====	=====

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

5 Share capital (continued)

Analysed as follows:

	Combined	Malta Bond Fund	International Bond Fund	Equity Growth Fund	Malta Government Bond Fund	Maltese Assets Fund
	2023 No.	2023 No.	2023 No.	2023 No.	2023 No.	2023 No.
<i>Accumulator Share Class</i>						
At beginning of the year	645,982	203,472	119,861	78,024	161,742	82,883
Creation of units	34,286	1,509	4,763	17,152	512	10,350
Redemption of units	(75,605)	(25,889)	(9,460)	(1,581)	(34,738)	(3,937)
	-----	-----	-----	-----	-----	-----
At end of the year	604,663	179,092	115,164	93,595	127,516	89,296
	=====	=====	=====	=====	=====	=====
	Combined	Malta Bond Fund	International Bond Fund	Equity Growth Fund	Malta Government Bond Fund	Maltese Assets Fund
	2023 No.	2023 No.	2023 No.	2023 No.	2023 No.	2023 No.
<i>Income Share Class</i>						
At beginning of the year	46,415	18,979	4,910	-	21,981	545
Creation of units	100	39	43	-	18	-
Redemption of units	(5,420)	(2,347)	(638)	-	(2,397)	(38)
	-----	-----	-----	-----	-----	-----
At end of the year	41,095	16,671	4,315	-	19,602	507
	=====	=====	=====	=====	=====	=====
Total units at end of year	645,758	195,763	119,479	93,595	147,118	89,803
	=====	=====	=====	=====	=====	=====

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

5 Share capital (continued)

In terms of the Maltese Companies Act, 1995, the authorised share capital of the Company has not been assigned any nominal value, and the paid-up share capital of the Company shall at all times be equal to the Net Asset Value of the Funds as determined in accordance with the Articles of Association.

(b) The net assets at the end of the year are analysed as follows:

	Combined 2024 EUR	Malta Bond Fund 2024 EUR	International Bond Fund 2024 EUR	Equity Growth Fund 2024 EUR	Malta Government Bond Fund 2024 EUR	Maltese Assets Fund 2024 EUR
Accumulator shares	323,549,657	119,773,025	54,371,293	42,913,533	52,182,177	54,309,629
Income shares	12,480,446	6,089,653	1,099,819	-	5,114,571	176,403
Net assets	336,030,103	125,862,678	55,471,112	42,913,533	57,296,748	54,486,032
	Combined 2023 EUR	Malta Bond Fund 2023 EUR	International Bond Fund 2023 EUR	Equity Growth Fund 2023 EUR	Malta Government Bond Fund 2023 EUR	Maltese Assets Fund 2023 EUR
Accumulator shares	299,409,648	113,043,888	48,736,390	32,700,462	55,725,113	49,203,795
Income shares	13,396,513	6,398,184	1,137,782	-	5,640,964	219,583
Net assets	312,806,161	119,442,072	49,874,172	32,700,462	61,366,077	49,423,378

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

5 Share capital (continued)

- (c) Accumulator Shares represent shares in respect of which the Company does not intend to distribute any dividends and hence, any profits will accumulate within the relevant class of Accumulator Shares. The Company will however distribute dividends in respect of its Income Shares in such amounts as may be determined by the Directors in accordance with the Prospectus.
- (d) The net assets of the Income Shares represent the sum of the Income Share Class and the balance on the Income Account set out in the statement of changes in net assets.
- (e) Units may be issued and redeemed at prices based on the Funds' Net Asset Value as determined in accordance with the Articles of Association and the Prospectus.
- (f) The net assets at the beginning of the year, together with amounts received on creation of units and amounts paid on redemption of units during the year, are disclosed in the statement of changes in net assets.
- (g) Each unitholder is entitled to one vote in respect of each unit held.
- (h) The units subscribed by the promoters of the Company at the time of establishment of the Company are, for administrative purposes, referred to as 'Founder Shares'. The Founder Shares constitute the minimum number of ordinary shares that a company is required to maintain in terms of the Act. These founder shares amount to EUR1,167 and are divided into 501 Shares which are fully paid up and subscribed as follows: HSBC Global Asset Management (Malta) Limited has subscribed to 500 Shares on its own account and HSBC Life Assurance (Malta) Limited has subscribed to 1 Share on its own account.

Another 5 shares with no nominal value are referred to as the 'Institutional Shares'. The Institutional Shares are fully paid up and subscribed by HSBC Global Asset Management (Malta) Limited. The holders of the Institutional Shares have the right to appoint one director of the Company by means of a written instrument. The holders of the Institutional Shares have such right until such time as HSBC Global Asset Management (Malta) Limited holds Institutional Shares and continues to act as Manager to any of the Funds of the Company. It also has the right to remove from office any Director appointed by it.

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

- (i) At 31 March 2024 and 31 March 2023, the Directors held no units in the Fund.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

6 Cash and cash equivalents

Balances of cash and cash equivalents as shown in the statement of cash flows, the statement of financial position and the portfolio of net assets are analysed below:

	Combined	Malta Bond Fund	International Bond Fund	Equity Growth Fund	Malta Government Bond Fund	Maltese Assets Fund
	2024	2024	2024	2024	2024	2024
	EUR	EUR	EUR	EUR	EUR	EUR
Bank balances	11,207,390	2,428,804	2,218,067	3,660,289	1,324,888	1,575,342
Cash and cash equivalents	11,207,390	2,428,804	2,218,067	3,660,289	1,324,888	1,575,342

	Combined	Malta Bond Fund	International Bond Fund	Equity Growth Fund	Malta Government Bond Fund	Maltese Assets Fund
	2023	2023	2023	2023	2023	2023
	EUR	EUR	EUR	EUR	EUR	EUR
Bank balances	24,187,836	4,502,059	9,423,564	5,397,269	1,510,752	3,354,192
Cash and cash equivalents	24,187,836	4,502,059	9,423,564	5,397,269	1,510,752	3,354,192

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

7 Taxation

The Funds

The Maltese tax regime for collective investment schemes is based on the classification of funds into 'prescribed' and 'non-prescribed' funds in terms of the conditions set out in the Collective Investment Schemes (Investment Income) Regulations, 2001 (as amended).

In general, a 'prescribed fund' is defined as a resident fund, which has declared that the value of its assets situated in Malta amount to at least 85% of the value of the total assets of the fund. A 'non-prescribed' fund is a fund which does not qualify as a 'prescribed-fund'.

The Malta Bond Fund, the Malta Government Bond Fund and the Maltese Assets Fund which are classified as prescribed funds for Maltese income tax purposes, are subject to a final withholding tax of 15% on Maltese bank interest and 10% on other investment income (as defined in the Maltese Income Tax Act) received by the Funds. The Funds are exempt from Maltese income tax on other income and gains which do not constitute investment income in terms of Article 41(a) of the Maltese Income Tax Act, except for income and gains derived from immovable property situated in Malta (if any).

On the basis that the International Bond Fund and the Equity Growth Fund are classified as non-prescribed funds for Maltese income tax purposes, these Funds should not be subject to any Maltese income tax on their income or gains other than on income derived from immovable property situated in Malta (if any).

Capital gains, dividends, interests and any other income from foreign securities held by the Funds may be subject to tax imposed by the country of origin concerned and such taxes cannot be recovered by the Funds or by the investors under Maltese domestic tax law.

The investors

Maltese tax legislation currently provides that capital gains realized by investors of the Malta Bond Fund, the Malta Government Bond Fund and the Maltese Assets Fund are exempt from tax in Malta for as long as the Funds remain listed on the Malta Stock Exchange and remain classified as prescribed funds.

Capital gains realized on any redemption, liquidation or cancellation of units by Maltese resident investors of the International Bond Fund and the Equity Growth Fund may be subject to a 15% final withholding tax which would be deducted at source by the Funds. Alternatively, such Maltese resident investors may opt to receive any capital gains without deduction of tax in which case they would be obliged to declare the gains in their personal income tax return and would be subject to Maltese income tax at their normal progressive rates of tax.

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

Tax treatment of dividend distributions

The distribution by way of dividends of (a) profits which were subject to a final withholding tax at 10% or 15% at Fund level and (b) dividends received by the Funds out of the Final Tax Account, the Immovable Property Account, the Maltese Taxed Account or the Foreign Income Account of other Maltese companies do not attract any further tax in the hands of the investors. The investor could be entitled to claim a credit of the Maltese tax incurred by the Funds, except where the dividend distribution was paid out of the Final Tax Account.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

7 Taxation (continued)

Tax treatment of dividend distributions (continued)

The distribution of foreign sourced profits allocated to the Untaxed Account or of any Malta sourced profits which were not subject to Maltese income tax and which were allocated to the Untaxed Account, may attract a 15% withholding tax mainly in the case where the unitholder is a Maltese resident unitholder, other than a company. The investor may claim a credit of such tax withheld. The distribution of such other profits to non-Maltese resident unitholders and Maltese resident companies should not be subject to withholding tax.

Distributions from the Funds' equalization reserves (if any) are treated as dividends for income tax purposes and should be subject to a withholding tax of 15% when paid to Maltese resident persons (other than companies) or to non-Maltese resident individuals in certain circumstances.

8 Fees

8.1 Management fees

Under the terms of an agreement dated 31 January 1997, as subsequently superseded by an agreement dated 2 May 2002, the Company appointed HSBC Global Asset Management (Malta) Limited, a subsidiary of HSBC Bank Malta p.l.c., as Manager. The latter agreement was amended and restated with a new agreement dated 21 July 2014 to set out the terms upon which the Manager accepts to act as Alternative Investment Fund Manager ("AIFM") in respect of the Company and the Funds. This agreement was amended and restated with a new agreement dated 4 January 2021, following the Company's conversion into a UCITS retail collective investment scheme.

The Manager charged a management fee of 0.785% per annum from the Malta Bond Fund and the Malta Government Bond Fund, 0.570% per annum from the International Bond Fund, 1.000% per annum from the Equity Growth Fund, and 1.060% per annum from the Maltese Assets Fund, based on the Net Asset Value of each respective Fund on each Dealing Day, payable monthly in arrears.

During the year under review, the Manager received EUR2,602,710 (2023: EUR2,653,717) as management fees. Management fees amounting to EUR253,113 (2023: EUR223,036) were due to the Manager at 31 March 2024.

8.2 Administration fees

On 28 September 2018, the Company and the Manager appointed HSBC Securities Services (Ireland) DAC as Administrator and Registrar of the Company and its sub-funds to provide administration, registration and transfer agency services to the Company and to reflect the responsibility of the Manager under Alternative Investment Fund managers Directive (AIFMD) and Alternative Investment Fund Managers Regulations (AIFMR) in ensuring the proper valuation of the assets and the calculation of the Company's net asset value. This agreement was amended and restated with a new agreement dated 4 January 2021, following the Company's conversion into a UCITS retail collective investment scheme.

During the year under review, the Administrator received EUR178,705 (2023: EUR183,159) as administration fees. Administration fees amounting to EUR15,549 (2023: EUR14,636) were due to the Administrator at 31 March 2024.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

8 Fees (continued)

8.3 Secretarial fees

Ganado Services Limited charges a fee of EUR2,000 (excluding VAT) per annum for 16 hours of work for acting as Company Secretary to the Company. Additional hours are charged on a time spent basis.

During the year under review, the Company Secretary received EUR18,707 (2023: EUR18,852) as secretarial fees. Secretarial fees amounting to EUR8,013 (2023: EUR12,734) were due to the Company secretary at 31 March 2024.

8.4 Depositary and custodianship fees

On 2 December 2016, the Company and the Manager entered into an agreement with Sparkasse Bank Malta p.l.c. under the terms of which the latter was appointed as the Depositary and Custodian of the Company with effect from 5 December 2016. This Agreement was amended and restated with a new agreement dated 4 December 2020 in view of the Company's conversion into a UCITS retail collective investment scheme.

On 11 December 2020, upon the Company's and Manager's request, the Depositary agreed to appoint HSBC Continental Europe as Sub-Custodian to safe-keep financial instruments for markets covered by HSBC London and its sub-custody network.

During the year under review, the Depositary, Custodian and Sub-Custodian received EUR257,898 (2023: EUR256,152). Depositary, Custodian and Sub-Custodian fees amounting to EUR26,841 (2023: EUR16,114) were due to the Depositary, Custodian and Sub-Custodian at 31 March 2024.

8.5 Fees charged by the Service Provider

An agreement dated 31 July 2013 was entered into between the Company, the Manager and HSBC Bank Malta p.l.c. In terms of this agreement HSBC Bank Malta p.l.c. was appointed as a Service Provider in respect of the maintenance of the Investment Account System through which all persons purchase and hold units in the Company. This agreement was terminated on 20 July 2014 and superseded by a new agreement entered into on 21 July 2014.

During the year under review, HSBC Bank Malta p.l.c. received an aggregate investment account fee of EUR389,049 (2023: EUR411,110). Investment account fees amounting to EUR 37,294 (2023: EUR35,249) were due to HSBC Bank Malta p.l.c. at 31 March 2024.

