

AQA UCITS Funds SICAV p.l.c.

**Report
and
Financial Statements**

**For the period from 20 April 2015
(incorporation date) to 31 December 2015**

AQA UCITS Funds SICAV p.l.c.

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AQA UCITS Funds SICAV p.l.c.

Directors, officer and other information

Directors:	Raffaele Rossetti Alexander Vella Nicholas Calamatta
Secretary:	Calamatta Cuschieri Fund Services Limited
Registered office:	Third Floor, Valletta Buildings, South Street, Valletta VLT 1000, Malta.
Country of incorporation:	Malta
Company registration number:	SV 359
Administrator and transfer agent:	Calamatta Cuschieri Fund Services Limited Third Floor, Valletta Buildings, South Street, Valletta VLT1000, Malta.
Investment manager:	AQA Capital Limited 171, Old Bakery Street, Valletta VLT1455, Malta.
Custodian and banker:	Bank of Valletta p.l.c 58, Zachary Street, Valletta VLT1130, Malta.
Global Custodian:	RBC Investor Services Trust, London Branch Riverbank House – 2 Swan Lane, London, UK EC4R 3AF, United Kingdom.
Legal advisers:	GANADO Advocates 171, Old Bakery Street, Valletta VLT1455, Malta.
Auditor:	Deloitte Audit Limited Deloitte Place, Mriehel Bypass, Mriehel BKR3000, Malta.

AQA UCITS Funds SICAV p.l.c.

Report of the investment manager

Period ended 31 December 2015

Market Commentary – April 2015 to December 2015

Policy normalisation in the US, emerging market weakness and monetary accommodation in developed economies led financial developments in 2015. Growing vulnerabilities in emerging markets, predominantly China, dented investor confidence propelling a plunge in equity markets. In August the Chinese authorities' allowed the renminbi to depreciate against the dollar increasing the concerns on the growth of the global economy. As a result, a number of currencies came under further pressure, particularly in Asia. Amid extreme volatility, commodity prices, led by oil, have continued their downward trend. Falling demand in emerging markets, together with strong excess supply, helped to undermine oil prices.

Markets stabilised in the last quarter of 2015 where the volatility in Chinese equity and currency markets faded. Sentiment improved across the globe after policy interventions in emerging markets and on the expectations of continuing monetary accommodation in advanced economies.

Global stocks registered a flat return as investor enthusiasm for the US recovery was offset by concerns over a Chinese slowdown. In Europe and Japan, the ECB and the BOJ continued to support markets through aggressive accommodative stimulus, whilst the FED stepped back from further accommodative policies. Indeed, in December the FED raised rates for the first time since 2006 following strong October and November non-farm payrolls and a fall in unemployment rate.

The equity market was led higher by a recovery in the large cap companies, which sold off heavily during the sharp market correction of the third quarter when worries about emerging markets growth and China had dominated sentiment. This ensured that US stocks registered flat performance, ending where they started, bar the Nasdaq composite index which advanced 7%. Energy and metals registered negative returns, while other sectors like health care and information technology were mostly buoyed by mergers and acquisitions.

In Europe, stocks rise supported by a declining euro and aggressive stimulus by the ECB. The low levels of euro versus US dollar have fuelled the increase in European exports and propelling an increase in consumer-related stocks. Japan equities were the best-returning stock markets boosted by its large scale quantitative easing program, shareholder-friendly corporate actions, and a persistently weak yen. Emerging markets equities trailed developed-market stocks for a third straight year led by weak commodity prices, a slowing global economy and rising US interest rates.

Given the outlook for tighter monetary conditions, interest rates rose across the yield curve during the last quarter of 2015, suppressing fixed-income returns and pushing returns for longer-maturity bonds into negative return territory for the period. Yields were only marginally higher, though, as interest rate pressures were tempered by an increased appetite for safe-haven assets. In corporate segments, high yield registered losses, particularly those heavy exposed to the commodities sector.

AQA UCITS Funds SICAV p.l.c.

Report of the directors

For the period ending 31 December 2015

The Directors present their first Annual Report, together with the audited financial statements of AQA UCITS Funds SICAV p.l.c. (the "Company") for the period between 20 April 2015 and 31 December 2015. The Company constituted two sub-funds AQA Inter-Active Allocation Fund and AQA High Yield Bond Fund (the "Sub-Funds").

Principal activities

The Company is an open-ended collective investment scheme organised as a multi-fund public limited liability company with variable share capital (SICAV) registered under the laws of Malta pursuant to the Companies Act (Cap 386). The company qualifies as a 'Maltese UCITS' in terms of the Investment Services Act Cap 370. The investment objective of the AQA High Yield Bond Fund is to achieve long-term capital growth for investors through investment, primarily, in a diversified portfolio of listed corporate and government bonds. The AQA Inter-Active Allocation Fund's investment objective is to achieve medium to long-term capital growth by investing primarily in a diversified portfolio of listed securities including corporate and government bonds, equities and units of other eligible UCITS and non UCITS collective investment schemes.

Business review

At 31 December 2015, the net asset value of the Company stood at EUR19,635,025. Net subscriptions for the period for AQA Inter-Active Allocation Fund and AQA High Yield Fund amounted to EUR7,261,099 and EUR13,144,361 respectively.

A review of the business of the Company during the current period and an indication of likely future developments are given in the Investment Manager's Report on pages 2.

Results and distribution

The results for the period ended 31 December 2015 are shown on the statement of profit or loss and other comprehensive income on page 7. The decrease in net assets attributable to holders of redeemable shares amounted to EUR770,435.

Directors'

The Directors who served in office during the period were:

Raffaele Rossetti
Alexander Vella
Nicholas Calamatta

In accordance with article 19.5 of the Company's Articles of Association, all the Directors are due to retire at the Company's forthcoming Annual General Meeting and being eligible, intend offering themselves for re-election.

Auditor

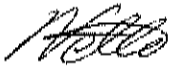
A resolution to reappoint Deloitte Audit Limited as auditor of the Company will be proposed at the forthcoming Annual General Meeting.

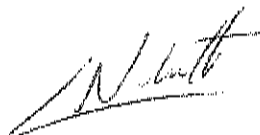
Standard licence conditions and regulatory sanctions

During the period under review there were no breaches of standard conditions which were subject to regulatory sanctions. The custodian report is included in page 31.

Approved by the board of directors on 14 April 2016 and signed on its behalf by:


Raffaele Rossetti
Director


Alexander Vella
Director


Nicholas Calamatta
Director

AQA UCITS Funds SICAV p.l.c.

Statement of directors' responsibilities

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

The directors are required by the Companies Act (Cap. 386) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU which give a true and fair view of the state of affairs of the company at the end of each financial year and of the profit or loss for the year then ended. In preparing the financial statements, the directors should:

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

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the company and which enable the directors to ensure that the financial statements comply with the Companies Act (Cap. 386). This responsibility includes designing, implementing and maintaining such internal controls 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. The directors are also responsible for safeguarding the assets of the company, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

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

AQA UCITS Funds SICAV p.l.c.

