

MFP SICAV p.l.c.

Audited Financial Statements

For the year ended 31 December 2023

Company Registration Number:
SV389

MFP SICAV p.l.c.
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MFP SICAV p.l.c.
Company information

DIRECTORS	Mr. Raphael Ursi Mr. Sam Safavi Mrs. Ronak Ahmadloo
REGISTERED OFFICE	7, Triq il-Kbira, Naxxar NXR 1800, Malta
COMPANY REGISTRATION NUMBER	SV389
ADMINISTRATOR	ESTM Ltd, Somnium, Level 2, Tower Street, Swatar, BKR 4013 Malta.
CUSTODIAN AND BANKER	Sparkasse Bank Malta p.l.c., 101, Townsquare, Ix-Xatt ta' Qui-si-Sana, Sliema SLM 3112, Malta.
COMPANY SECRETARY	Mrs. Marketa Rusenkova
INVESTMENT COMMITTEE	Mr. Sam Safavi Mr. Raphael Ursi Mr. Luc Picarelle
SUB INVESTMENT MANAGER	Invest4Growth Asset Management Ltd. 7, Triq il-Kbira Naxxar NXR 1800, Malta
AUDITORS	Deloitte Audit Limited, Deloitte Place, Triq L-Intornjatur Central Business District, Birkirkara, CBD 3050, Malta.

MFP SICAV p.l.c.

Directors' Report

For the year ended 31 December 2023

The Directors of MFP SICAV plc ("the Company") are pleased to present the audited financial statements of the Company as of 31st of December 2023. As at the end of reporting period, the Company consisted of two sub-funds: Best Strategies Fund and Raphael's Ethical Choice Fund. The Company is structured with segregated liability between its Sub-Funds pursuant to Maltese law and accordingly, the assets of one Sub-Fund will not generally be available to meet the liabilities of another.

The Directors are responsible for ensuring that the Financial Statements are complete and accurate in all material aspects and conform to the MFSA's requirements in terms of the Scheme's License Conditions.

Principal activities

The Company is a self-managed open-ended collective investment scheme with its objectives specific for each sub fund at the time of its creation.

The Best Strategies Fund, a Sub-Fund of the Company, has as investment objective to generate capital appreciation over a medium-term horizon with lower volatility relative to the broad equity markets by investing in multiple alternative strategies, including, but not limited to, some or all of the following strategies: Long Short Equity, Relative Value, Event Driven and Global Macro.

The Raphael's Ethical Choice Fund, a Sub-Fund of the Company, has as investment objective to generate capital appreciation over a long-term horizon by investing in equities on a global basis by investing in companies that have an Environmental, Social and Corporate Governance (ESG) focus. Within the security selection process, the sub-fund applies generally accepted strategies for the implementation of the ESG approach. The ESG performance of a company is evaluated independently from financial success based on a variety of indicators, which consider ecological and social objectives as well as corporate governance. For the assessment, transparency as well as the product and service range of a company will be taken into consideration.

The Company was licensed on the 13 April 2017 as a self-managed open-ended collective investment scheme organized 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 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).

Business review

The Board of Directors plans to leverage current distribution networks to enhance the visibility of the sub-funds within the Belgian retail sector, employing a network of financial intermediaries who meet the criteria for EU Eligible Counterparties as defined under MiFID (Markets in Financial Instruments Directive). This definition encompasses professional clients and entities authorized to operate in the financial markets, including credit institutions, investment firms, insurance companies, and other financial institutions authorized by a member state of the European Union. The Board of Directors will be using the existing distribution channels to further promote the sub-funds in Belgium and Luxembourg.

The Board of Directors, Investment Committee, and Sub-Investment Manager collectively express their confidence that the sub-funds will continue to be appealing. They believe the economic environment, characterized by central banks ceasing to increase interest rates, will enhance the attractiveness of these investments by increasing risk appetite.

MFP SICAV p.l.c.

Directors' Report (continued)

For the year ended 31 December 2023

As of December 31, 2023, the total net assets attributed to shareholders, calculated for pricing purposes in alignment with the prospectus, were €6,887,584 for the Best Strategies Fund, an increase from €6,717,279 in 2022, and €13,454,688 for Raphael's Ethical Choice Fund, up from €12,104,389 in 2022

Changes to Company Documents

In alignment with MFP SICAV PLC's dedication to upholding the principles of compliance, transparency, and excellence in fund management, the following updates and amendments were made to the Prospectus and Offering Supplements during the fiscal year 2023:

Prospectus Amendments:

- In compliance with the EU Sustainable Finance Disclosure Regulation, the investment process now incorporates considerations of Principal Adverse Impacts and associated legal risks.
- Modifications were made to certain definitions within the Prospectus to enhance clarity and legal accuracy.
- PRIIPS KID: In response to regulatory evolution, the Key Investor Information Document (KIID) has been replaced with the Packaged Retail and Insurance-based Investment Products (PRIIPS) Key Information Document (KID).
- Sections related to Anti-Money Laundering, Counter-Terrorist Financing, Sanctions, and Data Protection have been reworded and streamlined.
- Reporting of Cross-Border Arrangements has been updated to align with Directive (EU) 2018/822.