8.6 Audit fees

Fees charged by the auditor and related entities for services rendered during the financial year ended 31 March 2024 and 2023 relate to the following:

	2024	2023
	EUR	EUR
Annual statutory audit	38,550	36,200
Tax compliance services	3,175	2,900
	41,725	39,100

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

9 Portfolio of net assets as at 31 March 2024

Malta Bond Fund

	Denominated in	Fair value EUR	Percentage of total net assets %
<i>Sovereign/supranational bonds</i>			
FRN CCTS Italy EU 15/04/2025	EUR	1,033,223	0.82%
2.75% Banque Ouest Africaine de Developpement 22/01/2023	EUR	234,937	0.19%
0.25% Malta Government Bond 18/11/2026	EUR	2,792,161	2.22%
1.40% Malta Government Bond 29/07/2024	EUR	6,588,348	5.23%
1.50% Malta Government Bond 15/06/2027	EUR	1,243,951	0.99%
2.10% Malta Government Bond 24/08/2039	EUR	123,545	0.10%
2.30% Malta Government Bond 24/07/2029	EUR	3,360,877	2.67%
2.60% Malta Government Bond 27/09/2047	EUR	283,022	0.22%
3.95% Malta Government Bond 08/08/2028	EUR	1,039,943	0.83%
4.00% Malta Government Bond 30/03/2032	EUR	73,711	0.06%
4.30% Malta Government Bond 01/08/2033	EUR	755,392	0.60%
4.45% Malta Government Bond 03/09/2032	EUR	2,332,784	1.85%
4.50% Malta Government Bond 25/10/2028	EUR	7,705,719	6.12%
4.65% Malta Government Bond 22/07/2032	EUR	665,649	0.53%
4.80% Malta Government Bond 11/09/2028	EUR	1,051,917	0.84%
5.20% Malta Government Bond 16/09/2031	EUR	1,132,270	0.90%
5.25% Malta Government Bond 23/06/2030	EUR	5,770,453	4.58%
4.25% Poland Government Bond 14/02/2043	EUR	1,045,966	0.83%
2.75% Romanian Government Bond 14/04/2041	EUR	355,182	0.28%
6.38% Romanian Government Bond 18/09/2033	EUR	552,929	0.44%
2.00% Saudi Arabia Government Bond International Bond 09/07/2039	EUR	1,171,753	0.93%
2.00% Slovakia Government Bond 17/10/2047	EUR	722,924	0.57%
1.90% Spain Government Bond 31/10/2052	EUR	2,084,312	1.67%
		42,120,968	33.47%
5.00% Banque Ouest Africaine de Developpement 27/07/2027	USD	443,249	0.35%
Total sovereign/supranational bonds		42,564,217	33.82%

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

9 Portfolio of net assets as at 31 March 2024 (continued)

Malta Bond Fund (continued)

	Denominated in	Fair value EUR	Percentage of total net assets %
<i>Corporate bonds</i>			
5.10% 6pm Holdings p.l.c. 31/07/2025	EUR	1,012,221	0.80%
4.88% Aeroporti di Roma S.p.A 10/07/2033	EUR	110,698	0.09%
5.25% AIB Group p.l.c 23/10/2031	EUR	110,276	0.09%
3.25% APS Bank p.l.c 19/11/2030	EUR	3,560,913	2.83%
5.80% APS Bank p.l.c 01/12/2033	EUR	377,063	0.30%
3.25% AX Investment p.l.c 20/12/2029	EUR	794,628	0.63%
3.75% AX Investment p.l.c 20/12/2029	EUR	289,388	0.23%
5.85% AX Group p.l.c 11/07/2033	EUR	1,834,371	1.46%
3.50% Bank of Valletta p.l.c. 08/08/2030	EUR	3,179,606	2.53%
3.75% Bank of Valletta p.l.c. 15/06/2031	EUR	1,280,497	1.02%
10.00% Bank of Valletta p.l.c. 06/12/2027	EUR	7,378,430	5.86%
5.26% Barclays p.l.c 29/01/2034	EUR	1,633,842	1.30%
1.00% Bayer AG 12/01/2036	EUR	710,353	0.56%
3.90% Browns Pharma Holdings p.l.c 28/05/2031	EUR	503,776	0.40%
4.25% ClearFlowPlus p.l.c. 25/08/2033	EUR	287,608	0.23%
4.25% Corinthia Finance p.l.c. 12/04/2026	EUR	1,798,217	1.43%
7.75% Credit Suisse Group AG 01/03/2029	EUR	573,913	0.46%
4.00% Eden Finance p.l.c. 28/04/2027	EUR	1,475,553	1.17%
4.50% Endo Finance p.l.c. 22/03/2029	EUR	1,280,138	1.02%
4.00% Exalco Finance p.l.c. 20/08/2028	EUR	1,485,566	1.18%
3.50% GO p.l.c. 25/06/2031	EUR	3,895,209	3.09%
6.25% GPH Malta Finance p.l.c. 10/03/2030	EUR	615,013	0.49%
4.50% Grand Harbour Marina p.l.c. 23/08/2027	EUR	511,411	0.41%
5.00% Hal Mann Vella Group p.l.c. 06/11/2024	EUR	466,782	0.37%
3.80% Hili Finance Company p.l.c. 27/08/2029	EUR	2,456,833	1.95%
3.85% Hili Finance Company p.l.c. 24/07/2028	EUR	1,308,526	1.04%
4.00% Hili Finance Company p.l.c. 11/03/2027	EUR	937,530	0.74%
4.50% Hili Properties p.l.c. 16/10/2025	EUR	1,047,951	0.83%
4.13% ING Groep N.V. 24/08/2033	EUR	511,620	0.41%
4.00% International Hotel Investments p.l.c. 29/07/2026	EUR	2,563,891	2.04%
4.00% International Hotel Investments p.l.c. 20/12/2026	EUR	253,030	0.20%
5.75% International Hotel Investments p.l.c. 13/05/2025	EUR	2,402,013	1.91%
2.00% Logicor Financing S.a.r.l. 17/01/2034	EUR	1,185,182	0.94%
5.30% Mariner Finance p.l.c. 03/07/2024	EUR	1,797,709	1.43%

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

9 Portfolio of net assets as at 31 March 2024 (continued)

Malta Bond Fund (continued)

	Denominated in	Fair value EUR	Percentage of total net assets %
<i>Corporate bonds (continued)</i>			
9.75% MDB Group Ltd. 10/02/2031	EUR	454,473	0.36%
4.00% MeDirect Bank (Malta) p.l.c. 05/11/2029	EUR	732,059	0.58%
5.85% Mediterranean Investments Holding p.l.c. 31/07/2028	EUR	561,645	0.45%
4.50% Medserv p.l.c. 05/02/2026	EUR	1,233,121	0.98%
4.30% Mercury Projects Finance p.l.c. 25/04/2032	EUR	3,089,439	2.45%
4.00% Merkanti Holdings p.l.c. 12/08/2026	EUR	2,526,458	2.01%
4.61% Mizuho Financial Group Inc. 28/08/2030	EUR	435,103	0.35%
2.75% Petroleos Mexicanos 21/04/2027	EUR	1,103,066	0.88%
5.75% Phoenicia Finance Company p.l.c. 30/12/2033	EUR	2,574,962	2.05%
3.75% Premier Capital p.l.c. 23/11/2026	EUR	2,385,261	1.90%
5.10% PTL Holdings p.l.c. 04/12/2024	EUR	813,553	0.65%
4.35% SD Finance p.l.c. 25/04/2027	EUR	4,573,702	3.63%
4.00% Shoreline Mall p.l.c. 01/08/2026	EUR	1,407,430	1.12%
4.50% Shoreline Mall p.l.c. 01/08/2032	EUR	2,576,228	2.05%
3.50% Simonds Farsons Cisk p.l.c. 13/09/2027	EUR	1,464,335	1.16%
4.00% Stivala Group Finance p.l.c. 18/10/2027	EUR	429,686	0.34%
3.75% Tumas Investments p.l.c. 10/07/2027	EUR	404,529	0.31%
5.00% Tumas Investments p.l.c. 31/07/2024	EUR	1,810,456	1.43%
3.75% Virtu Finance p.l.c. 30/11/2027	EUR	1,004,539	0.79%
		79,209,802	62.93%
6.38% Charter Communications Operating LLC 23/10/2035	USD	94,358	0.07%
5.38% EnfraGen Energia Sur SA 30/12/2030	USD	153,719	0.12%
0.77% JPMorgan Chase & Co. 09/08/2025	USD	454,765	0.36%
5.75% Medserv p.l.c. 05/02/2026	USD	782,129	0.62%
3.85% Viatrix Inc. 22/06/2040	USD	346,960	0.29%
		1,831,931	1.46%
Total corporate bonds		81,041,733	64.39%

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

9 Portfolio of net assets as at 31 March 2024 (continued)

Malta Bond Fund (continued)

	Denominated in	Fair value EUR	Percentage of total net assets %
Portfolio of investments		123,605,950	98.21%
Bank balances		2,428,804	1.93%
Other net current liabilities		<u>(172,076)</u>	<u>(0.14%)</u>
Net assets		<u>125,862,678</u>	<u>100.00%</u>

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

9 Portfolio of net assets as at 31 March 2024 (continued)

International Bond Fund

	Denominated in	Fair value EUR	Percentage of total net assets %
<i>Sovereign/supranational bonds</i>			
FRN CCTS Italy EU 15/04/2025	EUR	1,291,529	2.33%
FRN CCTS Italy EU 15/04/2029	EUR	1,019,715	1.84%
1.25% Andorra International Bond 23/02/2027	EUR	466,777	0.84%
3.60% Autonomous Community of Madrid 30/04/2033	EUR	533,467	0.96%
2.75% Banque Ouest Africaine de Developpement 22/01/2033	EUR	783,124	1.41%
4.50% Bulgaria Government Bond 27/01/2033	EUR	321,714	0.58%
4.13% Chile Government Bond 05/07/2034	EUR	1,160,760	2.09%
0.63% Corporacion Andina de Fomento 20/11/2026	EUR	694,429	1.25%
3.38% Indonesia RE Government Bond 30/07/2025	EUR	508,159	0.92%
2.38% Israel Government Bond 18/01/2037	EUR	84,078	0.15%
2.25% Mexico Government Bond 12/08/2036	EUR	403,090	0.73%
2.75% Peruvian Government International Bond 30/01/2026	EUR	493,401	0.89%
0.88% Philippine Government International Bond 01/05/2027	EUR	462,607	0.83%
4.25% Poland Government Bond 14/02/2043	EUR	1,045,966	1.89%
2.75% Romanian Government Bond 14/04/2041	EUR	355,182	0.64%
3.38% Romanian Government Bond 08/02/2038	EUR	798,695	1.44%
6.38% Romanian Government Bond 18/09/2033	EUR	552,929	1.00%
2.00% Saudi Arabia Government International Bond 09/07/2039	EUR	1,171,753	2.11%
2.00% Slovakia Government Bond 17/10/2047	EUR	722,924	1.30%
1.90% Spain Government Bond 31/10/2052	EUR	2,431,697	4.38%
		15,301,996	27.58%
4.95% Chile Government Bond 05/01/2036	USD	908,288	1.64%
5.75% Saudi Arabia Government International Bond 16/01/2054	USD	464,963	0.84%
		1,373,251	2.48%
Total sovereign/supranational bonds		16,675,247	30.06%

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

9 Portfolio of net assets as at 31 March 2024 (continued)

International Bond Fund (continued)

	Denominated in	Fair value EUR	Percentage of total net assets %
<i>Corporate bonds</i>			
FRN Credit Suisse Group AG 16/01/2026	EUR	1,014,949	1.83%
FRN Volkswagen International Finance N.V. 16/11/2024	EUR	1,015,531	1.83%
4.88% Aeroporti di Roma S.p.A. 10/07/2033	EUR	221,396	0.40%
5.25% AIB Group p.l.c. 23/10/2031	EUR	992,487	1.79%
1.88% Alimentation Couche-Tard Inc. 06/05/2026	EUR	490,964	0.89%
3.25% APS Bank p.l.c. 19/11/2030	EUR	341,458	0.62%
4.30% AT & T Inc. 18/11/2034	EUR	643,163	1.16%
0.37% Athene Global Funding 10/09/2026	EUR	462,451	0.83%
3.25% AXA S.A. VRN 28/05/2049	EUR	493,226	0.89%
1.00% Banco Bilbao Vizcaya Argentaria S.A. 16/01/2030	EUR	681,848	1.23%
5.38% Banco de Sabadell SA VRN 08/09/2026	EUR	525,035	0.95%
3.65% Bank of America Corporate FRN 31/03/2029	EUR	502,142	0.91%
10.00% Bank of Valletta p.l.c. 06/12/2027	EUR	2,327,043	4.20%
5.26% Barclays p.l.c. 29/01/2034	EUR	1,633,842	2.95%
1.00% Bayer AG 12/01/2036	EUR	710,353	1.28%
2.88% Caixa Geral de Depositos S.A. 15/06/2026	EUR	808,229	1.46%
3.13% CETIN Group N.V. 14/04/2027	EUR	200,868	0.36%
2.00% CGNPC International Limited 11/09/2025	EUR	488,204	0.88%
1.00% CK Hutchison Europe Finance 21 Ltd. 02/11/2033	EUR	395,929	0.71%
7.75% Credit Suisse Group AG 01/03/2029	EUR	918,261	1.66%
5.00% Electricite de France VRN Perp	EUR	500,937	0.90%
4.75% Electricite de France S.A. 12/10/2034	EUR	1,097,212	1.98%
4.50% Endo Finance p.l.c. 22/03/2029	EUR	189,650	0.34%
4.00% Exalco Finance 20/08/2028	EUR	36,023	0.06%
2.50% Ferrovial Emisiones SA 15/07/2024	EUR	202,730	0.37%
1.74% Ford Motor Credit Co LLC 19/07/2024	EUR	502,575	0.91%
3.50% GO p.l.c. 25/06/2031	EUR	399,038	0.72%
3.80% Hili Finance Company p.l.c. 27/08/2029	EUR	491,367	0.89%
3.85% Hili Finance Company p.l.c. 24/07/2028	EUR	402,623	0.73%
4.13% ING Groep N.V. 24/08/2033	EUR	204,648	0.37%