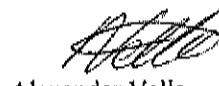
Statement of financial position

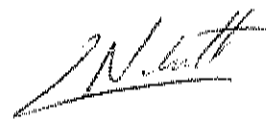
As at 31 December 2015

					31 December 2015			
					Combined	AQA Inter-Active Allocation Fund	AQA High Yield Bond Fund	
					EUR	EUR	EUR	
					Notes			
Assets								
Financial assets at fair value through profit or loss		8	16,633,417		6,082,704	10,550,713		
Prepayments and accrued income			310,602		73,278	237,324		
Cash and cash equivalents		7	2,862,146		1,025,380	1,836,766		
Total assets			19,806,165		7,181,362	12,624,803		
Liabilities								
Financial liabilities at fair value through profit or loss		8	(33,173)		(33,173)	-		
Accrued expenses and other payables			(137,967)		(58,218)	(79,749)		
Net assets attributable to holders of redeemable shares			19,635,025		7,089,971	12,545,054		

Approved by the Board on 14 April 2016 and signed by:


Raffaele Rosetti
Director


Alexander Vella
Director


Nicholas Calamatta
Director

The notes on pages 9 to 26 are an integral part of these annual financial statements.

AQA UCITS Funds SICAV p.l.c.

Statement of changes in net assets attributable to holders of redeemable shares For the period ended 31 December 2015

	20 April 2015 to 31 December 2015		
	Combined	AQA Inter-Active Allocation Fund	AQA High Yield Bond Fund
	EUR	EUR	EUR
Net assets attributable to holders of redeemable shares at the beginning of the period			
Amounts received on subscription of redeemable shares	21,095,000	7,410,000	13,685,000
Amounts paid on redemption of redeemable shares	(689,540)	(148,901)	(540,639)
Decrease in net assets attributable to holders of redeemable shares	(770,435)	(171,128)	(599,307)
Net assets attributable to holders of redeemable shares as at the end of the period	19,635,025	7,089,971	12,545,054

The notes on pages 9 to 26 are an integral part of these annual financial statements.

AQA UCITS Funds SICAV p.l.c.

Statement of profit or loss and other comprehensive income

For the period ended 31 December 2015

20 April 2015 to 31 December 2015				
	Notes	Combined EUR	AQA Inter-Active Allocation Fund EUR	AQA High Yield Bond Fund EUR
Income				
Interest income		263,631	22,737	240,894
Net losses on financial assets at fair value through profit and loss		(728,059)	(76,206)	(651,853)
Net investment loss		(464,428)	(53,469)	(410,959)
Expenses				
Management fees	5	(128,435)	(44,274)	(84,161)
Administration fees	5	(22,560)	(9,431)	(13,129)
Custody fees	5	(18,051)	(7,546)	(10,505)
Legal fees		(5,900)	(2,119)	(3,781)
Audit fees		(7,080)	(3,540)	(3,540)
Directors' fees		(19,843)	(7,127)	(12,716)
Transaction costs		(20,492)	(6,211)	(14,281)
Other fees and charges		(80,879)	(35,436)	(45,443)
Total operating expenses		(303,240)	(115,684)	(187,556)
Operating loss		(767,668)	(169,153)	(598,515)
Withholding taxes		(2,767)	(1,975)	(792)
Decrease in net assets attributable to holders of redeemable shares		(770,435)	(171,128)	(599,307)

The notes on pages 9 to 26 are an integral part of these annual financial statements.

AQA UCITS Funds SICAV p.lc.

Statement of cash flows

For the period ended 31 December 2015

20 April 2015 to 31 December 2015			
	Combined	Fund	AQA High Yield Bond Fund
Note	EUR	EUR	EUR
Cash flows used in operating activities			
Operating loss	(767,668)	(169,153)	(598,515)
<i>Adjustments for:</i>			
Net losses on financial assets at fair value through profit or loss	728,059	76,206	651,853
Operating (loss)/profit before working capital movements	(39,609)	(92,947)	53,338
Movement in receivables	(310,602)	(73,278)	(237,324)
Movement in accrued expenses and other payables	137,967	58,218	79,749
Cash flows used in operations	(212,244)	(108,007)	(104,237)
Tax paid	(2,767)	(1,975)	(792)
Net cash flows used in operating activities	(215,011)	(109,982)	(105,029)
Cash flows used in investing activities			
Purchase of financial assets at fair value through profit or loss	(20,430,603)	(6,125,154)	(14,305,449)
Proceeds from sale of financial assets at fair value through profit or loss	3,101,774	-	3,101,774
Net cash flows used in investing activities	(17,328,829)	(6,125,154)	(11,203,675)
Cash flows from financing activities			
Proceeds from creation of units	21,095,000	7,410,000	13,685,000
Outflows from redemption of units	(689,540)	(148,901)	(540,639)
Cash flows from financing activities	20,405,460	7,261,099	13,144,361
Net movements in cash and cash equivalents	2,861,620	1,025,963	1,835,657
Cash and cash equivalents at the beginning of the period	-	-	-
Effect of foreign exchange rate fluctuations on cash held	526	(583)	1,109
Cash and cash equivalents at the end of the period	2,862,146	1,025,380	1,836,766

The notes on pages 9 to 26 are an integral part of these annual financial statements.

AQA UCITS Funds SICAV p.l.c.

Notes to the financial statements

Period ended 31 December 2015

1 Reporting Entity

AQA UCITS Funds SICAV p.l.c. (the “Company”) is an open-ended collective investment scheme organised as a multi-fund public limited liability company with variable share capital (SICAV) incorporated in terms of the Companies Act, 1995 (Cap. 386) on 20 April 2015 with registration number SV 359. The company qualifies as a ‘Maltese UCITS’ in terms of the Investment Services Act (Marketing of UCITS) Regulations, 2011 (S.L. 370.18).

These financial statements comprise the financial statements of the Company which include the following licensed sub-funds at 31 December 2015: AQA Inter-Active Allocation Fund and AQA High Yield Bond Fund.

2 Basis of preparation and significant accounting policies

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 (“the applicable framework”). All references in these financial statements to IAS, IFRS or SIC/IFRIC interpretations refer to those adopted by the EU. These financial statements have also been prepared and presented in accordance with the provisions of the Companies Act, 1995 (Cap. 386).

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except for financial instruments which are stated at their fair values.

2.3 Functional and presentation currency

The financial statements are presented in Euro (EUR), which is the presentation currency of the two sub-funds, rounded to the nearest unit. The Euro is also the functional currency of the AQA Inter-Active Allocation Fund and AQA High Yield Bond Fund.

2.4 Use of estimates and judgements

The preparation of financial statements in conformity with the applicable framework requires the Directors to make judgements, estimates and assumptions that affect both the application of accounting 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 estimates are 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 descriptions as significant and critical in terms of the requirements of IAS 1 (revised).