Offering Supplements Updates:

For MFP Best Strategies Fund and MFP Raphael's Ethical Choice Fund, clarifications were made that the sub-funds do not engage in securities financing transactions or total return swaps, alongside the inclusion of Pre-Contractual Disclosures as per the SFDR Directive 2019/2088.

Risks and Uncertainties

The assets and liabilities of the Company and its Sub-Funds are as a general rule subject to normal market fluctuations and other risks inherent in owning such assets and assuming such liabilities. The value of investments and the income from them, and therefore the value of and income from Investor Shares relating to each Sub-Fund can go down as well as up and an investor may not get back the amount he invests.

An investment in the Investor Shares in a particular Sub-Fund involves risks. These risks may include or relate to, among others, equity market, bond market, foreign exchange, interest rate, credit, market volatility and political risks and any combination of these and other risks. At any time, certain policies, strategies, investment techniques and risk analysis may be employed for a Sub-Fund in order to seek to achieve its investment objective; however, there can never be any guarantee that the desired results will be obtained. Such risks are further discussed in Note 13 of these financial statements and within the Prospectus of the Company.

Risk Management Function

The Company is required, in terms of the MFSA Rules, to have in place a risk management process that will enable it to monitor, measure, and at any time take appropriate steps to mitigate and control, the market, credit, liquidity, counterparty, operational and compliance related risks arising from the investment activities and positions of its Sub-Funds, and that there are adequate systems in place (including contingency procedures) to ensure that the process is maintained on a continuous basis. The Board of the Company shall be responsible for the overall oversight of the management of the risk of all Sub-Funds. Mr. Max Hilton is the appointed Risk Manager of the Scheme.

The Risk Manager will have the necessary authority and access at all times to all relevant information necessary to fulfil the above-mentioned tasks. The Risk Manager will have the power to issue binding recommendations to the Investment Committee of the Company when there are serious threats to any component of risk management covered by this Risk Management Policy.

Standard License Conditions

On 27 November 2023, the Malta Financial Services Authority (MFSA) notified MFP SICAV plc of potential regulatory actions due to non-compliance with reporting deadlines for the fiscal years 2021 and 2022. The breaches in question involve the delayed submissions of the Financial Derivatives Position Report and the Self-Assessment Certificate for the year ending 2021, as well as the Director's Confirmation for mid-year reporting in 2022. These infractions have led to proposed administrative penalties amounting to €1,700.

Following the receipt of this notification, our company has formally contested the MFSA's findings by submitting detailed representations by the stipulated deadline of 11 December 2023. In these documents, we articulated the reasons and provided comprehensive explanations as to why the proposed penalties should not be enforced. Currently, we are awaiting a response from the MFSA regarding this matter.

Results and dividends
Results for the period under review can be found in the Statements of Profit or Loss and other Comprehensive Income on pages 32-34.

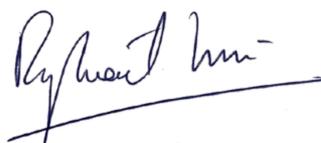
The Company has announced the distribution of dividends based on the 2023 financial year's performance, allocating €58,960 to MFP Best Strategies and €309,969 to MFP Raphael's Ethical Choice Fund.

The Directors as at the date of the report are Mr. Sam Safavi, Mrs. Ronak Ahmadloo and Mr. Raphael Ursi.

The Financial Statements were approved by the Board of Directors and signed on its behalf on 18 April 2024 by:



Mr. Sam Safavi
Director



Mr. Raphael Ursi
Director

MFP SICAV p.l.c.

Statement of Directors' Responsibilities

For the year ended 31 December 2023

The Directors are required by the Companies Act (Cap. 386) to prepare financial statements that give a true and fair view of the state of affairs of the Company as at the end of each reporting year end of the profit or loss for that year. In preparing the financial statements, the Directors are responsible for:

- Ensuring that the financial statements have been drawn up in accordance with generally accepted accounting principles and practices.
- Selecting and applying appropriate accounting policies;
- Making accounting estimates that are reasonable in the circumstances;
- Ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the Company will continue in business as a going concern.