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

9 Portfolio of net assets as at 31 March 2024 (continued)

International Bond Fund (continued)

	Denominated in	Fair value EUR	Percentage of total net assets %
<i>Corporate bonds (continued)</i>			
2.00% Logicor Financing S.a.r.l. 17/01/2034	EUR	1,185,182	2.14%
9.75% MDB Group Ltd. 10/02/2031	EUR	272,684	0.49%
4.00% Merkanti Holdings p.l.c. 12/08/2026	EUR	757,938	1.37%
1.88% Merlin Properties Socimi SA 02/11/2026	EUR	484,511	0.87%
2.38% Merlin Properties Socimi SA 18/09/2029	EUR	283,842	0.51%
4.61% Mizuho Financial Group Inc. 28/08/2030	EUR	2,175,514	3.92%
3.88% Netflix Inc. 15/11/2029	EUR	517,185	0.93%
5.75% Phoenicia Finance Company p.l.c. 30/12/2033	EUR	386,244	0.70%
4.63% ProLogis International Funding II S.A. 21/02/2035	EUR	316,824	0.57%
1.99% Prosus N.V. 13/07/2033	EUR	551,018	0.99%
0.25% Royal Bank of Canada 02/05/2024	EUR	499,695	0.90%
0.13% Santander Consumer Bank AS 11/09/2024	EUR	492,147	0.88%
2.75% Telecom Italia 15/04/2025	EUR	753,389	1.35%
1.63% TotalEnergies Perp NC	EUR	454,323	0.81%
3.50% Volkswagen International Finance NV VRN Perp	EUR	674,257	1.21%
		28,698,935	51.74%
FRN Citigroup Inc. 24/02/2028	USD	937,724	1.69%
FRN JPMorgan Chase & Co. 24/02/2028	USD	707,174	1.27%
3.40% Alibaba Group Holding Ltd. 06/12/2027	USD	442,814	0.80%
5.54% AT & T Inc. 20/02/2026	USD	699,310	1.26%
4.38% Barclays p.l.c. 12/01/2026	USD	321,145	0.58%
5.14% Canadian Imperial Bank of Commerce 28/04/2025	USD	943,219	1.70%
6.38% Charter Communications Operating LLC 23/10/2035	USD	94,358	0.17%
5.60% General Motors Co. 15/10/2032	USD	722,249	1.30%
0.77% JPMorgan Chase & Co. 09/08/2025	USD	454,766	0.82%
3.88% Morgan Stanley 29/04/2024	USD	469,821	0.85%
5.12% Morgan Stanley 01/02/2029	USD	465,945	0.84%
2.30% PayPal Holdings Inc. 01/06/2030	USD	403,056	0.73%
4.13% Reliance Industries Ltd. 28/01/2025	USD	920,657	1.66%
3.85% Viatris Inc. 22/06/2040	USD	346,986	0.62%
		7,929,224	14.29%

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

9 Portfolio of net assets as at 31 March 2024 (continued)

International Bond Fund (continued)

	Denominated in	Fair value EUR	Percentage of total net assets %
<i>Corporate bonds (continued)</i>			
Total corporate bonds		36,628,159	66.03%
Portfolio of investments		53,303,406	96.09%
Bank balances		2,218,067	4.00%
Other net current liabilities		(50,361)	(0.09%)
Net assets		55,471,112	100.00%

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

9 Portfolio of net assets as at 31 March 2024 (continued)

Equity Growth Fund

	Denominated in	Fair value EUR	Percentage of total net assets %
Corporate bond			
10.00% Bank of Valletta p.l.c. 06/12/2027	EUR	1,929,743	4.50%
4.13% ING Groep N.V. 24/08/2033	EUR	204,648	0.48%
9.75% MDB Group Ltd. 10/02/2031	EUR	90,895	0.21%
		2,225,286	5.19%
6.38% Charter Communications Operating LLC 23/10/2035	USD	188,715	0.44%
0.77% JPMorgan Chase & Co. 09/08/2025	USD	181,906	0.42%
		370,621	0.86%
Total corporate bond		2,595,907	6.05%
Equity investments			
APS Bank p.l.c.	EUR	999,549	2.33%
Bank of Valletta p.l.c.	EUR	1,515,067	3.53%
BMIT Technologies p.l.c.	EUR	216,565	0.50%
Citadel Insurance Ltd Private Equity	EUR	54,338	0.13%
The Convenience Shop Holding p.l.c	EUR	211,735	0.49%
Go p.l.c	EUR	778,024	1.81%
Hili Properties p.l.c.	EUR	60,533	0.14%
HSBC Bank Malta p.l.c.	EUR	790,210	1.84%
International Hotel Investments p.l.c.	EUR	272,736	0.64%
Lombard Bank (Malta) p.l.c.	EUR	431,754	1.01%
M&Z p.l.c.	EUR	149,750	0.35%
Malita Investments p.l.c.	EUR	196,730	0.46%
Malta International Airport p.l.c.	EUR	825,175	1.92%
Malta Properties Company p.l.c.	EUR	123,325	0.29%
Maltapost p.l.c.	EUR	86,628	0.20%
Medserv p.l.c.	EUR	110,267	0.26%
Midi p.l.c.	EUR	228,129	0.53%
PG p.l.c.	EUR	1,166,733	2.72%
Plaza Centres p.l.c.	EUR	23,738	0.06%
RS2 Software p.l.c.	EUR	372,174	0.87%
Simonds Farsons Cisk p.l.c.	EUR	409,037	0.95%

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

9 Portfolio of net assets as at 31 March 2024 (continued)

Equity Growth Fund (continued)

	Denominated in	Fair value EUR	Percentage of total net assets %
<i>Equity investments (continued)</i>			
Tigne Mall p.l.c.	EUR	322,653	0.75%
Trident Estates p.l.c.	EUR	28,922	0.07%
VBL p.l.c.	EUR	278,880	0.64%
		9,652,652	22.49%
Apple Inc.	USD	635,111	1.48%
Total equity investments		10,287,763	23.97%
<i>Exchange traded funds</i>			
HSBC Asia Pacific Ex Japan Sustainable Equity UCITS ETF (Acc)	EUR	143,300	0.33%
HSBC MSCI CANADA UCITS ETF	EUR	1,065,825	2.48%
HSBC MSCI EUROPE ETF	EUR	1,761,250	4.10%
HSBC MSCI World Value ESG UCITS ETF (Acc)	EUR	554,940	1.29%
iShares STOXX Europe 600 Telecom (DE) ETF	EUR	245,349	0.57%
iShares STOXX Europe 600 UCITS (DE) ETF	EUR	508,600	1.19%
Amundi IBEX 35 UCITS ETF	EUR	109,000	0.25%
SPDR MSCI Emerging Markets UCITS ETF	EUR	1,117,980	2.62%
		5,506,244	12.83%
iShares CORE FTSE 100 UCITS ETF	GBP	1,018,029	2.37%
HSBC MSCI CHINA UCITS ETF	USD	1,715,347	4.00%
HSBC MSCI Emerging Markets UCITS ETF	USD	746,310	1.74%
HSBC S&P 500 UCITS ETF	USD	883,771	2.06%
iShares Core MSCI Japan IMI UCITS ETF	USD	1,817,083	4.23%
iShares Dow Jones Industrial Average UCITS ETF	USD	773,580	1.80%
iShares Edge MSCI USA Quality Factor ETF (Acc)	USD	942,708	2.20%
iShares MSCI Australia UCITS ETF	USD	434,449	1.01%
iShares MSCI Brazil UCITS ETF (DE)	USD	734,630	1.71%
iShares NASDAQ 100 UCITS ETF	USD	1,153,055	2.69%
iShares S&P 500 Energy Sector UCITS ETF (Acc)	USD	923,990	2.15%

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

9 Portfolio of net assets as at 31 March 2024 (continued)

Equity Growth Fund (continued)

	Denominated in	Fair value EUR	Percentage of total net assets %
<i>Exchange traded funds (continued)</i>			
iShares S&P 500 Financials Sector UCITS ETF (Acc)	USD	1,993,435	4.65%
iShares S&P 500 Communication Sector UCITS ETF (Acc)	USD	598,986	1.40%
iShares S&P 500 Consumer Discretionary Sector UCITS ETF	USD	525,104	1.22%
iShares S&P 500 Health Care Sector UCITS ETF (Acc)	USD	1,285,556	3.00%
iShares S&P 500 Information Technology Sector UCITS ETF	USD	2,837,593	6.61%
SPDR S&P U.S. Consumer Staples Select Sector UCITS ETF	USD	858,806	2.00%
SPDR S&P U.S. Industrials Select Sector UCITS ETF	USD	990,880	2.32%
		19,215,283	44.79%
Total exchange traded funds		25,739,556	59.99%
<i>Collective investment schemes</i>			
HSBC Global Investment Funds - Euroland Equity	EUR	610,520	1.42%
Total collective investment schemes		610,520	1.42%
Portfolio of investments		39,233,746	91.43%
Bank balances		3,660,289	8.53%
Other net current assets		19,498	0.04%
Net assets		42,913,533	100.00%

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

9 Portfolio of net assets as at 31 March 2024 (continued)

Malta Government Bond Fund

	Denominated in	Fair value EUR	Percentage of total net assets %
<i>Sovereign/supranational bonds</i>			
FRN CCTS Italy EU 15/04/2025	EUR	2,066,445	3.61%
2.75% Banque Ouest Africaine de Developpement 22/01/2033	EUR	156,625	0.27%
4.13% Chile Government Bond 05/07/2034	EUR	419,838	0.73%
2.38% Israel Government Bond 18/01/2037	EUR	252,233	0.44%
1.40% Malta Government Bond 29/07/2024	EUR	3,573,680	6.24%
4.00% Malta Government Bond 05/12/2033	EUR	534,293	0.93%
4.45% Malta Government Bond 03/09/2032	EUR	4,430,436	7.73%
4.50% Malta Government Bond 25/10/2028	EUR	9,248,804	16.14%
4.80% Malta Government Bond 11/09/2028	EUR	1,763,312	3.08%
5.10% Malta Government Bond 01/10/2029	EUR	1,559,591	2.72%
5.20% Malta Government Bond 16/09/2031	EUR	4,529,078	7.90%
5.25% Malta Government Bond 23/06/2030	EUR	8,836,324	15.42%
4.30% Malta Government Bond 15/11/2038	EUR	1,095,234	1.91%
2.30% Malta Government Bond 24/07/2029	EUR	6,316,229	11.02%
4.10% Malta Government Bond 18/10/2034	EUR	203,901	0.36%
4.30% Malta Government Bond 01/08/2033	EUR	58,332	0.10%
0.25% Malta Government Bond 18/11/2026	EUR	1,861,441	3.25%
1.00% Malta Government Bond 23/08/2035	EUR	541,952	0.95%
1.50% Malta Government Bond 22/10/2045	EUR	167,613	0.29%
2.00% Malta Government Bond 10/07/2051	EUR	171,676	0.30%
2.40% Malta Government Bond 13/08/2052	EUR	74,415	0.13%
2.40% Malta Government Bond 25/07/2041	EUR	126,241	0.22%
2.60% Malta Government Bond 27/09/2047	EUR	80,863	0.14%
3.75% Malta Government Bond 17/08/2033	EUR	1,039,930	1.81%
3.95% Malta Government Bond 08/08/2028	EUR	2,079,886	3.63%
4.25% Poland Government Bond 14/02/2043	EUR	1,045,966	1.83%
6.38% Romanian Government Bond 18/09/2033	EUR	331,757	0.58%
6.63% Romanian Government Bond 27/09/2029	EUR	306,112	0.53%
2.00% Saudi Arabia Government Bond 09/07/2039	EUR	1,171,753	2.05%
1.90% Spain Government Bond 31/10/2052	EUR	2,084,310	3.65%
Total Sovereign/Supranational bonds		56,128,270	97.96%

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

9 Portfolio of net assets as at 31 March 2024 (continued)

Malta Government Bond Fund (continued)

	Denominated in	Fair value EUR	Percentage of total net assets %
Portfolio of investments		56,128,270	97.96%
Bank balances		1,324,888	2.31%
Other net current liabilities		(156,410)	(0.27%)
Net assets		<u>57,296,748</u>	<u>100.00%</u>