AQA UCITS Funds SICAV p.l.c.

Notes to the financial statements (continued)

Period ended 31 December 2015

3 Significant accounting policies

The accounting policies set out below have been applied consistently during the period.

3.1 Foreign currency translations

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 at the reporting date are retranslated to the functional currency at the spot exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the period, adjusted for effective interest and payments during the period, and the amortised cost in foreign currency translated at the exchange rate at the end of the period.

3.2 Financial assets and financial liabilities

3.2.1 Recognition

The Company recognises financial assets on the date it commits to purchase the assets, using trade date accounting. From this date any gains and losses arising from changes in fair value of the financial assets are recorded in the period in which they arise.

Where applicable, interest income on financial assets at fair value through profit or loss is disclosed within the line item 'interest income'. Fair value gains or losses are recognised within 'Net losses on financial assets at fair value through profit or loss'.

Financial liabilities are recognised when the entity becomes party to the contractual provisions of the instrument.

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

3.2.2 Classification

The company classifies financial assets and financial liabilities at fair value through profit or loss in accordance with *IAS 39: "Financial Instruments: Recognition and Measurement"*. The Company's financial assets and financial liabilities at fair value through profit or loss includes held for trading derivative financial instruments.

A financial asset or financial liability is classified as held for trading if it is acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking.

Derivative financial assets and derivative financial liabilities are classified as held for trading unless they are designated as effective hedging instruments. During the period under review, the Company did not designate any of its derivative financial instruments in a hedging relationship for accounting purposes.

AQA UCITS Funds SICAV p.l.c.

Notes to the financial statements (continued)

Period ended 31 December 2015

3 Significant accounting policies (continued)

3.2 Financial assets and financial liabilities (continued)

3.2.3 Measurement

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

Subsequent to initial recognition, all instruments classified at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the statement of comprehensive income.

3.2.4 Fair value measurement principles

The fair value of quoted financial instruments is based on their quoted market prices at the reporting date without any deduction for estimated future selling costs and adjusted for any tax effect on the maturity of such instruments. Financial assets and financial liabilities are priced at current mid-market or the last traded price where this falls within the bid-ask yield.

3.2.5 Identification and measurement of impairment

The carrying amount of financial assets other than those at fair value through profit or loss are reviewed at each reporting date to determine whether there is any indication or objective evidence of impairment. If any such indication or objective evidence exists, the recoverable amount of the asset is estimated.

Objective evidence that financial assets are impaired can include significant financial difficulty of the issuer (or counterparty), a breach of contract, indications that the borrower will enter bankruptcy or other financial reorganisation, the disappearance of an active market for that financial asset because of financial difficulties and observable data indicating that there is a measurable decrease in the estimated future cash flows since the initial recognition of those assets. If any such indication exists, an impairment loss is recognised in the statement of comprehensive income as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rates.

If, in a subsequent year, the amount of an impairment loss recognised on a financial asset other than a financial asset at fair value through profit and loss decreases and the reduction in value can be linked objectively to an event occurring after the write-down, this is reversed through the statement of comprehensive income. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years.

3.2.6 Derecognition

The Company derecognises a financial asset when the contractual rights to the cash flows 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. On derecognition of a financial asset, the difference between the carrying amount of the asset (and 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 the statement of comprehensive income.

AQA UCITS Funds SICAV p.l.c.

Notes to the financial statements (continued)

Period ended 31 December 2015

3 Significant accounting policies (continued)

3.2 Financial assets and financial liabilities (continued)

3.2.6 Derecognition

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 are not derecognised. Transfers of assets with retention of all or substantially all risks and rewards would include, for example, securities lending and repurchase transactions. The Company derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

3.3 Payables

Payables are stated at their nominal value unless the effect of discounting is material, in which case trade payables are measured at amortised cost using the effective interest method.

3.4 Redeemable shares

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

The redeemable shares provide investors with the right to require redemption for cash at a value proportionate to the investor's share in the sub-funds' net assets at the redemption date and also in the event of the sub-funds' liquidation.

The redeemable shares are classified as financial liabilities and are measured at the present value of the redemption amounts.

3.5 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.

The liability to participating shareholder is presented in the statement of financial position as "Net assets attributable to holders of redeemable shares" and is determined based on the residual assets of the Company after deducting all other liabilities.

3.6 Interest income

Interest income is recognised in the statement of comprehensive income as it accrues using the effective interest method and, where applicable, gross of withholding tax.

3.7 Net losses from financial instruments at fair value through profit and loss

Net gain/loss from financial instruments at fair value through profit or loss includes all realised and unrealised fair value changes and foreign exchange differences but excludes interest and dividend income. Net realised gain from financial instruments at fair value through profit or loss is calculated using the average cost method.

AQA UCITS Funds SICAV p.l.c.

Notes to the financial statements (continued)

Period ended 31 December 2015

3 Significant accounting policies (continued)

3.8 Expenses

All expenses, including management fees, administration fees and custodian fees, are recognised in the statement of comprehensive income on an accrual basis and are accordingly expensed as incurred. Formation expenses are recognised as an expense when incurred.

Transaction costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs, when incurred, are immediately recognised in profit or loss and other comprehensive income as an expense.

3.9 Taxation

Under the current system of taxation in Malta the Company is exempt from paying taxes on income, profits or capital gains. Dividend and interest income received by the Company may be subject to withholding tax imposed in the country of origin.

3.10 International Financial Reporting Standards in issue but not yet effective

At the date of authorisation of these financial statements the following standards, revisions and interpretations were in issue but not yet effective:

IFRS 9 – Financial instruments the final version of IFRS 9 brings together the classification and measurement, impairment and hedge accounting phases of the IASB's project to replace IAS 39 'Financial Instruments: Recognition and Measurement'. The Standard supersedes all previous versions of IFRS 9.

IFRS 9 introduces a logical approach for the classification of financial assets, which is driven by cash flow characteristics and the business model in which an asset is held. This single, principle-based approach replaces existing rule based requirements that are generally considered to be overly complex and difficult to apply.

The new model also results in a single, forward-looking 'expected loss' impairment model that will require more timely recognition of expected credit losses. IFRS 9 introduces a substantially-reformed model for hedge accounting, with enhanced disclosures about risk management activity. The new model represents a significant overhaul of hedge accounting that aligns the accounting treatment with risk management activities, enabling entities to better reflect these activities in their financial statements.

IFRS 9 also removes the volatility in profit or loss that was caused by changes in the credit risk of liabilities elected to be measured at fair value. This change in accounting means that gains caused by the deterioration of an entity's own credit risk on such liabilities are no longer recognised in profit or loss. This standard is applicable for annual periods beginning on or after 1 January 2018 and is not yet endorsed.

The directors anticipate that the adoption of 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.

AQA UCITS Funds SICAV p.l.c.