The Directors are also responsible for designing, implementing, and maintaining 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, and that comply with the Companies Act (Cap. 386). They are also responsible for safeguarding the assets of the Company and hence 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.

First Quarter Analysis

Economic context

The International Monetary Fund (IMF) has revised up its expectations, becoming slightly more optimistic compared to 3 months ago about growth in the US and Europe. While global growth this year will be significantly lower than last year, the IMF sees growth in Emerging Markets accelerating to 4.5% this year (from 2.8% in 2022).

However, the IMF believes that tensions are building and that the current situation is fragile. For instance, high core inflation remains a persistent problem, and monetary tightening is causing risks to the financial sector and therefore to the financial system.

2022 was a very difficult year with global economic growth falling sharply to 2.4% from 5.7% in 2021, while at the same time we were faced with high inflation and an unprecedented rapid monetary tightening. According to the International Monetary Fund (IMF), global growth will slow further in 2023 to a particularly low 1.8% while inflation will cool, but only very gradually. Thus, the IMF expected inflation to fall to 7% this year and 4.9% next year. The economic growth slowdown will be felt mainly in the US and Europe, while emerging countries should record a significant acceleration in growth. The IMF is concerned that the rapid monetary tightening in Western countries poses risks to the financial sector, as we already saw with the regional banks in the US which could make the financial system unstable. Fortunately, the rapid intervention of central banks has taken the fuse out of the powder keg, but nevertheless, the IMF believes that the stability of the financial system could still be tested by new problems that may emerge.

In terms of the economic context, we saw during the first quarter that inflation issues ran with most of the attention. Inflation reached record highs last year and has since started a gradual decline. The rate of decline in inflation raised some concerns. In January, we saw that the decline in US inflation almost came to a halt, when inflation fell from 6.5% to 6.4%, only to fall further to 5% in February and March anyway, well below the 9.1% recorded in the US last summer. Still, inflation concerns remain as core inflation, which does not take into account food and energy, over the past months did not fall again. For instance, core inflation was 5.6% in January, 5.5% in February and 5.6% again in March. This persistent core inflation could be a reason for the central bank to raise interest rates further. Nevertheless, we believe core inflation will also continue to fall. The "Housing" category represents some 43% of core inflation and is thus largely responsible for the high inflation rate. However, historically, we see a lag of over a year and a half between the evolution of property prices and the impact on core inflation. Given the cooling of the property market, we expect to see its positive impact on core inflation in the autumn. Along with inflation, the tight labour market is also a concern. After all, the difficulty of filling vacancies forces companies to raise wages to still find staff, which of course can further boost inflation. Although inflation is extremely important partly because it helps determine monetary policy, the evolution of economic growth is also particularly important. Last year, we saw economic indicators systematically falling, but in recent months it seemed as if the downward trend of several indicators, such as the PMI indicators, was stopped. Looking at the PMI composite indicators, which includes both services and manufacturing, we see a bottoming out of the downward trend in autumn 2022 and a rebound during the first quarter (see chart 1) of this year. The service sector in particular is in an expansionary phase, while the manufacturing sector is lagging behind somewhat.

Despite the fact that this economic barometer seems to indicate that economic growth could accelerate, there are a lot of doubts about such a scenario. After all, the effect of the rapid and sharp interest rate hikes implemented by central banks in recent months is certainly not yet fully reflected in the economic figures. It is assumed that it usually takes 12 to 18 months before the full effect is felt in the economy. For many consumers, the purchase of a home financed by a loan has become much more expensive and companies are also seeing their borrowing costs rise. On top of that, banks' willingness to grant credit has also decreased. The objective of tightening monetary policy is to cool down the economy in order to curb the sharp rise in demand for products and services, thereby restoring a better balance between supply and demand and limiting price increases. In that respect, the labour market is also being watched closely. After all, in the US, labour force participation rates fell significantly after the pandemic. Due to the many support measures, a lot of Americans had accumulated large savings reserves and many left the labour market. A tight labour market makes it harder for companies to find staff which increases wages.

Looking at US SMEs, we find that optimism among them is at particularly low levels and SMEs are already expecting a recession. Their sales figures are declining and their investment plans are being scaled back. Their hiring plans, meanwhile, have also fallen to their lowest level since May 2020. Optimism among SMEs has been recording recession levels for over a year, but the expected recession has so far not materialised thanks to surprisingly steadfast consumption, which in turn has supported employment.

As central banks want to bring down inflation by causing a cooling of the economy, they have already indicated that unemployment would have to rise. Indeed, the Fed indicated that the labour market also needed to cool down to bring down inflation. Despite the particularly rapid rate hikes, it is therefore all the more remarkable that the labour market appears to be quite immune so far. Weekly initial unemployment claims have fallen to the lowest level in over 40 years since early 2022. Despite all the interest rate hikes and cooling economic indicators, we see no impact of this on unemployment claims. These have been recording at these historically low levels for more than a year.