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

9 Portfolio of net assets as at 31 March 2024 (continued)

Maltese Assets Fund

	Denominated in	Fair value EUR	Percentage of total net assets %
<i>Sovereign/supranational bonds</i>			
2.75% Banque Ouest Africaine de Developpement 22/01/2033	EUR	313,250	0.57%
2.38% Israel Government Bond 18/01/2037	EUR	84,078	0.15%
3.00% Malta Government Bond 11/06/2040	EUR	162,381	0.30%
4.00% Malta Government Bond 05/12/2033	EUR	534,293	0.98%
4.45% Malta Government Bond 03/09/2032	EUR	545,043	1.00%
4.30% Malta Government Bond 15/11/2038	EUR	547,617	1.01%
2.30% Malta Government Bond 24/07/2029	EUR	964	0.00%
4.10% Malta Government Bond 18/10/2034	EUR	446,033	0.82%
1.50% Malta Government Bond 22/10/2045	EUR	67,045	0.12%
2.00% Malta Government Bond 10/07/2051	EUR	68,670	0.13%
2.90% Malta Government Bond 24/10/2032	EUR	443,384	0.81%
3.75% Malta Government Bond 17/08/2033	EUR	519,965	0.95%
3.88% Romanian Government Bond 29/10/2035	EUR	176,507	0.32%
3.38% Romanian Government Bond 08/02/2038	EUR	319,478	0.59%
6.38% Romanian Government Bond 18/09/2033	EUR	221,171	0.41%
2.00% Saudi Arabia Government International Bond 09/07/2039	EUR	390,585	0.72%
		4,840,464	8.88%
5.75% Saudi Arabia Government International Bond 16/01/2054	USD	464,963	0.85%
Total Sovereign/Supranational bonds		5,305,427	9.73%
<i>Corporate bonds</i>			
5.10% 6pm Holdings p.l.c. 31/07/2025	EUR	391,495	0.72%
4.88% Aeroporti di Roma S.p.A. 10/07/2033	EUR	110,698	0.20%
5.80% APS Bank p.l.c. 01/12/2033	EUR	161,599	0.30%
3.25% AX Investment p.l.c. 20/12/2029	EUR	105,970	0.19%
3.75% AX Investment p.l.c. 20/12/2029	EUR	94,385	0.17%

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

9 Portfolio of net assets as at 31 March 2024 (continued)

Maltese Assets Fund

	Denominated in	Fair value EUR	Percentage of total net assets %
<i>Corporate bonds (continued)</i>			
5.85% AX Group p.l.c. 11/07/2033	EUR	165,139	0.30%
3.90% Browns Pharma Holdings p.l.c. 28/05/2031	EUR	151,133	0.28%
4.25% ClearFlowPlus p.l.c. 25/08/2033	EUR	182,797	0.34%
4.25% Corinthia Finance p.l.c. 12/04/2026	EUR	191,525	0.35%
4.00% Eden Finance p.l.c. 28/04/2027	EUR	95,296	0.17%
4.50% Endo Finance p.l.c. 22/03/2029	EUR	142,238	0.26%
4.00% Exalco Finance p.l.c. 20/08/2028	EUR	197,873	0.36%
6.25% GPH Malta Finance p.l.c. 10/03/2030	EUR	207,424	0.38%
4.50% Grand Harbour Marina p.l.c. 23/08/2027	EUR	33,130	0.06%
5.00% Hal Mann Vella Group p.l.c. 06/11/2024	EUR	132,558	0.24%
3.80% Hili Finance Co. p.l.c. 27/08/2029	EUR	643,691	1.18%
3.85% Hili Finance Co. p.l.c. 24/07/2028	EUR	301,968	0.55%
4.50% Hili Properties p.l.c. 16/10/2025	EUR	210,019	0.39%
4.13% ING Groep N.V. 24/08/2033	EUR	102,324	0.19%
9.75% MDB Group Ltd. 10/02/2031	EUR	90,895	0.17%
4.00% MeDirect Bank (Malta) p.l.c. 05/11/2029	EUR	29,839	0.05%
5.85% Mediterranean Investments Holding p.l.c. 31/07/2028	EUR	157,840	0.29%
4.50% Medserv p.l.c. 05/02/2026	EUR	813,033	1.49%
4.30% Mercury Projects Finance p.l.c. 25/04/2032	EUR	308,944	0.57%
4.00% Merkanti Holding p.l.c. 12/08/2026	EUR	606,350	1.11%
3.75% Premier Capital p.l.c. 23/11/2026	EUR	268,059	0.49%
2.09% Prosus N.V. 19/01/2030	EUR	262,105	0.48%
4.35% SD Finance p.l.c. 25/04/2027	EUR	51,203	0.09%
4.00% Shoreline Mall p.l.c. 01/08/2026	EUR	125,362	0.23%
4.50% Shoreline Mall p.l.c. 01/08/2032	EUR	693,600	1.28%
3.50% Simonds Farsons Cisk p.l.c. 13/09/2027	EUR	37	0.00%
3.75% Tumas Investments p.l.c. 10/07/2027	EUR	273,330	0.51%
5.00% Tumas Investments p.l.c. 31/07/2024	EUR	235,725	0.44%
		7,537,584	13.83%

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

9 Portfolio of net assets as at 31 March 2024 (continued)

Maltese Assets Fund (continued)

	Denominated in	Fair value EUR	Percentage of total net assets %
<i>Corporate bonds (continued)</i>			
6.38% Charter Communications Operating LLC 23/10/2035	USD	47,179	0.09%
0.77% JPMorgan Chase & Co. 09/08/2025	USD	454,766	0.83%
5.75% Medserv p.l.c. 05/02/2026	USD	158,006	0.29%
1.88% Orbia Advance Corporate SAB de CV 11/05/2026	USD	257,046	0.47%
3.85% Viatris Inc. 22/06/2040	USD	138,795	0.26%
		1,055,792	1.94%
Total corporate bonds		8,593,376	15.77%
<i>Equity investments</i>			
APS Bank p.l.c.	EUR	2,183,841	4.01%
Bank of Valletta p.l.c.	EUR	6,102,710	11.20%
BMIT Technologies p.l.c.	EUR	1,207,627	2.22%
Citadel Insurance Ltd. Private Equity	EUR	489,982	0.90%
The Convenience Shop Holding p.l.c.	EUR	632,953	1.16%
Go p.l.c.	EUR	2,545,053	4.67%
Hili Properties p.l.c.	EUR	141,245	0.26%
HSBC Bank Malta p.l.c.	EUR	3,286,479	6.03%
International Hotel Investments p.l.c.	EUR	1,431,020	2.63%
Lombard Bank (Malta) p.l.c.	EUR	1,293,408	2.37%
M&Z p.l.c.	EUR	416,035	0.76%
Malita Investments p.l.c.	EUR	302,146	0.55%
Malta International Airport p.l.c.	EUR	3,206,704	5.89%
Malta Properties Co. p.l.c.	EUR	461,839	0.85%
Maltapost p.l.c.	EUR	495,800	0.91%
Medserv p.l.c.	EUR	505,454	0.93%
Midi p.l.c.	EUR	954,948	1.75%
PG p.l.c.	EUR	3,222,637	5.91%
Plaza Centres p.l.c.	EUR	136,517	0.25%
RS2 Software p.l.c.	EUR	2,160,851	3.97%
Simonds Farsons Cisk p.l.c.	EUR	1,304,833	2.39%
Tigne Mall p.l.c.	EUR	1,633,503	3.00%

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

9 Portfolio of net assets as at 31 March 2024 (continued)

Maltese Assets Fund (continued)

	Denominated in	Fair value EUR	Percentage of total net assets %
<i>Equity investments (continued)</i>			
Trident Estates p.l.c.	EUR	84,119	0.15%
VBL p.l.c.	EUR	459,363	0.84%
		34,659,067	63.60%
FIMBank p.l.c.	USD	368,268	0.68%
Total equity investments		35,027,335	64.28%
<i>Exchange traded funds</i>			
HSBC MSCI CHINA UCITS ETF	EUR	656,500	1.20%
IShares STOXX Europe 600 UCITS (DE) ETF	EUR	305,160	0.56%
Lyxor CAC 40 (DR) UCITS ETF	EUR	243,105	0.45%
Lyxor DAX (DR) UCITS ETF	EUR	256,095	0.47%
		1,460,860	2.68%
HSBC MSCI Emerging Markets ETF	USD	339,144	0.62%
IShares Core S And P 500 UCITS ETF	USD	1,022,869	1.88%
iShares MSCI Brazil UCITS ETF	USD	36,730	0.08%
iShares S&P 500 Information Technology ETF	USD	902,869	1.66%
		2,301,612	4.24%
Total exchange traded funds		3,762,472	6.92%
Portfolio of investments		52,688,610	96.70%
Bank balances		1,575,342	2.89%
Other net current assets		222,080	0.41%
Net assets		54,486,032	100.00%

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

9 Portfolio of net assets as at 31 March 2024 (continued)

9.1 Further disclosures on portfolio of investments

Summary of material changes in the composition of the portfolio of investments:

Malta Bond Fund

The composition of the portfolio of investments shown on pages 78 to 81 in comparison with the portfolio of investments as at 31 March 2024 is analysed below:

Percentage of net assets:

	2024		2023	
	%	Fair Value	%	Fair Value
Sovereign/supranational bonds	33.82	42,564,217	37.65	44,970,068
Corporate bonds	64.39	81,041,733	58.83	70,273,642
	-----	-----	-----	-----
	98.21	123,605,950	96.48	115,243,710
	=====	=====	=====	=====

International Bond Fund

The composition of the portfolio of investments shown on pages 82 to 85 in comparison with the portfolio of investments as at 31 March 2024 is analysed below:

Percentage of net assets:

	2024		2023	
	%	Fair Value	%	Fair Value
Sovereign/supranational bonds	30.06	16,675,247	27.24	13,584,697
Corporate bonds	66.03	36,628,159	53.92	26,893,966
	-----	-----	-----	-----
	96.09	53,303,406	81.16	40,478,663
	=====	=====	=====	=====

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

9 Portfolio of net assets as at 31 March 2024 (continued)

9.1 Further disclosures on portfolio of investments (continued)

Summary of material changes in the composition of the portfolio of investments (continued):

Equity Growth Fund

The composition of the portfolio of investments shown on pages 86 to 88 in comparison with the portfolio of investments as at 31 March 2024 is analysed below:

Percentage of net assets:

	2024		2023	
	%	Fair Value	%	Fair Value
Corporate bond	6.05	2,595,907	3.28	1,071,329
Equity investments	23.97	10,287,763	23.63	7,726,405
Exchange traded funds	59.99	25,739,556	55.07	18,008,964
Collective investment schemes	1.42	610,520	1.55	507,607
	-----	-----	-----	-----
	91.43	39,233,746	83.53	27,314,305
	=====	=====	=====	=====

Malta Government Bond Fund

The composition of the portfolio of investments shown on pages 89 to 90 in comparison with the portfolio of investments as at 31 March 2024 is analysed below:

Percentage of net assets:

	2024		2023	
	%	Fair Value	%	Fair Value
Sovereign/supranational bonds	97.96	56,128,270	97.81	60,022,207
	-----	-----	-----	-----
	97.96	56,128,270	97.81	60,022,207
	=====	=====	=====	=====

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

9 Portfolio of net assets as at 31 March 2024 (continued)

9.1 Further disclosures on portfolio of investments (continued)

Summary of material changes in the composition of the portfolio of investments (continued):

Maltese Assets Fund

The composition of the portfolio of investments shown on pages 91 to 94 in comparison with the portfolio of investments as at 31 March 2024 is analysed below:

Percentage of net assets:

	2024		2023	
	%	Fair Value	%	Fair Value
Sovereign/Supranational bonds	9.73	5,305,427	4.84	2,391,830
Corporate bonds	15.77	8,593,376	18.46	9,123,267
Equity investments	64.28	35,027,335	63.24	31,254,359
Exchange traded funds	6.92	3,762,472	6.52	3,223,301
	-----	-----	-----	-----
	96.70	52,688,610	93.06	45,992,757
	=====	=====	=====	=====

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

10 Dividend distributions

During the year, the dividends declared and paid out of the Income Share Class of the Malta Bond Fund, International Bond Fund, Malta Government Bond Fund and Maltese Assets Fund were as follows:

	Ex-dividend date	Currency	Rate per share	Dividend paid	Dividend payable
Malta Bond Fund	30-Jun-23	EUR	2.278	37,510	-
	30-Sep-23	EUR	2.394	38,544	-
	31-Dec-23	EUR	2.811	44,348	-
	31-Mar-24	EUR	2.604	-	40,701
International Bond Fund	30-Jun-23	EUR	1.058	3,739	-
	30-Jun-23	GBP	0.907	712	-
	30-Sep-23	EUR	1.521	5,319	-
	30-Sep-23	GBP	1.319	1,024	-
	31-Dec-23	EUR	1.914	6,498	-
	31-Dec-23	GBP	1.658	1,289	-
	31-Mar-24	EUR	2.026	-	6,752
31-Mar-24	GBP	1.731	-	1,366	
Malta Government Bond Fund	30-Jun-23	EUR	1.185	22,523	-
	30-Sep-23	EUR	1.229	22,697	-
	31-Dec-23	EUR	1.439	25,457	-
	31-Mar-24	EUR	1.523	-	26,818
Maltese Assets Fund	30-Jun-23	EUR	2.958	1,502	-
	30-Sep-23	EUR	2.133	1,071	-
	31-Dec-23	EUR	1.192	482	-
	31-Mar-24	EUR	3.073	-	1,187
Malta Bond Fund	30-Jun-22	EUR	1.951	35,538	-
	30-Sep-22	EUR	2.004	34,827	-
	30-Dec-22	EUR	2.136	35,867	-
	31-Mar-23	EUR	2.253	-	37,551
International Bond Fund	30-Jun-22	EUR	0.662	2,563	-
	30-Jun-22	GBP	0.569	623	-
	30-Sep-22	EUR	0.788	2,963	-
	30-Sep-22	GBP	0.692	721	-
	30-Dec-22	EUR	0.923	3,335	-
	30-Dec-22	GBP	0.818	745	-
	31-Mar-23	EUR	0.946	-	3,388
	31-Mar-23	GBP	0.830	-	694
Malta Government Bond Fund	30-Jun-22	EUR	0.916	19,544	-
	30-Sep-22	EUR	1.058	21,215	-
	30-Dec-22	EUR	1.120	22,195	-
	31-Mar-23	EUR	0.984	-	19,286
Maltese Assets Fund	30-Jun-22	EUR	1.380	753	-
	31-Mar-23	EUR	1.435	-	728

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

10 Dividend distributions (continued)

Subsequent to year end, the Directors proposed to distribute a further final dividend amounting to EUR40,702 (2023: EUR37,551) to the Income Share Class of the Malta Bond Fund, EUR8,118 (2023: EUR4,082) to the Income Share Class of the International Bond Fund, EUR26,818 (2023: EUR19,286) to the Income Share Class of Malta Government Bond Fund, and EUR1,187 (2023: EUR728) to Income Share Class of Maltese Assets Fund. These amounts have been transferred to the Distribution Account in accordance with the Investments Services Rules.