Notes to the financial statements (continued)

Period ended 31 December 2015

4 Share capital

The Company's capital is represented by the redeemable shares outstanding. The number of shares at the end of the period is analysed below:

	AQA Inter-Active Allocation Fund No. of shares	AQA High Yield Bond Fund No. of shares
Units in issue at the beginning of the period	-	-
Subscription of units during the period		
Class A - EUR	74,119	125,115
Class B - EUR	-	12,362
Redemption of units during the period		
Class A - EUR	(1,500)	(5,516)
Class B - EUR	-	-
Units in issue at the end of the period	72,619	131,961

The authorised share capital of the Company amounting to 10,000,001,000 shares has not been assigned any nominal value. The paid-up share capital of the Company shall at all times be equal to the net asset value of the sub-funds. The Company was incorporated by the issue of 1,000 founder shares with no nominal value. The effect of the proceeds from the issue of the founder shares is reflected in the combined amounts in these annual financial statements.

5 Management fees and other expenses

(a) Performance fees

The Investment Manager receives a performance fee of 5% on the appreciation in the Net Asset Value of the Sub-Fund over the previous High Watermark ("HWM"), as defined in offering supplement, multiplied by the number of Investor Shares in issue for each class of investor share.

For the period ended 31 December 2015 performance fees for each Sub-Fund amounted to EURnil.

(b) Management fees

The Investment Manager receives a fee of 1.5% per annum of the net asset value of the sub-fund in respect of Class A and 0.8% per annum of the net asset value of the sub-fund in respect of Class B as well as reimbursement of out-of-pocket expenses.

For the period ended 31 December 2015 investment manager fees for Inter-Active Allocation Fund amounted to EUR44,274, of which EUR27,504 was due as at December 2015.

For the period ended 31 December 2015 investment manager fees for AQA High Yield Bond Fund amounted to EUR84,161, of which EUR39,394 was due as at December 2015.

(c) Custodian's fees

The Custodian receives a fee of 0.05% of the net asset value of the sub-fund as per the Custodian Agreement. The Custody fee is subject to a minimum fee of EUR20,000 per annum reduced to EUR18,000 for the first year from the commencement date.

For the period ended 31 December 2015 custodian fees for Inter-Active Allocation Fund amounted to EUR7,546 of which EUR7,546 was due as at December 2015.

For the period ended 31 December 2015 custodian fees for AQA High Yield Bond Fund amounted to EUR10,505 of which EUR10,505 was due as at December 2015.

AQA UCITS Funds SICAV p.l.c.

Notes to the financial statements (continued)

Period ended 31 December 2015

5 Management fees and other expenses (continued)

(d) Administration fees

The Administrator receives a fee of 0.08% of the net asset value of the sub-fund subject to a minimum fee of EUR22,500 per annum. The Administrator is also entitled to receive agreed upon fixed fees for the preparation of unaudited financial statements for the sub-fund, investor transactions and maintenance of investor accounts. The Administrator is also entitled to recover out-of-pocket expenses.

For the period ended 31 December 2015 administration fees for Inter-Active Allocation Fund amounted to EUR9,431 of which EUR5,671 was due as at December 2015.

For the period ended 31 December 2015 administration fees for AQA High Yield Bond Fund amounted to EUR 13,129 of which EUR5,671 was due as at December 2015.

6 Taxation

The Company

In terms of current Maltese fiscal legislation, collective investment schemes are classified as either 'prescribed' or 'non-prescribed' funds.

A collective investment scheme which declares that the value of its assets situated in Malta allocated thereto for the purpose of its operations does not exceed eighty five per cent of the value of its total assets is treated as a non-prescribed fund.

On this basis, the AQA Inter-Active Allocation Fund and the AQA High Yield Bond Fund qualify as non-prescribed funds for Maltese income tax purposes.

Accordingly, the sub-funds within the Company are exempt from Maltese income tax except in respect of any income from immovable property situated in Malta.

Capital gains, dividends, interest and any other income from foreign investments held by the sub-funds within the Company may nonetheless be subject to tax imposed by the country of origin concerned and any such taxes are not recoverable by the sub-funds within Company or by the members.

Members not resident in Malta

Capital gains accruing to members not resident in Malta upon a redemption or transfer of shares or upon a distribution on a winding-up of the Company are not subject to tax in Malta.

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

Withholding tax expense

Certain interest income received by the Company is subject to withholding tax imposed in the country of origin.

AQA UCITS Funds SICAV p.l.c.

Notes to the financial statements (continued)

Period ended 31 December 2015

7 Cash and cash equivalents

	Combined	AQA Inter-Active Allocation Fund	AQA High Yield Bond Fund
	EUR	EUR	EUR
31 December 2015			
Cash at bank and on hand	2,862,146	1,025,380	1,836,766

8 Financial assets and financial liabilities at fair value through profit or loss

8.1 Summary of the composition of the portfolio of investments

	Combined	AQA Inter-Active Allocation Fund	AQA High Yield Bond Fund
	EUR	EUR	EUR
31 December 2015			
<i>Financial assets designated as at fair value through profit or loss</i>			
Debt instruments	16,593,416	6,042,703	10,550,713
Derivatives	40,001	40,001	-
	<u>16,633,417</u>	<u>6,082,704</u>	<u>10,550,713</u>
31 December 2015			
<i>Financial liabilities designated as at fair value through profit or loss</i>			
Derivatives	(33,173)	(33,173)	-
	<u>(33,173)</u>	<u>(33,173)</u>	<u>-</u>

AQA Inter-Active Allocation Fund

The table below sets the composition of the portfolio of the Fund as at 31 December 2015:

	Total EUR	Percentage of portfolio %	Percentage of net assets %
31 December 2015			
Debt instruments traded on a regulated market			
Corporate bonds	4,066,218	82.74	70.99
Sovereign bonds	1,976,485	16.60	14.24
	<u>6,042,703</u>	<u>99.34</u>	<u>85.23</u>
Derivatives			
Options	40,001	0.66	0.56
	<u>6,082,704</u>	<u>100.00</u>	<u>85.79</u>

AQA UCITS Funds SICAV p.l.c.

Notes to the financial statements (continued)

Period ended 31 December 2015

8 Financial assets and financial liabilities at fair value through profit or loss (continued)

8.1 Summary of the composition of the portfolio of investments (continued)

	EUR	% of total liabilities	% of net assets
Financial liabilities at fair value through profit or loss			
Derivatives			
Options	(28,489)	(31.17)	(0.40)
Futures	(4,684)	(5.13)	(0.07)
	<u>(33,173)</u>	<u>(36.30)</u>	<u>(0.47)</u>

Issuers of the above debt instruments are categorised as follows:

31 December 2015	Total EUR	Percentage of portfolio %	Percentage of net assets %
Eurozone	5,145,075	84.58	72.57
EU non-Eurozone	246,970	4.06	3.48
United States	409,132	6.73	5.77
Other	241,526	3.97	3.41
	<u>6,042,703</u>	<u>99.34</u>	<u>85.23</u>

	EUR	2015 Percentage of total liabilities %	Percentage of net assets %
Financial liabilities at fair value through profit or loss			
Held for trading			
Fair value of open option contracts	(28,489)	(31.18)	(0.40)
Fair value of open futures contracts	(4,683)	(5.12)	(0.06)
	<u>(33,172)</u>	<u>(36.30)</u>	<u>(0.47)</u>

Investment in open future contracts

	2015 EUR
Financial assets at fair value through profit or loss	
Held for trading	
Notional amount	865,640

Investment in open options

	2015 EUR
Financial assets at fair value through profit or loss	
Held for trading	
Notional amount	70,473

None of the financial assets at fair value through profit or loss as at 31 December 2015 were pledged.

AQA UCITS Funds SICAV p.l.c.

Notes to the annual financial statements (continued)

Year ended 31 December 2015

8 Financial assets at fair value through profit or loss (continued)

AQA High Yield Bond Fund

The table below sets the composition of the portfolio of the Fund as at 31 December 2015:

	Total	Percentage of portfolio	Percentage of net assets
31 December 2015	EUR	%	%
Debt instruments traded on a regulated market			
Corporate bonds	10,444,588	98.99	83.25
Sovereign bonds	106,125	1.01	0.85
	<u>10,550,713</u>	<u>100.00</u>	<u>84.10</u>

Issuers of the above financial assets are categorised as follows:

	Total	Percentage of portfolio	Percentage of net assets
31 December 2015	EUR	%	%
Eurozone	8,222,012	77.93	65.54
EU non-Eurozone	710,330	6.73	5.66
United States	1,069,846	10.14	8.53
Other	548,525	5.20	4.36
	<u>10,550,713</u>	<u>100.00</u>	<u>84.10</u>

None of the financial assets at fair value through profit or loss as at 31 December 2015 were pledged.

9 Transactions with related parties

(a) Directors

During the reporting period, Directors' fees amounted to EUR19,843 as disclosed separately on statement of comprehensive income. Directors are entitled to a maximum of EUR60,000 per annum. There were no other payments to key management personnel as defined in IAS 24 *Related Party Disclosures*.

(b) Founder shares

999 Founder Shares are held by AQA Capital Holding Limited, and 1 Founder share is held by AQA Capital Limited.

(c) Fees

Management performance and compensation fees for the year are disclosed in note 5.

10 Financial instruments and associated risks

The Company is established as an investment company with variable share capital (SICAV) which implies that financial instruments are extensively used in the course of its routine business. The sub-funds may invest in securities, deposits with credit institutions, investments in units of other Collective Investment Schemes, financial derivative instruments or OTC financial derivative instruments for the purposes of efficient portfolio management only and ancillary liquid assets.

AQA UCITS Funds SICAV p.l.c.

Notes to the financial statements (continued)

Year ended 31 December 2015

10 Financial instruments and associated risks (continued)

Tactical allocation of sub-funds' assets is determined by the Investment Manager, setting the risk management limits in line with the investment strategy of each sub-fund at the prevailing market circumstances.

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

10.1 Market risk

Market risk encapsulates the potential for gains and losses in the valuation of the underlying securities, including gains and losses arising from currency risk, interest rate risk and price risk.

The strategy of each sub-fund relating to the management of investment risk is derived from the sub-fund's investment objective, which is clearly outlined in the prospectus of the SICAV. The Investment Manager monitors the sub-funds market exposures within the pre-determined Investment Restrictions on a daily basis whilst the overall market exposures are also monitored on a quarterly basis by the Board of Directors.

Details of the nature of the sub-funds' investment portfolio as at the reporting date are disclosed in note 8.

10.1.1 Currency risk

The sub-funds may hold foreign cash balances, as well as invest in financial instruments and enter into transactions denominated in currencies other than the respective functional currency. Consequently, the sub-funds are exposed to risks that the exchange rate of the functional currencies relative to other foreign currencies may change in a manner that have adverse effect on the value of that portion of the sub-funds' assets denominated in currencies other than the functional currency.

The sub-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 sub-funds had the following open currency exposures.

AQA Inter-Active Allocation Fund

31 December 2015	EUR	% of total assets
Currency		
US Dollars	662,691	9.23

AQA High Yield Bond Fund

31 December 2015	EUR	% of total assets
Currency		
US Dollars	1,256,234	9.95
GBP	130,590	1.03

AQA UCITS Funds SICAV p.l.c.

Notes to the financial statements (continued)

Period ended 31 December 2015

10 Financial instruments and associated risks (continued)

10.1 Market risk (continued)

10.1.1 Currency risk (continued)

Sensitivity Analysis

As at 31 December 2015, had the functional currency of the Fund strengthened by 5% in relation to the other currencies with all other variables held constant, net assets attributable to holders of redeemable shares would have decreased by the amounts shown below.

AQA Inter-Active Allocation Fund

31 December 2015	EUR
Currency	
US Dollars	33,135

AQA High Yield Bond Fund

31 December 2015	EUR
Currency	
US Dollars	62,832
GBP	6,530

10.1.2 Interest rate risk

A substantial amount of the sub-fund's financial assets are interest-bearing securities and are hence exposed to fair value interest rate risk arising from fluctuations in the prevailing levels of market interest rates.

Sensitivity Analysis

The interest rate risk is managed on a daily basis by the Investment Manager in line with the pre-determined policies and procedures in place. The overall interest rate risk is monitored on a quarterly basis by the Board of Directors.

The table below sets out the impact on the relative net assets of each sub-fund as at 31 December 2015 in the event that worldwide yield curves experience a parallel 25bps/50bps shift upwards or downwards.

Yield Curve Shift

	EUR
AQA Inter-Active Allocation Fund	31 December 2015
+25bps	15,107
-25bps	-15,107
+50bps	30,214
-50bps	-30,214

AQA UCITS Funds SICAV p.l.c.

Notes to the financial statements (continued)

Period ended 31 December 2015

10 Financial instruments and associated risks (continued)

10.1 Market risk (continued)

10.1.2 Interest rate risk (continued)

AQA High Yield Bond Fund	EUR 31 December 2015
+25bps	26,377
-25bps	-26,377
+50bps	52,574
-50bps	-52,574

10.1.3 Price risk

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, better known as idiosyncratic risk, or from factors affecting total market sentiment, better known as systemic risk.

Idiosyncratic price risk is managed through the construction of a well-diversified portfolio of investments traded on various markets. Systemic risk cannot be eliminated completely by diversification and hence investors in the respective sub-funds forming part of this SICAV are subject to the sub-funds relative systemic market risk.

As the majority of the sub-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 sub-funds financial statements.

As at 31 December 2015 there is no material price risk on any of the sub-funds as the mainly comprise of debt instruments.

10.2 Credit and settlement risk

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

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

AQA UCITS Funds SICAV p.l.c.