Following deduction of dividend administration fee, the net dividend payable to the Income Share Class of the Malta Bond Fund, the International Bond Fund, the Malta Government Bond Fund and the Maltese Assets Fund, amounted to EUR38,879 (2023: EUR35,547), EUR7,699 (2023: EUR3,616), EUR25,192 (2023: EUR17,473), and EUR1,098 (2023: EUR616) respectively.

The dividend administration fee charged on the Malta Bond Fund, the International Bond Fund, the Malta Government Bond Fund and the Maltese Assets Fund for the financial year ended 31 March 2024 amounted to 0.0014% (2023: 0.0017%), 0.0008% (2023: 0.0009%), 0.0028% (2023: 0.0030%) and 0.0002% (2023: 0.0002%) of the closing Net Asset Value, respectively.

11 Related party transactions

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, as disclosed in Note 8.

(a) Management fee

During the year under review, the Manager received EUR2,602,710 (2023: EUR2,653,717) as management fees. Management fees amounting to EUR253,113 (2023: EUR223,036) were due to the Manager at 31 March 2024.

(b) Administration fees

During the year under review, the Administrator received EUR178,705 (2023: EUR183,159) as administration fees. Administration fees amounting to EUR15,549 (2023: EUR14,636) were due to the Administrator at 31 March 2024.

(c) Investment Account fee

During the year under review, HSBC Bank Malta p.l.c. received an aggregate investment account fee of EUR389,049 (2023: EUR411,110). Investment account fees amounting to EUR37,294 (2023: EUR35,249) were due to the HSBC Bank Malta p.l.c. at 31 March 2024.

As a service provider to the Funds, HSBC Bank Malta p.l.c. also received an aggregate dividend administration fee for the year amounting to EUR16,473 (2023: EUR18,062).

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

11 Related party transactions (continued)

(d) Director's fees

No transactions were entered into with key management personnel other than the payment of the Directors emoluments of EUR33,672 (2023: EUR30,991).

(e) Unitholding of related parties

As at reporting date, parties related to the Manager held 45,311 units (2023: 45,502 units) in the Malta Bond Fund – Accumulator Shares, 60,981 units (2023: 60,591 units) in the International Bond Fund – Accumulator Shares, 57,702 units (2023: 49,783 units) in the Equity Growth Fund Class B, and 21,284 units (2023: 20,157 units) in the Maltese Assets Fund – Accumulator Shares.

As at the reporting date, the Directors held no units (2023: Nil) in the Malta Bond Fund, International Bond Fund, Equity Growth Fund, Malta Government Bond Fund and Maltese Assets Fund Accumulator Shares.

As at 31 March 2024, all units in the Malta Bond Fund, International Bond Fund, Equity Growth Fund, Malta Government Bond Fund and Maltese Assets Fund were held under nominee by HSBC Bank Malta p.l.c.

HSBC Global Asset Management (Malta) Limited holds founder shares and institutional shares as disclosed in note 5 to these financial statements.

(f) Share subscriptions and redemptions

During the year ended, parties related to the Manager subscribed EUR1,271,000 (2023: EUR220,000) in the Malta Bond Fund, EUR522,000 (2023: EUR802,000) in the International Bond Fund, EUR2,904,000 (2023: EUR2,249,000) in the Equity Growth Fund and EUR646,000 (2023: EUR755,000) in the Maltese Assets Fund.

During the year ended, parties related to the Manager redeemed a portion of holding/shares in the Malta Bond Fund, amounting to EUR1,384,000 (2023: EUR1,684,000) and EUR366,000 (2023: EUR Nil) in the International Bond Fund.

(g) Investments in HSBC securities

Investments held by the Funds in securities, bonds, collective investment schemes and equities issued by HSBC group as at the reporting date amounted to EUR12,553,596 (2023: EUR9,865,220).

12 Fair value of financial assets and financial liabilities

At 31 March 2024 and 2023, the carrying amount of financial assets and financial liabilities carried at amortised cost approximated their fair value due to the short-term maturities of these assets and liabilities.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

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

The fair value of listed investments is based on quoted prices in an active market at the reporting date. Assumptions used in determining the fair value of unlisted investments categorised as Level 3 are disclosed in Note 13.10.

13 Financial instruments and associated risks

13.1 Overview

The Funds are exposed to the following risks from financial instruments:

- market risk
- credit risk
- liquidity risk

The Fund is also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that eliminates the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the Fund to transfer securities might be temporarily impaired.

This note presents information about the Funds' exposure to each of the above risks, the Funds' objectives, policies and processes for measuring and managing risk, and the Funds' management of capital.

13.2 Risk management framework

The Funds' underlying investment portfolios comprise quoted and unquoted equity investments, quoted and unquoted debt investments, derivatives, and investments in other quoted funds that are intended to be held for an indefinite period of time.

Asset allocation is determined by the Funds' Investment Manager who manages the distribution of the assets in line with the investment strategy of the relative Funds at the prevailing market circumstances. The indirect worldwide economic risks arising from the Russian and Ukraine military conflict, in particular the ensuing the significant increase in inflationary pressures across the developed economies to levels that were last witnessed in the late 1970s, early 1980s, triggered large price fluctuations across all financial and commodity markets, hence all investments held by the Funds required close monitoring.

The nature and extent of the financial instruments outstanding at the financial reporting date and the risk management policies employed by the Funds are discussed below.

13.3 Market Risk

Market risk embodies the potential for both losses and gains, and includes currency risk, interest rate risk and other price risk.

Each Fund's relative strategy on the management of investment risk is driven by the Fund's investment objective, each of which is clearly outlined in the SICAV's prospectus. The Funds' market exposures within their relative Investment Restrictions is monitored on a daily basis by the Investment Manager. The Funds' overall market exposures are also monitored on a quarterly basis by the Board of Directors.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

13 Financial instruments and associated risks (continued)

13.3 Market Risk (continued)

Details of the nature of the Funds' investment portfolio as at the financial reporting date are disclosed in Note 9 on pages 78 to 94.

13.4 Currency Risk

The Funds may invest in financial instruments and enter into transactions denominated in currencies other than the respective functional currency. Consequently, the Funds are exposed to risks that the exchange rate of the functional currencies relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Funds' assets denominated in currencies other than the functional currency.

The Funds' currency risk is managed on a daily basis by the Investment Manager in accordance with policies and procedures in place.

As at the reporting date, the Funds had the following open currency exposures:

	31 March 2024	31 March 2023
Currency	% of Net Assets	% of Net Assets
<i>Malta Bond Fund</i>		
US Dollars	1.9%	1.8%
<i>International Bond Fund</i>		
US Dollars	17.1%	17.9%
Pounds Sterling	0.1%	0.03%
<i>Equity Growth Fund</i>		
US Dollars	48.9%	53.1%
Pounds Sterling	2.5%	3.0%
<i>Malta Government Bond Fund</i>		
US Dollars	-	0.1%
Pounds Sterling	-	0.04%
<i>Maltese Assets Fund</i>		
US Dollar	8.9%	8.3%

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

13 Financial instruments and associated risks (continued)

13.4 Currency Risk (continued)

Sensitivity Analysis

As at 31 March 2024, had the functional currency of each Fund strengthened by 10% (2023:10%) in relation to the other currencies with all other variables held constant, net assets attributable to holders of redeemable units would have decreased by the amounts shown below:

	31 March 2024	31 March 2023
	Euro	Euro
<i>Malta Bond Fund</i>		
US Dollar	233,000	219,000
<i>International Bond Fund</i>		
US Dollar	951,000	892,000
Pounds Sterling	6,000	(1,000)
<i>Equity Growth Fund</i>		
US Dollar	2,101,000	1,735,000
Pounds Sterling	109,000	98,000
<i>Malta Government Bond Fund</i>		
US Dollar	-	4,000
Pounds Sterling	-	2,000
<i>Maltese Assets Fund</i>		
US Dollar	483,000	411,000

A 10% (2023:10%) weakening of the functional currency against these currencies with all other variables held constant would have resulted in an equal but opposite effect.

13.5 Interest Rate Risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The Funds hold fixed interest securities that expose the Funds to fair value interest rate risk. The Funds also hold a limited amount of euro-denominated floating rate debt and cash and cash equivalents that expose the Fund to cash flow interest rate risk.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

13 Financial instruments and associated risks (continued)

13.5 Interest Rate Risk (continued)

Malta Bond Fund, International Bond Fund and Malta Government Bond Fund

The majority of the Funds' financial assets are interest-bearing and as a result, the respective Funds are subject to a reasonable exposure to fair value interest rate risk arising from fluctuations in the prevailing levels of market interest rates.

Maltese Assets Fund and Equity Growth Fund

Although the majority of the Funds' portfolio is invested in equities, the Funds hold a reasonable exposure in interest-bearing assets, and as a result, the Fund is also subject to a fair value interest rate risk arising from fluctuations in the prevailing levels of market interest rates.

Exposure to interest rate risk

The carrying amount of interest bearing financial assets represents the maximum interest rate exposure. The maximum exposure to interest rate risk at the reporting date was as follows:

Malta Bond Fund

	2024		2023	
	% of net assets	Euro	% of net assets	Euro
Debt securities	98.21	123,605,950	96.49	115,243,710
Non-interest bearing assets	2.09	2,636,658	3.81	4,552,209
	-----	-----	-----	-----
	100.30	126,242,608	100.30	119,795,919
	=====	=====	=====	=====

International Bond Fund

	2024		2023	
	% of net assets	Euro	% of net assets	Euro
Debt securities	96.09	53,303,406	81.16	40,478,663
Non-interest bearing assets	4.03	2,236,307	19.13	9,542,197
	-----	-----	-----	-----
	100.12	55,539,713	100.29	50,020,860
	=====	=====	=====	=====

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

13 Financial instruments and associated risks (continued)

13.5 Interest Rate Risk (continued)

Exposure to interest rate risk (continued)

Equity Growth Fund

	2024		2023	
	% of net assets	Euro	% of net assets	Euro
Debt securities	6.05	2,595,907	3.28	1,071,329
Non-interest bearing assets	94.07	40,369,385	96.84	31,667,325
	-----	-----	-----	-----
	100.12	42,965,292	100.12	32,738,654
	=====	=====	=====	=====

Malta Government Bond Fund

	2024		2023	
	% of net assets	Euro	% of net assets	Euro
Debt securities	97.96	56,128,270	97.81	60,022,207
Non-interest bearing assets	2.32	1,330,124	2.46	1,510,752
	-----	-----	-----	-----
	100.28	57,458,394	100.27	61,532,959
	=====	=====	=====	=====

Maltese Assets Fund

	2024		2023	
	% of net assets	Euro	% of net assets	Euro
Debt securities	25.50	13,898,803	23.30	11,515,097
Non-interest bearing assets	74.67	40,678,570	76.87	37,989,915
	-----	-----	-----	-----
	100.17	54,577,373	100.17	49,505,012
	=====	=====	=====	=====

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

13 Financial instruments and associated risks (continued)

13.5 Interest Rate Risk (continued)

Sensitivity Analysis

The Funds' interest rate risk is managed on a daily basis by the Investment Manager in accordance with policies and procedures in place. The Funds' overall interest rate risk is monitored on a quarterly basis by the Board of Directors.

The table following sets out the impact on the relative net assets of each Fund as at 31 March 2024 in the event that worldwide yield curves experience a parallel 25 basis points / 50 basis points shift upwards or downwards.