Notes to the financial statements (continued)

Period ended 31 December 2015

10 Financial instruments and associated risks (continued)

10.2 Credit and settlement risk (continued)

All of the assets of the sub-funds are held by Bank of Valetta, p.l.c. (rated BBB+ by international rating agency Fitch) as a custodian. Bankruptcy or insolvency of the Custodian may cause the sub-funds rights with respect to securities held by the Custodian to be delayed or limited.

AQA Inter-Active Allocation Fund

	Total
31 December 2015	EUR
Debt securities	6,042,703
Cash at bank	718,315
Derivatives	6,828
Cash at bank	<u>307,065</u>
	<u>7,074,911</u>

AQA High Yield Bond Fund

	Total
31 December 2015	EUR
Debt securities	10,550,713
Cash at bank	<u>1,836,766</u>
	<u>12,387,479</u>

AQA Inter-Active Allocation Fund

As at 31 December 2015, the AQA Inter-Active Allocation Fund exposure to debt securities stood at 84.10% of its total net assets. The credit quality of these investments as at 31 December 2015 is summarised below:

Credit Rating	31 December 2015 % Exposure of total net assets
AA+	6.38
AA	7.05
A	6.35
A-	6.92
BBB+	27.88
BBB	11.79
BBB-	4.81
BB+	6.8
BB	3.41
B+	3.84

AQA UCITS Funds SICAV p.l.c.

Notes to the financial statements (continued)

Period ended 31 December 2015

10 Financial instruments and associated risks (continued)

10.2 Credit and settlement risk (continued)

AQA High Yield Bond Fund

The AQA High Yield Bond Fund's exposure to debt securities stood at 84.10% of its total net assets. The credit quality of these investments as at 31 December 2015 is summarised below:

Credit Rating	31 December 2015 % Exposure of total net assets
BBB+	0.47
BBB	10.04
BBB-	17.99
BB+	16.85
BB	12.47
BB-	4.61
B+	9.00
B	4.54
B-	2.38
CCC	1.58
NR	4.18

10.3 Liquidity risk

The sub-funds' constitution provides for the weekly creation and cancellation of units and these are therefore exposed to the liquidity risk of meeting unit-holders' redemptions at any time. The major part of these sub-funds' underlying securities is considered to be readily realisable since they are all listed on major European and US Stock Exchanges.

The sub-funds' liquidity risk is managed on an on-going basis by the Investment Manager in accordance with policies and procedures in place. The sub-funds' overall liquidity risks are monitored and reviewed on a quarterly basis by the Board of Directors.

10.4 Custody risk

The Company is also exposed to operational risks such as custody risk. Custody risk is the risk of a loss being incurred on securities in custody as a result of a custodian's insolvency, negligence, misuse of assets, fraud, poor administration or inadequate record-keeping. Although an appropriate legal framework is in place that reduces the risk of loss of value of the securities held by the custodian in the event of its failure, the ability of the company to transfer the securities might be temporarily impaired.

10.5 Offsetting financial assets and financial liabilities

Inter-Active Allocation Fund has entered into a master netting agreement with its over-the-counter derivative counterparty. Where legally enforceable, this agreement gives the Sub-Fund, in the event of default by the counterparty, the right to liquidate cash and securities held as collateral and to offset receivables and payables with the same counterparty.

AQA UCITS Funds SICAV p.l.c.

Notes to the financial statements (continued)

Period ended 31 December 2015

10 Financial instruments and associated risks (continued)

10.5 Offsetting financial assets and financial liabilities (continued)

The following tables present the potential effect of offsetting assets and liabilities as of December 31, 2015:

	EUR 2015					
	Gross amounts of recognised financial assets/(liab ilities)	Gross amounts of recognised financial assets/(liabil ities) set off in the statement of financial position	Net amounts of financial assets/(liab ilities) presented in the statement of financial position	Financial instruments	Financial collateral received or pledged	Net amount
Type of financial assets						
Financial assets						
Derivatives	40,001	-	40,001	(33,173)	-	6,828
Total	40,001	-	40,001	(33,173)	-	6,828
Financial liabilities						
Derivatives	(33,173)	-	(33,173)	33,173	-	-
Total	(33,173)	-	(33,173)	33,173	-	-

10.6 Capital risk management

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

In order to maintain or adjust the capital structure, the Company's policy is to monitor the level of weekly subscriptions and redemptions relative to the assets it expects to be able to liquidate within 7 days and adjust the amount of distributions the Company pays to redeemable shareholders.

The Board of Directors and Investment Manager monitor capital on the basis of the value of net assets attributable to redeemable shareholders.

At 31 December 2015, the fair value of listed investments is based on quoted prices in an active market at the end of the reporting period. Pursuant to the adoption of IFRS 13 "Fair value measurement", the quoted market price used for financial assets and liabilities held by the Company is the price within the bid-ask spread that is most representative of the fair value in the circumstances to be used to measure fair value. The fair values of derivative contracts are valued by reference to the price at which a new contract of the same size and maturity could be undertaken at valuation date. At 31 December 2015 the carrying amounts of other financial assets and financial liabilities classified with assets and liabilities respectively approximated their fair values due to short-term maturities of these assets and liabilities.

AQA UCITS Funds SICAV p.l.c.

Notes to the financial statements (continued)

Period ended 31 December 2015

10 Financial instruments and associated risks (continued)

10.6 Capital risk management (continued)

The company classifies fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

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

Financial assets and financial liabilities at fair value as at 31 December 2015

The following table analyses within the fair value hierarchy the Fund's financial assets measured at fair value for 31 December 2015:

AQA Inter-Active Allocation Fund

	Total EUR	Level 1 EUR	Level 2 EUR	Level 3 EUR
<i>Financial assets held for trading</i>				
Debt instruments	6,042,703	6,042,703	-	-
Derivative financial instruments-				
- Options	40,001	40,001	-	-
Total	6,082,704	6,082,704	-	-
	Total EUR	Level 1 EUR	Level 2 EUR	Level 3 EUR
<i>Financial liabilities held for trading</i>				
Derivative financial instruments-				
- Options	28,489	28,489	-	-
- Futures	4,684	4,684	-	-
Total	33,173	33,173	-	-

AQA UCITS Funds SICAV p.l.c.

Notes to the financial statements (continued)

Period ended 31 December 2015

10 Financial instruments and associated risks (continued)

10.6 Capital risk management (continued)

AQA High Yield Bond Fund

	Total	Level 1	Level 2	Level 3
	EUR	EUR	EUR	EUR
<i>Financial assets held for trading</i>				
Debt instruments	10,550,713	10,550,713	-	-

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

There have been no transfers between Level 1, 2 or 3 fair value classification categories during the year.

Cash and cash equivalents include deposits held with banks.

Payables represent the contractual amounts and obligations due by the Company for the settlement of expenses. The fair values are not materially different from their carrying amounts due to short-term nature.

12 Salient statistics and other information

	AQA Inter-Active Allocation		AQA High Yield Bond	
	Fund		Fund	
	EUR		EUR	
	Class A	Class A	Class A	Class B
	EUR	EUR	EUR	EUR
Denominated in:				
Net Asset Value per unit as at:				
31 December 2015	97.8975	95.1744	95.1744	95.5720
Net assets attributable to holders of redeemable shares calculated in accordance with the Company's offering memorandum	7,109,224	11,382,770	11,382,770	1,181,462
Adjustment for formation expenses capitalised and amortised according to the Company's offering memorandum but recognised under International Financial Reporting Standards (IFRS) as expenses when incurred	(19,253)	(17,375)	(17,375)	(1,803)
Net assets attributable to holders of redeemable share as per statement of financial position as at 31 December 2015	7,089,971	11,365,395	11,365,395	1,179,659

Independent auditor's report

to the members of

AQA UCITS Funds SICAV p.l.c.

We have audited the accompanying financial statements of AQA UCITS Funds SICAV p.l.c. (the "Company"), constituting each of the sub-funds of the Company, set out on pages 5 to 26, which comprise each of their statements of financial position as at 31 December 2015, and the statements of profit or loss and other comprehensive income, statements of changes in net assets attributable to holders of redeemable shares and statements of cash flows for the period then ended, and a summary of significant accounting policies and other explanatory information.

Directors' responsibility for the financial statements

As explained more fully in the statement of directors' responsibilities on page 4, the directors of the company are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the preparation of financial statements that give a true and fair view 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 internal control of the Company. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Independent auditor's report (continued)

to the members of

AQA UCITS Funds SICAV p.l.c.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of AQA UCITS Funds SICAV p.l.c. and its sub-funds as at 31 December 2015, and of their financial performance and their cash flows for the period then ended in accordance with International Financial Reporting Standards as adopted by the EU and have been properly prepared in accordance with the requirements of the Companies Act (Cap. 386).



Sarah Curmi as Director
in the name and on behalf of
Deloitte Audit Limited
Registered auditor
Mriehel, Malta

14 April 2016

AQA UCITS Funds SICAV p.l.c.

Portfolio of Net Assets 31 December 2015

AQA Inter-Active Allocation Fund

	Denominated in:	Fair Value EUR	Percentage of total net assets %
Debt Instruments			
Aegon NV 0.43534% Perpetual	EUR	179,888	2.54
BNP Paribas SA 4.875% Perpetual	EUR	254,688	3.59
HSBC Holdings PLC 5.25% Perpetual	EUR	246,970	3.48
UBS Group AG 7.125% Perpetual	GBP	241,526	3.41
Volkswagen International Finance NV 2.5% Perpetual	EUR	86,629	1.22
Anheuser-Busch InBev SA/NV 8.625% 30/01/2017	EUR	490,523	6.92
Bank of New York Mellon Corp/The 4.95% Perpetual	EUR	409,132	5.77
Italy Buoni Ordinari del Tesoro BOT 0% 2016	EUR	500,150	7.05
Italy Buoni Poliennali Del Tesoro 2.15% 2017	EUR	518,412	7.31
Italy Buoni Poliennali Del Tesoro 3.55% 2016	EUR	507,743	7.16
Casino Guichard Perrachon SA 1.52% Perpetual	EUR	272,156	3.84
Italy Certificati di Credito del Tesoro Zero Coupon 0% 2017	EUR	450,180	6.35
Nestle Finance International Ltd 0.75% 2016	EUR	452,610	6.38
Rheinmetall AG 5.25% 2017	USD	481,784	6.80
Sanofi 0.009% 2018	EUR	499,875	7.05
SAP SE 0.057% 2020	EUR	450,437	6.35
Total debt instruments		6,042,703	85.23
Derivatives			
December 16 Calls on DAX	EUR	25,703	0.36
S&P500 EMINI OPTN Sep16C 2050	USD	14,298	0.20
December 16 Calls on DAX	EUR	-11,775	-0.17
S&P500 EMINI OPTN Sep16C 2200	USD	-4,738	-0.07
December 16 Puts on DAX	EUR	-7,900	-0.11
S&P500 EMINI OPTN Sep16P 1600	USD	-4,075	-0.06
S&P500 EMINI FUT Mar16	USD	-1,750	-0.02
mini MSCI Emg Mkt Mar16	USD	-2,032	-0.03
XAE Energy Mar16	USD	-903	-0.01
Total derivatives		6,828	0.10
Total portfolio of investments		6,049,531	85.33
Bank balances		1,025,380	14.46
Other assets net of liabilities		15,060	0.21
Net Assets		7,089,971	100.00

AQA UCITS Funds SICAV p.l.c.