Yield Curve Shift

	31 March 2024	31 March 2023
	Euro	Euro
<i>Malta Bond Fund</i>		
+25bps	(1,502,000)	(1,206,000)
-25bps	1,502,000	1,206,000
+50bps	(3,004,000)	(2,412,000)
-50bps	3,004,000	2,412,000
<i>International Bond Fund</i>		
+25bps	(788,000)	(395,000)
-25bps	788,000	395,000
+50bps	(1,576,000)	(790,000)
-50bps	1,576,000	790,000
<i>Equity Growth Fund</i>		
+25bps	(2,000)	(10,000)
-25bps	2,000	10,000
+50bps	(4,000)	(20,000)
-50bps	4,000	20,000
<i>Malta Government Bond Fund</i>		
+25bps	(1,058,000)	(608,000)
-25bps	1,058,000	608,000
+50bps	(2,116,000)	(1,216,000)
-50bps	2,116,000	1,216,000

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

13 Financial instruments and associated risks (continued)

13.5 Interest Rate Risk (continued)

Sensitivity Analysis (continued)

Maltese Assets Fund

+25bps	(119,000)	(124,000)
-25bps	119,000	124,000
+50bps	(238,000)	(248,000)
-50bps	238,000	248,000

13.6 Other Price Risk

Other price risk is the risk that the value of the underlying assets will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk). These can arise from factors specific to an individual investment or its issuer (idiosyncratic risk), or from factors affecting total market sentiment (systemic risk).

Idiosyncratic price risk is managed through the construction of a diversified portfolio of instruments traded on various markets. Systemic risk cannot be eliminated by diversification and investors in the respective Funds are subject to the Funds' relative systemic market risk.

As the majority of the Funds' financial instruments are carried at fair value with fair value changes recognised in the Statement of comprehensive income, all changes in market conditions will directly affect the Funds' financial statements.

Exposure to other price risk

The carrying amount of the following financial assets and liabilities represents the maximum other price exposure. The maximum exposure to other price risk at the reporting date was as follows:

Equity Growth Fund

	2024		2023	
	% of net assets	Euro	% of net assets	Euro
Equity	23.97	10,287,763	23.63	7,726,405
Exchange Traded Funds	59.99	25,739,556	55.07	18,008,964
Collective Investment Schemes	1.42	610,520	1.55	507,607
	-----	-----	-----	-----
	85.38	36,637,839	80.25	26,242,976
	=====	=====	=====	=====

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

13 Financial instruments and associated risks (continued)

13.6 Other Price Risk (continued)

Exposure to other price risk (continued)

Maltese Assets Fund

	2024		2023	
	% of net assets	Euro	% of net assets	Euro
Equity	64.28	35,027,335	63.24	31,254,359
Exchange Traded Funds	6.92	3,762,472	6.52	3,223,301
	-----	-----	-----	-----
	71.20	38,789,807	69.76	34,477,660
	=====	=====	=====	=====

Sensitivity to other price risk

The sensitivity for equity and exchange traded funds price risk illustrates how changes in the fair value of such investments will fluctuate because of changes in market prices, whether those changes are caused by factors specific to the investments' strategy, or factors affecting all similar underlying investments traded in the market. A general increase in the prices of equities and exchange traded funds of 10%, with all other variables held constant, would have increased the net assets attributable to the holders of redeemable units of the Equity Growth Fund by approximately EUR3,664,000 (2023: EUR2,624,000), and of the Maltese Assets Fund by approximately EUR3,879,000 (2023: EUR3,448,000). A 10% general decrease on prices of equities and exchange traded funds, with all other variables held constant will result in an equal but opposite effect.

The Equity Growth Fund is also indirectly exposed to other price risk through the securities held by the respective underlying collective investment schemes which as at year end amounted to EUR610,520 (2023: EUR507,607).

13.7 Credit Risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the respective Fund.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

13 Financial instruments and associated risks (continued)

13.7 Credit Risk (continued)

Exposure to credit risk

The carrying amount of the following financial assets represents the maximum credit exposure at the reporting date:

31 March 2024

		Combined	Malta Bond Fund	International Bond Fund	Equity Growth Fund	Malta Government Bond Fund	Maltese Assets Fund
	Notes	Euro	Euro	Euro	Euro	Euro	Euro
Debt securities	9	249,532,336	123,605,950	53,303,406	2,595,907	56,128,270	13,898,803
Trade and other receivables		40,524	8,438	18,240	-	5,236	8,610
Settlement receivable		214,037	199,416	-	-	-	14,621
Dividend receivable		361,447	-	-	71,257	-	290,190
Bank balances	6	11,207,390	2,428,804	2,218,067	3,660,289	1,324,888	1,575,342
		-----	-----	-----	-----	-----	-----
		261,355,734	126,242,608	55,539,713	6,327,453	57,458,394	15,787,566
		=====	=====	=====	=====	=====	=====

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

13 Financial instruments and associated risks (continued)

13.7 Credit Risk (continued)

Exposure to credit risk

The carrying amount of the following financial assets represents the maximum credit exposure at the reporting date:

31 March 2023

		Combined	Malta Bond Fund	International Bond Fund	Equity Growth Fund	Malta Government Bond Fund	Maltese Assets Fund
	Notes	Euro	Euro	Euro	Euro	Euro	Euro
Debt securities	9	228,331,006	115,243,710	40,478,663	1,071,329	60,022,207	11,515,097
Trade and other receivables		82,707	40,819	33,278	-	-	8,610
Dividends receivable		176,533	-	-	27,080	-	149,453
Settlement receivable		94,686	9,331	85,355	-	-	-
Bank balances	6	24,187,836	4,502,059	9,423,564	5,397,269	1,510,752	3,354,192
		-----	-----	-----	-----	-----	-----
		252,872,768	119,795,919	50,020,860	6,495,678	61,532,959	15,027,352
		=====	=====	=====	=====	=====	=====

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

13 Financial instruments and associated risks (continued)

13.7 Credit Risk (continued)

Malta Bond Fund

The investment objective of the Fund is to achieve long term capital growth, primarily through investment in predominantly Maltese debt securities.

Local Malta Government Stocks as at 31 March 2024 constituted 27.74% (2023: 35.92%) of the Fund's total net assets. No Malta Government Stock is rated by either S&P, Moody's or Fitch. However, the Government of Malta carries an A+ rating by S&P and an A2 rating by Moody's.

As at 31 March 2024, 58.49% (2023: 56.35%) of the net assets was invested in the local corporate bond market. None of the local corporate bonds are rated by any of the major credit rating companies. However, the Investment Manager undertakes a rigorous risk assessment on each issuer to internally establish the risk reward profile of all major local corporate bonds.

Only up to 15% of the total assets of the Fund may be invested in non-Maltese issuers. As at 31 March 2024, investment in these assets amounted to 11.97% (2023: 4.20%) of the net assets.

The credit quality of the non-Maltese issuers' portfolio as at 31 March 2024 based on S&P rating is summarised below:

Credit Rating	31 March 2024	31 March 2023
	% of net assets	% of net assets
A (credit rating of A ranges from A- to A+)	5.6	1.6
BBB (credit rating of BBB ranges from BBB- to BBB+)	5.9	2.6
Unrated securities	0.5	-

International Bond Fund

The investment objective of the Fund is to achieve long term capital growth, primarily through investment in international debt securities. Up to 30% of the Fund's total assets may consist of non-investment grade debt securities, rated between B and BB as determined by S&P or an equivalent rating as determined by an equivalent rating agency.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

13 Financial instruments and associated risks (continued)

13.7 Credit Risk (continued)

International Bond Fund (continued)

Local Malta Government Stocks as at 31 March 2024 constituted nil (2023: .0.95%) of the Fund's total net assets. No Malta Government Stock is rated by either S&P, Moody's or Fitch. However, the Government of Malta carries an A+ rating by S&P and an A2 rating by Moody's.

As at 31 March 2024, 10.10% (2023: 7.18%) of the net assets was invested in the local corporate bond market. None of the local corporate bonds are rated by any of the major credit rating companies. However, the Investment Manager undertakes a rigorous risk assessment on each issuer to internally establish the risk reward profile of all major local corporate bonds.

Over 15% of the total assets of the fund should be invested in non-Maltese issuers. As at 31 March 2024, investment in these assets amounted to 86.10% (2023: 73.00%) of the net assets.

The credit quality of the non-Maltese issuers' portfolio as at 31 March 2024 based on S&P rating is summarised below:

Credit Rating	31 March 2024	31 March 2023
	% of net assets	% of net assets
AAA (credit rating of AAA ranges from AAA- to AAA+)	-	0.9
AA (credit rating of AA ranges from AA- to AA+)	2.2	8.3
A (credit rating of A ranges from A- to A+)	36.1	21.0
BBB (credit rating of BBB ranges from BBB- to BBB+)	41.4	38.4
BB (credit rating of BB ranges from BB- to BB+)	-	2.9
B (credit rating of B ranges from B- to B+)	1.4	1.5
Unrated securities	5.0	-

The Fund's credit risk exposure is managed on a daily basis by the Investment Manager in accordance with policies and procedures in place.

Equity Growth Fund

The investment objective of this Fund is to invest at least 70% of its assets in long-term investments consisting of international equities, local equities and collective investment schemes. The Fund may also invest in debt securities, money market instruments and deposits with credit institutions.

As at 31 March 2024, 4.71% (2023: 3.28%) of the net assets was invested in the local corporate bond market. Here again none of the local corporate bonds is actually rated by any of the major credit rating companies. However, the Investment Manager undertakes a rigorous risk assessment on each issuer to internally establish the risk reward profile of all major local corporate bonds. The Fund did not invest in local market government stocks.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

13 Financial instruments and associated risks (continued)

13.7 Credit Risk (continued)

Equity Growth Fund (continued)

Only up to 15% of the total assets of the fund may be invested in non-Maltese issuers. As at 31 March 2024, investment in these assets amounted to 1.30% (2023: Nil) of the net assets.

The credit quality of the non-Maltese issuers' portfolio as at 31 March 2024 based on S&P rating is summarised below:

Credit Rating	31 March 2024	31 March 2023
	% of net assets	% of net assets
A (credit rating of A ranges from A- to A+)	0.9	-
BBB (credit rating of BBB ranges from BBB- to BBB+)	0.4	-

Malta Government Bond Fund

The investment objective of the Fund is to achieve long term capital growth, primarily through investment in diversified portfolio of interest earning securities.

Local Malta Government Stocks as at 31 March 2024 constituted 84.29% (2023: 85.86%) of the Fund's total net assets. No Malta Government Stock is rated by either S&P, Moody's or Fitch. However, the Government of Malta carries an A+ rating by S&P and an A2 rating by Moody's.

Only up to 15% of the total assets of the Fund may be invested in non-Maltese issuers. As at 31 March 2024, investment in these assets amounted to 13.67% (2023: 11.95%) of the net assets.

The credit quality of the non-Maltese issuers' portfolio as at 31 March 2024 based on S&P rating is summarised below:

Credit Rating	31 March 2024	31 March 2023
	% of net assets	% of net assets
AA (Credit rating of AA ranges from AA- to AA+)	-	4.2
A (credit rating of A ranges from A- to A+)	8.7	1.0
BBB (credit rating of BBB ranges from BBB- to BBB+)	4.7	6.7
Unrated securities	0.3	

Maltese Assets Fund

The investment objective of the Fund is to achieve long-term capital growth, through the investment in a diversified portfolio of equity holdings and of interest-earning holdings.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

13 Financial instruments and associated risks (continued)

13.7 Credit Risk (continued)

Maltese Assets Fund (continued)

Local Malta Government Stocks as at 31 March 2024 constituted 6.12% (2023: 4.29%) of the Fund's total net assets. No Malta Government Stock is rated by either S&P, Moody's or Fitch. However, the Government of Malta carries an A+ rating by S&P and an A2 rating by Moody's.

As at 31 March 2024, 13.25% (2023: 14.70%) of the net assets was invested in the local corporate bond market. Here again none of the local corporate bonds is actually rated by any of the major credit rating companies. However, the Investment Manager undertakes a rigorous risk assessment on each issuer to internally establish the risk reward profile of all major local corporate bonds.

Only up to 15% of the total assets of the Fund may be invested in non-Maltese issuers. As at 31 March 2024, 6.14% (2023: 4.3%) of net assets were invested in non-Maltese issuers.

The credit quality of the non-Maltese issuers' portfolio as at 31 March 2024 based on S&P rating is summarised below:

Credit Rating	31 March 2024	31 March 2023
	% of net assets	% of net assets
AAA (credit rating of AAA ranges from AAA- to AAA+)	-	0.7
A (credit rating of A ranges from A- to A+)	2.7	2.1
BBB (credit rating of BBB ranges from BBB- to BBB+)	2.8	1.5
Unrated securities	0.6	-

13.7.1 Amounts arising from Expected Credit Loss

Bank balances are held with unrated banks and are subject to impairment calculations measured on a 12-month expected loss basis, which reflects the short maturities of the exposures. The Company considers that these exposures have low credit risk based on the external credit ratings of, and trading history with the counterparties. As a result, no loss allowance has been recognized based on 12-month expected credit losses as any such impairment would be wholly insignificant to the respective sub-fund.

13.8 Settlement Risk

Settlement risk is the risk of loss due to failure of a counterparty to honour its obligations to deliver cash, securities or other assets as contractually agreed. Risk relating to unsettled transactions is considered small due to the short settlement period involved and the high credit quality of the brokers used. The Investment Manager monitors the financial positions of the brokers used to further mitigate this risk.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

13 Financial instruments and associated risks (continued)

13.8 Settlement Risk (continued)

Substantially all of the assets of the Funds are held by Sparkasse Bank Malta p.l.c., as Depositary. Bankruptcy or insolvency of the Depositary may cause the Funds' rights with respect to securities held by the Depositary to be delayed or limited.

13.9 Liquidity Risk

Liquidity risk is the risk that the Fund will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

Malta Bond Fund

The Fund's constitution provides for the daily creation and cancellation of units and these are therefore exposed to the liquidity risk of meeting unitholders' redemptions at any time.

The major part of this Fund's underlying securities mainly comprises securities that are listed on the Malta Stock Exchange, making 86.23% (2023: 92.31%) of net assets, which may not be readily realisable due to the limitations arising from the size and illiquidity of the Maltese capital market.

1.93% (2023: 3.77%) of net assets are held in bank deposits.

International Bond Fund

The Fund's constitution provides for the daily creation and cancellation of units and these are therefore exposed to the liquidity risk of meeting unitholders' redemptions at any time.

The Fund's underlying securities that are listed on the Malta Stock Exchange making 10.10% (2023: 8.13%) of net assets, may not be readily realisable due to the limitations arising from the size and illiquidity of the Maltese capital market.

The major part of this Fund's underlying securities, making 86.00% (2023: 73.10%) of net assets, are considered to be readily realisable since they are listed on European Stock Exchanges and US Stock Exchanges.

4.00% (2023: 18.89%) of net assets are held in bank deposits.

Equity Growth Fund

The Fund's constitution provides for the daily creation and cancellation of units and these are therefore exposed to the liquidity risk of meeting unitholders' redemptions at any time.

The major part of this Fund's underlying securities are considered to be readily realisable since they are listed on major European and US Stock Exchanges.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

13 Financial instruments and associated risks (continued)

13.9 Liquidity Risk (continued)

Equity Growth Fund (continued)

The fund has an investment comprising of an unlisted security, making 0.13% (2023: 0.18%) of net assets which is not considered to be readily realisable. The Fund's portfolio of underlying securities also comprises securities that are listed on the Malta Stock Exchange, making 27.08% (2023: 23.84%) of net assets which may not be readily realisable due to the limitations arising from the size and illiquidity of the Maltese capital market.

8.53% (2023: 16.51%) of net assets are held in bank deposits.

Malta Government Bond Fund

The Fund's constitution provides for the daily creation and cancellation of units and these are therefore exposed to the liquidity risk of meeting unitholders' redemptions at any time.

The major part of this Fund's underlying securities mainly comprises securities that are listed on the Malta Stock Exchange, making 84.29% (2023: 85.86%) of net assets, which may not be readily realisable due to the limitations arising from the size and illiquidity of the Maltese capital market.

2.31% (2023: 2.46%) of net assets are held in bank deposits.

Maltese Asset Fund

The Fund's constitution provides for the daily creation and cancellation of units and these are therefore exposed to the liquidity risk of meeting unitholders' redemptions at any time.

The fund has an investment comprising of an unlisted security, making 0.90% (2023: 1.07%) of net assets which is not considered to be readily realisable. The Fund's portfolio of underlying securities also comprises securities that are listed on the Malta Stock Exchange, making 82.76% (2023: 80.80%) of net assets which may not be readily realisable due to the limitations arising from the size and illiquidity of the Maltese capital market.

2.89% (2023: 6.79%) of net assets are held in bank deposits.

All funds

The Funds' liquidity risk is managed on a regular basis by the Investment Manager in accordance with policies and procedures in place. The Funds' overall liquidity risks are monitored on a quarterly basis by the Board of Directors.

All Funds are allowed to borrow up to 10% of their respective Net Asset Value which may be used to finance settlement mismatches. Such borrowing would require the relevant Fund to enter into a credit facility agreement whereby the Fund would pledge its assets by way of financial collateral in favour of the creditor

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

13 Financial instruments and associated risks (continued)

13.10 Fair values of financial instruments

All funds (continued)

Bank providing such facility. As disclosed in note 4, the Funds have stand by overdraft facilities and settlement lines with the Depositary.

The Maltese market typically has lower trading activity, compared to more developed capital markets. Funds mandated to invest in the Maltese market are thus exposed to greater levels of inherent market illiquidity. In order to mitigate liquidity risk stemming from redemptions, the Manager aims to maintain a minimum level of cash and/or cash equivalents. In regard to the funds that are mandated to invest in Malta, the allowance up to 15% of NAV to hold international securities may present an additional source of liquidity, as international securities are frequently more liquid than those on the local market.

The Prospectus and Articles of Association contain special provisions which provide the Company the power to suspend repurchase of shares and to repurchase only part of the shares for which repurchase requests have been received if the Company determines that the calculation of Net Asset Value is not practicable or reasonable, or that the repurchase of shares would involve the realisation of assets of the Fund which in the opinion of the Company could, if realised at that particular moment in time, adversely affect and prejudice the interest of the Investors. The Manager may limit the total number of units which may be repurchased on any Dealing Day to 5% of the outstanding units in any Fund. In this event, the Manager will reduce all valid repurchase requests pro rata to the said 5% of the units and shall repurchase the excess of the units on the next Dealing Day, subject to the Manager's same power of deferral until the original repurchase requests have been fully satisfied.

On 23 March 2022, the Authority was informed that HSBC Global Asset Management (Malta) ('Manager') Ltd was unable to proceed with the execution of the required trade in Russian Bonds as the Scheme's custodian, Sparkasse Bank Malta plc, informed it that the clearing house has suspended any kind of settlement in such bonds. The Board resolved to write down the valuation of the Russian Bonds to zero with effect from 28 February 2023. From a liquidity perspective, the situation is being closely monitored so that once the securities are no longer suspended from settlement, the Manager will endeavour to seek potential buyers and proceed with disposing the securities.

The Fund measures its financial assets and financial liabilities at fair value. 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 measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability, or
- in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

13 Financial instruments and associated risks (continued)

13.10 Fair values of financial instruments (continued)

All funds (continued)

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. It allows an entity to use mid-market pricing or other pricing conventions that are used by market participants as a practical expedient for fair value measurements within a bid-ask spread.

The Fund measures fair values using the following fair value hierarchy that reflects the significance of the inputs used in making the measurements:

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

The following table analyses financial instruments measured at fair value at the reporting date by the level in the fair value hierarchy into which the fair value measurement is categorised. The amounts are based on the values recognised in the statement of financial position. All fair value measurements below are recurring.

Malta Bond Fund

	Level 1	Level 2	Level 3	Total
31 March 2024				
Sovereign/Supranational Bonds	42,564,217	-	-	42,564,217
Corporate Bonds	81,041,733	-	-	81,041,733
	123,605,950	-	-	123,605,950
31 March 2023				
Sovereign/Supranational Bonds	44,970,068	-	-	44,970,068
Corporate Bonds	70,273,642	-	-	70,273,642
	115,243,710	-	-	115,243,710

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

13 Financial instruments and associated risks (continued)

13.10 Fair values of financial instruments (continued)

International Bond Fund

	Level 1	Level 2	Level 3	Total
31 March 2024				
Sovereign/Supranational Bonds	16,675,247	-	-	16,675,247
Corporate Bonds	36,628,159	-	-	36,628,159
	53,303,406	-	-	53,303,406
31 March 2023				
Sovereign/Supranational Bonds	13,584,697	-	-	13,584,697
Corporate Bonds	26,893,966	-	-	26,893,966
	40,478,663	-	-	40,478,663

Equity Growth Fund

	Level 1	Level 2	Level 3	Total
31 March 2024				
Corporate Bonds	2,595,907	-	-	2,595,907
Equity Investments	10,233,425	-	54,338	10,287,763
Exchange Traded Funds	25,739,556	-	-	25,739,556
Collective Investment Schemes	610,520	-	-	610,520
	39,179,408	-	54,338	39,233,746
31 March 2023				
Corporate Bonds	1,071,329	-	-	1,071,329
Equity Investments	7,667,539	-	58,866	7,726,405
Exchange Traded Funds	18,008,964	-	-	18,008,964
Collective Investment Schemes	507,607	-	-	507,607
	27,223,932	-	58,866	27,314,305

Malta Government Bond Fund

	Level 1	Level 2	Level 3	Total
31 March 2024				
Sovereign/Supranational Bonds	56,128,270	-	-	56,128,270
	56,128,270	-	-	56,128,270
31 March 2023				
Sovereign/Supranational Bonds	60,022,207	-	-	60,022,207
	60,022,207	-	-	60,022,207

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

13 Financial instruments and associated risks (continued)

13.10 Fair values of financial instruments (continued)

Maltese Assets Fund

	Level 1	Level 2	Level 3	Total
31 March 2024				
Sovereign/Supranational Bonds	5,305,427	-	-	5,305,427
Corporate Bonds	8,593,376	-	-	8,593,376
Equity Investments	34,537,353	-	489,982	35,027,335
Exchange Traded Funds	3,762,472	-	-	3,762,472
	<u>52,198,628</u>	<u>-</u>	<u>489,982</u>	<u>52,688,610</u>
31 March 2023				
Sovereign/Supranational Bonds	2,391,830	-	-	2,391,830
Corporate Bonds	9,123,267	-	-	9,123,267
Equity Investments	30,723,545	-	530,814	31,254,359
Exchange Traded Funds	3,223,301	-	-	3,223,301
	<u>45,461,943</u>	<u>-</u>	<u>530,814</u>	<u>45,992,757</u>

Financial assets classified at Level 3

As at 31 March 2024, financial assets at fair value through profit or loss in the Equity Growth Fund and the Maltese Assets Fund Portfolio, with a carrying amount of EUR54,338 (2023: EUR58,866) and EUR489,982 (2023: EUR530,814) respectively, were classified as having Level 3 inputs. Due to lack of observable market inputs, the fair value of the assets was determined by using a high level desktop analysis and is thus subject to the inherent limitations therein. The analysis is based on publicly available information, which in the main relates to the latest audited financial statements and the application of liquidity discount. The high-level, desktop based pricing analysis is based on the concept of fair market value, that is on the basis of what a hypothetical prudent purchaser, who is a willing but not anxious buyer, would be prepared to pay to a seller, who is willing but not anxious to sell, in circumstances where both the buyer and seller have reasonable knowledge of the relevant facts.

The unrealised gains on fair value movements of financial assets classified as level 3 during the year are as follows:

	2024 EUR	2023 EUR
Equity Growth Fund	(4,528)	8,553
Malta Asset Fund	(40,832)	77,127

Of the total gains or losses for the period included in profit or loss, EUR45,360 (2023: EUR85,680) are attributable to level 3 securities held at the end of the reporting period. Fair value gains or losses on level 3 securities are included in Statement of Comprehensive Income.

HSBC Malta Funds SICAV p.l.c.

Notes to the financial statements

For the year ended 31 March 2024

13 Financial instruments and associated risks (continued)

13.11 Capital Risk Management

The capital of the Sub-Funds is represented by the net assets attributable to unitholders as disclosed in the Statement of Financial Position. The amount of net assets attributable to unitholders can change significantly on a daily basis as the Sub-Funds are subject to subscriptions and redemptions at the discretion of the unitholders. The Sub-Funds' objective when managing capital is to safeguard the Sub-Funds' ability to continue as a going concern in order to provide returns for unitholders and benefits for other stakeholders and to maintain a strong capital base to support the development of the investment activities of the Sub-Funds.

14 Events subsequent to the reporting date

There were no material significant events affecting the Company subsequent to the reporting period.

15 Comparative Financial Information

Comparative figures disclosed in the main components of these financial statements have been reclassified to conform with the current year's presentation for the purpose of fairer presentation.

HSBC Malta Funds SICAV p.l.c.

General Information (Unaudited)

1 Authorisation

HSBC Malta Funds SICAV p.l.c. is an open-ended collective investment scheme organised as a multi-fund public limited liability company with variable share capital. The Company was registered on 24 January 1997 under the Companies Act, Chapter 386 of the Laws of Malta and is licensed and regulated by the Malta Financial Services Authority as a collective investment scheme in terms of the Investment Services Act, Chapter 370 of the Laws of Malta. The Company qualifies as a ‘Maltese UCITS’ in terms of the Investment Services Act (Marketing of UCITS) Regulations.

The class of shares constituting the Malta Bond Fund, the Malta Government Bond Fund and the Maltese Assets Fund are listed on the Malta Stock Exchange.

2 Management fees and other expenses

(a) Management fees

The Manager charged a management fee of 0.785% per annum from the Malta Bond Fund and the Malta Government Bond Fund, 0.570% per annum from the International Bond Fund, 1.000% per annum from the Equity Growth Fund, and 1.060% per annum from the Maltese Assets Fund, based on the Net Asset Value of each respective Fund on each Dealing Day, payable monthly in arrears.

Annual management fees charged for the underlying investment funds

The maximum proportion of management fees charged to the Fund is disclosed in note 8.1.

The requirements of article 55(3) of the UCITS Directive, requires the disclosure of the management fees charged to the other schemes that the Fund invests in. However, the underlying Exchange-Traded Funds (“ETFs”) of the Equity Growth Fund, do not disclose the management fee separately, but is instead included as part of their total expense ratio (“TER”). The TER is a measure of the total cost of a fund to the investor, thus it includes other charges in addition to the management fee. It is calculated by dividing the total cost of the fund by the total assets of the fund and is denoted as a percentage.