Portfolio of Net Assets 31 December 2015

AQA High Yield Bond Fund

	Denominated in:	Fair Value EUR	Percentage of total net assets %
Debt Instruments			
Aegon NV 5.185% Perpetual	EUR	59,240	0.47
Air France-KLM 6.25% Perpetual	EUR	278,250	2.22
Altice Luxembourg SA 7.25% 2022	EUR	93,875	0.75
American Express Co 5.2% Perpetual	USD	90,798	0.72
Banca Carige SpA 7.321% 2020	EUR	97,688	0.78
Banca Popolare di Milano Scarl 7.125% 2021	EUR	434,000	3.46
Banca Popolare di Milano Scarl 9% Perpetual	EUR	430,752	3.43
Banco Bilbao Vizcaya Argentaria SA 7% Perpetual	EUR	197,126	1.57
Banco Espirito Santo SA 2.625% 2017	EUR	41,814	0.33
Banco Popolare SC 6.156% Perpetual	EUR	197,624	1.58
Banco Popolare SC 6.756% Perpetual	EUR	298,353	2.38
Banco Santander SA 6.25% Perpetual	EUR	375,752	3.00
Bayerische Landesbank 0.644% 2019	EUR	96,125	0.77
BBVA International Preferred SAU 4.952% Perpetual	EUR	199,750	1.59
BNP Paribas SA 4.875% Perpetual	EUR	407,500	3.25
BPCÉ SA 2.19% Perpetual	USD	72,846	0.58
BPCÉ SA 6.75% Perpetual	USD	186,316	1.49
Casino Guichard Perrachon SA 4.87% Perpetual	EUR	179,876	1.43
Centrica PLC 5.25% 2075	GBP	130,590	1.04
Citigroup Inc 5.95% Perpetual	USD	90,798	0.72
Cooperativa Muratori & Cementisti-CMC di Ravenna SC	EUR	86,375	0.69
Danske Bank A/S 5.875% Perpetual	EUR	203,000	1.62
Finnair OYJ 7.875% Perpetual	EUR	106,125	0.85
Generali Finance BV 4.596% Perpetual	EUR	194,284	1.55
Glencore Finance Europe SA 1.25% 2021	EUR	146,090	1.16
Groupama SA 6.298% Perpetual	EUR	193,250	1.54
Groupama SA 6.375% Perpetual	EUR	202,000	1.61
HSBC Holdings PLC 5.25% Perpetual	EUR	395,152	3.15
HSBC Holdings PLC 5.625% Perpetual	USD	184,588	1.47
Intesa Sanpaolo SpA 7.7% Perpetual	USD	187,581	1.50
Intesa Sanpaolo Vita SpA 4.75% Perpetual	EUR	199,842	1.59
JPMorgan Chase & Co 5% Perpetual	USD	263,247	2.10
KBC Groep NV 5.625% Perpetual	EUR	200,250	1.60
La Mondiale SAM 5.05% Perpetual	EUR	100,969	0.80
L'isolante K-Flex SpA 6% 2020	EUR	104,625	0.83
Nykredit Realkredit A/S 6.25% Perpetual	EUR	205,376	1.64
OMV AG 6.25% Perpetual	EUR	194,992	1.55
Orange SA 5% Perpetual	EUR	299,769	2.39
Origo Energy Finance Ltd 4% 2074	EUR	83,188	0.66
Cooperative Rabobank UA 5.5% Perpetual	EUR	405,848	3.24
Repsol International Finance BV 4.5% 2075	EUR	157,250	1.25
Societe Generale SA 6.75% Perpetual	EUR	204,750	1.63
Storebrand Livsforsikring AS 6.875% 2043	EUR	113,121	0.90
Telefonica Europe BV 5.875% Perpetual	EUR	201,250	1.60
UniCredit Bank Luxembourg SA 8.125% Perpetual	EUR	226,500	1.81
UniCredit SpA 6.75% Perpetual	EUR	378,252	3.02
UnipolSai SpA 5.75% Perpetual	EUR	290,250	2.31
UNIQA Insurance Group AG 6% 2046	EUR	206,892	1.65
Veneto Banca SpA 4% 2017	EUR	193,500	1.54
Veneto Banca SpA 4% 2019	EUR	195,750	1.56
Volvo Treasury AB 4.85% 2078	EUR	289,314	2.31
Wachovia Capital Trust III 5.56975% Perpetual	USD	178,260	1.42
Total portfolio of investments		10,550,713	84.10
Bank balances		1,836,766	14.64
Other assets net of liabilities		157,575	1.26
Net Assets		12,545,054	100.00



Bank of Valletta

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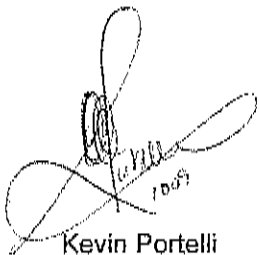
7 March 2016

AQA UCITS Funds SICAV p.l.c.


Report of the Custodian

We, Bank of Valletta p.l.c., as Custodian to the AQA UCITS Funds SICAV p.l.c ("the Company") hereby confirm that having enquired into the conduct of the Manager during the year ended 31st December 2015, it is our opinion that during this year, the Company and its Funds have been managed:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of each Fund by the Constitutional Documents and by the Malta Financial Services Authority; and
- (ii) Otherwise in accordance with the provisions of the constitutional documents and the Fund's license conditions.



Kevin Portelli
Bank of Valletta p.l.c.



Annabelle Muscat
Bank of Valletta p.l.c.

AQA UCITS Funds SICAV p.l.c.

Appendix 1 – General Information

1. Authorisation

AQA UCITS Funds SICAV p.l.c. is an open ended collective investment scheme organised as a multi fund public liability company with variable share capital. The Company was registered on 20 April 2015 and is licensed and regulated by the Malta Financial Services Authority as a collective investment scheme under the Investment Services Act (Cap 370) of the 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).

2. Management fees and other expenses

a) Registrar Fees

A fee of EUR1,000 (including VAT) is levied by the Administrator for acting as Registrar to the Company

b) Secretarial Fees

A fee of EUR2,500 (excluding VAT) is charged by the Administrator for acting as Secretary to the Company.

c) Dividend Administration Fee

No fees are charged by the Administrator for administering the payment of the dividend.

d) General

All fees may be increased with the agreement of the Company and the members shall be notified accordingly.

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 go down as well as up and investors may not always get back their initial investment. Investments in collective investment schemes should be regarded as a medium to long term investment.

This annual report does not constitute an offer to purchase units in the respective funds. The opinions expressed are given in good faith and should not be construed as investment and /or tax advice

4. Main changes to the Company's documents during the reporting period

There were no major changes in the Company documentation during the period under review.

5. Main changes in the Company's documents post reporting period

There were no major changes in the Company documentation post the period under review.

AQA SICAV PLC

THIRD FLOOR, VALLETTA BUILDINGS, SOUTH STREET, VALLETTA, MALTA

Derivatives Risk Report as at end December 2015

Sub-Fund "Inter-Active Allocation"

Use of Derivatives:

The investment objective of the Sub-Fund is to achieve medium to long-term capital growth. The Sub-Fund will invest primarily in a diversified portfolio of listed securities including corporate and government bonds and/ or equities and/ or units of other eligible UCITS and/or non UCITS collective investment schemes. The Sub-Fund may also invest in futures, options, contracts for differences and other derivatives linked to equities, indices, interest rates and currencies.

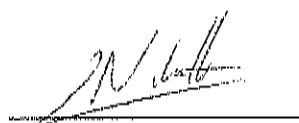
Derivatives held as at 31 December 2015:

Future	Quantity	Market Value	P&L	Main Risks
ESH6 Mar16	5	471,819.26	-1,749.88	Price Risk
IXE Mar16	2	97,859.69	-902.57	Price Risk
MXEF Mar16	3	108,589.13	-2,030.78	Price Risk
Option	Quantity	Market Value	P&L	Main Risks
DAX 16 Dec16 10600C	5	139,602.24	3,642.50	Price Risk/Volatility Risk
DAX 16DEC16 11800C	-5	-87,772.62	-2,247.50	Price Risk/Volatility Risk
DAX 16DEC16 7800P	-10	46,021.33	1,720.00	Price Risk/Volatility Risk
ES 16SEP16 2050C	3	144,622.35	-1,577.91	Price Risk/Volatility Risk
ES 16SEP16 2200C	-3	-79,165.71	1,172.16	Price Risk/Volatility Risk
ES 16SEP16 1600P	-3	31,491.90	495.07	Price Risk/Volatility Risk

Risk management:

The fund applies limits to the maximum level of leverage as per amount stipulated in the Prospectus of the Scheme, with the maximum being 200%. Leverage is calculated using the commitment approach following the CESR guidelines. The fund's risk management is calculating the relevant figures and is monitoring the above-mentioned limits on a daily basis. Breaches of warning or maximum levels are reported to the investment manager of the fund.

In 2015, there were no breaches of limits with respect to derivatives.



Nicholas Calamatta
Director



Alex Vella
Director