The Equity Growth Fund did not invest in any fund which had a management fee and also in a number of ETFs with a corresponding TER as per below.

Management fee

Below is the management fee of the underlying collective investment scheme:

Name	Management Fee
HSBC GIF-EUROLAND EQ-ZC	0.00%

HSBC Malta Funds SICAV p.l.c.

General Information (Unaudited)

2 Management fees and other expenses (continued)

(a) Management fees (continued)

TER

Below is the TER of the underlying Exchange-Traded Funds:

Name	Total Expense Ratio
AMUNDI IBEX 35 UCITS ETF	0.30%
HSBC APAC EX JAPAN SUS EQ	0.25%
HSBC MSCI CANADA UCITS ETF	0.35%
HSBC MSCI CHINA UCITS ETF	0.28%
HSBC MSCI EMERGING MARKETS U	0.15%
HSBC MSCI EUROPE UCITS ETF	0.10%
HSBC MSCI WLD V ESG USD ACC	0.25%
HSBC S&P 500 UCITS ETF	0.09%
ISHARES CORE FTSE 100	0.07%
ISHARES CORE MSCI JAPAN	0.12%
ISHARES DOW JONES INDUS AVR	0.33%
ISHARES EDGE MSCI USA QLY	0.20%
ISHARES EUR 600 TELECOMS DE	0.46%
ISHARES MSCI AUSTRALIA	0.50%
ISHARES MSCI BRAZIL UCITS DE	0.28%
ISHARES NASDAQ 100 USD ACC	0.33%
ISHARES S&P 500 ENERGY	0.15%
ISHARES S&P 500 FINANCIALS	0.15%
ISHARES S&P 500 IT SECTOR	0.15%
ISHARES S&P CONSUMER DSCRTN	0.15%
ISHARES S&P HEALTH CARE	0.15%
ISHARES S&P500 COMMUNICATION	0.15%
ISHARES STOXXE600 DE EUR DIS	0.20%
SPDR EMERGING MARKETS	0.18%

(b) Administration fees

The Administrator Fees (charged by HSBC Securities Services (Ireland) DAC) are as follows:

The fee for providing Administration Services is set at a maximum rate of 0.06% of Net Assets* per annum.

Fees for the provision of Transfer Agency services are charged in accordance with the following schedule:

HSBC Malta Funds SICAV p.l.c.

General Information (Unaudited)

2 Management fees and other expenses (continued)

(b) Administration fees (continued)

Measurement	Charge
Per Share Class	€1,200 per annum
Per Account opening	€150 per new investor
Per Investor account maintenance	€100 per annum
Per Investor Transaction (depending on the type of transaction processed by the Registrar and Transfer Agent)	€12 to €20 per transaction

(c) Registrar fees

No charges are levied by the Administrator for acting as Registrar to the Company.

(d) Secretarial fees

Ganado Services Limited charges a fee of EUR2,000 (excluding VAT) per annum for 16 hours of work for acting as Company Secretary to the Company. Additional hours are charged on a time spent basis.

(e) Depositary fees

In terms of the Depositary Agreement between the Company, the Manager and the Depositary, the Depositary receives a depositary services fee. The fee for depositary services is of 0.035% per annum of net assets* depending on the amount of net assets.

The above depositary services fees are subject to a minimum fee of EUR5,000 per month in respect of each Sub-Fund, excluding out-of-pocket expenses;

*Net Assets refer to the aggregate Net Asset Value of all the Company's Sub-Funds managed by HSBC Global Asset Management (Malta) Limited. The aggregate fees shall be allocated pro-rata between all Sub-Funds being the proportion that such Sub-Fund's net asset value bears to the aggregate net asset value of all Sub-Funds for the relevant Dealing Day).

In terms of the Depositary Agreement between the Company, the Manager and the Depositary, the Company has agreed to pay all fees and expenses paid or reimbursed by the Depositary to any Sub-Custodian.

At the request of the Company and the Management Company, the Depositary has appointed HSBC Continental Europe as sub-custodian, pursuant to a custody agreement between HSBC Continental Europe and the Depositary.

(f) Fees charged by the Service Provider

The Service Provider charges the following investment account fees: 0.125% per annum on the value of shares held in the Investment Account of each unitholder, with a minimum of EUR11.65 for Malta Bond Fund and EUR23.29 for Malta Government Bond Fund, Maltese Assets Fund and International Bond Fund and a maximum of EUR116.47 per annum in respect of each Investment Account. For Equity Growth Fund, an investment account fee of 0.125% per annum is charged to the Fund on the Net Asset Value.

HSBC Malta Funds SICAV p.l.c.

General Information (Unaudited)

2 Management fees and other expenses (continued)

(g) Dividend Administration fee

The Service Provider charges €4.66 per investor eligible to receive the dividend on every dividend distribution. This fee is directly chargeable to that part of the relevant Fund's income attributable to the class of shares in respect of which the dividend has been paid. The fee is not chargeable if a dividend is not declared.

(h) Transaction fee

In the normal course and in relation to the Malta Government Bond Fund and the Maltese Assets Fund, the Service Provider charges €23.29 on all repurchase transactions (including an exchange of shares from one Fund to another) in excess of 3 per calendar year. The Service Provider reserves the right, at its discretion and on giving notice to a particular Investor, to increase the charge up to no more than €1,164.69 per transaction on any further transaction effected by the Investor in the same calendar year.

(i) Fee for exchange of shares within the same fund

In the case of investors who had opted for a Sterling Currency of Expression, the Service Provider charges a fee of €11.65 or GBP 9 per Investor on any exchange of shares between an accumulating and income distributing class within the same Fund.

(j) Other fees

The Company engaged Deloitte Advisory and Technology Limited to prepare its annual and interim financial statements. The Company pays Deloitte Advisory and Technology Limited the following fees relating to the preparation of financial statements (annual and interim):

- For the interim financial statements for the period ended 30 September 2023: EUR8,300
- For the financial statements for the year ended 31 March 2024: EUR10,200
- For the annual financial return for the year ended 31 March 2024: EUR1,620

The Funds are subject to reasonable expenses incurred by Deloitte Advisory and Technology Limited in the course of their duties.

(k) General

All fees may be increased with the agreement of the Company, and the members shall be notified accordingly. Further details on any aspect of the above or further details on other specific charges applicable to any of the Funds will be made available to you upon request and in accordance with applicable regulations.

(l) Management Agreement

HSBC Global Asset Management (Malta) Limited was originally appointed by the Company to provide investment management services and administrative services to the Company and its Funds by virtue of an agreement dated 31 January 1997. This agreement was amended and restated by an agreement dated 2 May 2002 (the 'Management Agreement').

The agreement between the Company and HSBC Global Asset Management (Malta) Limited dated 2 May 2002 was amended and restated with a new agreement dated 4 January 2021, following the Company's conversion into a UCITS retail collective investment scheme.

HSBC Malta Funds SICAV p.l.c.

General Information (Unaudited)

2 Management fees and other expenses (continued)

(l) Management Agreement (continued)

A copy of the Management Agreement is available for inspection at the registered office of the Company and the registered office of the Manager.

(m) Administration Agreement

The Company and the Manager appointed HSBC Securities Services (Ireland) DAC as Administrator from 28 September 2018. The Company and the Manager have agreed to the delegation of certain administration functions of the Company and the Funds including acting as Registrar, to HSBC Securities Services (Ireland) DAC.

The Agreement entered into between the Manager, the Company and HSBC Securities Services (Ireland) DAC, was amended and restated with a new agreement dated 4 January 2021, following the Company's conversion into a UCITS retail collective investment scheme.

A copy of the Administration Agreement is available for inspection at the registered office of the Company and the registered office of the Administrator.

(n) Service Provider Agreement

An agreement dated 31 July 2013 was entered into between the Company, the Manager and HSBC Bank Malta p.l.c. In terms of this agreement HSBC Bank Malta p.l.c. was appointed as a Service Provider in respect of the maintenance of the Investment Account System through which all persons purchase and hold units in the Company. This agreement was terminated on 20 July 2014.

A new agreement dated 21 July 2014 was entered into between the Company and HSBC Bank Malta p.l.c. In terms of this agreement HSBC Bank Malta p.l.c. was appointed as a Service Provider in respect of the maintenance of the Investment Account System through which all persons purchase and hold units in the Company.

A copy of the Service Provider Agreement is available for inspection at the registered office of the Company and that of the Service Provider.

(o) Depositary Agreement

On 2 December 2016, the Company and the Manager entered into an agreement with Sparkasse Bank Malta p.l.c., under the terms of which the latter was, with effect from 5 December 2016, appointed as the depositary of the Company and its Sub-Funds in accordance with the requirements of the AIFMD. This Agreement was amended and restated with a new agreement dated 4 December 2020 in view of the Company's conversion into a UCITS retail collective investment scheme.

A copy of the Depositary Agreement is available for inspection at the registered office of the Company.

3 Risk warning

Past performance is not necessarily a guide to future performance. The value of investments and the currency in which these are denominated may fluctuate over time and investors may not always get back their initial investment. Get back their initial investment in collective investment schemes should be regarded as a medium to long term investment.

HSBC Malta Funds SICAV p.l.c.

General Information (Unaudited)

3 Risk warning (continued)

This Annual Report does not constitute an offer of units in the Funds. The opinions expressed are given in good faith and should not be construed as investment and/or tax advice.

4 Prospectus

The Prospectus dated 21 December 2021 reflected the appointment of main distributor and EU criteria for environmentally sustainable economic activities.

This Prospectus was replaced by Prospectus issued on 23 December 2022 with updates relating to 'Consideration of Adverse Impacts' mainly by addressing that the Sub-Funds do not promote environmental or social characteristics and do not have sustainable investment as their objective and are thus classified as Article 6 Funds- and do not have any explicit ESG strategy or objectives.

Furthermore, the latest Prospectus removed references on the initial fees of 2% and 3% on both International Bond Fund and Equity Growth Fund, respectively.

Copies of the latest Prospectus are available free of charge from the Manager and all HSBC Bank Malta p.l.c. branches. Persons wishing to invest in the Funds should do so on the basis of the full information contained in the Prospectus. A copy of the Annual Report and Financial Statements can be obtained by calling 2380 2380 or by logging on <https://www.assetmanagement.hsbc.com.mt/en/individual-investor/funds>.

5 Remuneration Policy Disclosure Requirements

HSBC Global Asset Management (Malta) Limited's remuneration policy on fixed pay (base salary and fixed allowances) is determined by HSBC Bank Malta p.l.c.'s Collective Agreement Salary bank increases (split by rating and grade). The variable pay (discretionary performance bonus) is established via a structured process as part of the performance management system and depends on individual contribution together with Bank/Company performance. The bonus pot and policy is agreed by the Bank's local and Group Remuneration Committee (REMCO) and approved by HSBC Bank Malta p.l.c.'s Board of Directors.

Pay and performance are directly linked to the individual's achievement against set objectives which are both financial and behavioural in nature. Objectives are agreed by the employee and Management beforehand.

During 2023, HSBC Global Asset Management (Malta) Limited had an average staff complement of 11 employees. One of these employees occupies an Executive and Senior Management position as per HSBC Group definition of Senior Management. In 2023, the total fixed remuneration, including wages, salaries, allowances and share based payments, amounted to EUR 85,116 (2022: EUR 80,679). Variable remuneration, based on performance, was paid in cash. The total Directors' emoluments incurred by the Investment Manager during the year were EUR 101,388 (2022: EUR 92,679).

HSBC Malta Funds SICAV p.l.c.

General Information (Unaudited)

5 Remuneration Policy Disclosure Requirements (continued)

There are a number of non-cash benefits provided to all HSBC Bank Malta p.l.c. employees which also apply to HSBC Global Asset Management (Malta) Limited employees such as subsidised Bank products, fee free products, nursing services, subsidised medical health insurance, periodical medical check-ups and death in service benefit.

There were no outstanding amounts of deferred remuneration and none was awarded in 2023.

There were no new sign-on and severance payments made in 2023 and none were awarded during the year.

The Investment Manager's income is dependent upon funds under management, and therefore the profit available for distribution under the Policy is dependent upon the performance of the funds.

The remuneration disclosed above relates to the year ended 31 December 2023.

6 Other UCITS Requirements

- i. The underlying exposure obtained through financial derivative instruments:
The Funds did not hold financial derivative instruments as at 31 March 2024.
- ii. The identity of the counterparties to these financial derivative transactions:
The Funds did not hold financial derivative instruments as at 31 March 2024.
- iii. The type and amount of collateral received by the UCITS to reduce counterparty exposure:
No collateral is required, as there are no open derivative positions as at 31 March 2024.
- iv. The exposure obtained through efficient portfolio management techniques:
As at 31 March 2024 there was no exposure, since there were no open positions.
- v. The identity of the counterparties to these efficient portfolio management techniques:
The Funds did not hold financial derivative instruments as at 31 March 2024.
- vi. The revenues arising from efficient portfolio management techniques for the entire reporting period together with the direct and indirect operation costs and fees incurred:
The Funds did not hold any currency forwards used for hedging as at 31 March 2024.

7 Further Information

You can obtain further information on the HSBC Malta Funds SICAV p.l.c. by contacting any HSBC Bank Malta p.l.c. branch and seeking the assistance of qualified staff who are authorised to give investment advice on the Funds.

Alternatively, call customer service on 2380 2380.