MFP SICAV p.l.c. Investment Committee Report (cont.)

Nevertheless, we also see some signs in the labour market that the economy is weakening. For instance, we see fewer jobs being and at the same time more layoffs being announced. On the other hand, we see the employment rate rising again towards the pre-pandemic level. This could be explained by the fact that a lot of Americans are through their savings reserves and are thus forced to return to the labour market. However, this is a positive that could ease pressure on the labour market and mitigate any wage-price spiral. Of course, the flip side of the coin means that this means that savings reserves have been reduced to a significant extent, leading more people to take out credit to finance their consumption. Credit openings, for instance, appear to be tapped more frequently despite the fact that interest rates on credit cards, for instance, have risen to over 20%. This obviously cannot continue.

In Europe, the situation is not so very different. The service sector clearly leads economic growth, while the manufacturing sector lags behind. It nevertheless remains remarkable that the energy crisis did not weigh more on the European economy last winter. This time, the European Union moved quickly and ensured that gas stocks were at maximum capacity at the onset of winter. Moreover, the mild temperatures ensured that there was never any risk of gas and electricity shortages either. Now that winter is over, European gas stocks still appear to be almost 60% full, limiting the risk for the coming winter as well. The upside is that energy prices have fallen sharply since last summer and have reached levels of before the Russian invasion of Ukraine. This has ensured that the damage to European industry has remained relatively limited.

Consumer confidence in Europe also bottomed out in the autumn before gradually rising. Undoubtedly, falling energy prices contributed to this. Moreover, unemployment in Europe is also at a low point and wages have risen in the wake of inflation, which has supported confidence. Still, consumption in volume terms (adjusted for inflation) is under pressure. Industry is also seeing a decline in new orders, hence slowing growth. On the other hand, we see inflation rates falling both in Europe as in the US. In October, eurozone inflation peaked at 10.6% after which it started to fall, reaching 6.9% in March. But like in the US, core inflation remains stubbornly high.

Another source of concern is the banking sector. US regional banks Silicon Valley Bank and Signature Bank were the biggest bank failures in the US since Washington Mutual in 2008. These banks went under due to poor management of their so-called "assets & liabilities management". After all, the banks massively invested customers' bank balances in long-term bonds issued by the US government, among others. When customers then needed their funds, these banks had to sell their bonds at a loss to meet their obligations. Once bank customers knew about the financial problems at their banks, account holders withdrew their funds, leaving the banks facing liquidity problems at lightning speed. A classic bank run that led to the bankruptcy. In Europe, scandal-plagued Credit Suisse was also hit by a bank run. However, Credit Suisse was a so-called systemic bank. The bank was so large that a collapse would undoubtedly have triggered a global crisis. Indeed, the substantial loss of customer deposits threatened the bank's survival, but the rapid intervention of central banks avoided a collapse of the financial system. Still, the risk has not completely disappeared. Indeed, we see that in the US, bank deposits continue to fall and a lot of people are putting their money into monetary funds. Emergency programmes such as the Discount Window and the Bank Term Funding Program that banks use to raise liquidity to meet their obligations remain much tapped since the beginning of March, indicating that US banks are still under pressure. Moreover, smaller, regional banks account for much of the lending. As a result, US lending will become a lot tighter, which should have a negative impact on economic growth. In a worst-case scenario, banks could still fail, which could trigger a new financial crisis, a scenario the International Monetary Fund takes into account. In Europe, the danger seems more limited. European authorities have subjected the sector to strict rules since the financial crisis in 2008, which means European banks have strong capital buffers and a high liquidity ratio. It was the same in the US, but under the Trump administration the rules were relaxed significantly for smaller banks. Now, however, we see that if several small banks were to go bankrupt, it could obviously put pressure on the entire financial system.

China, then, is an entirely different story. The Chinese economy has suffered significantly from the government's zero-covid policy that imposed heavy restrictions on Chinese society. Since December, China has changed course and is back "open for business". During the first quarter, we saw Chinese growth accelerate. It reached 4.5% against 2.9% in the 4th quarter, exceeding expectations. Consumption growth to its highest level in the past two years in March, industrial production rose the most in 5 months and unemployment fell to its lowest level in 7 months. Chinese exports also accelerated again, contributing to the growth acceleration.

Finally, the government is also making every effort to put China's economy on a higher growth path. This includes an accommodative monetary policy. For instance, Beijing imposes banks to lower interest rates on deposits. China's central bank (People Bank's of China or PBOC) is also pursuing an accommodative monetary policy, unlike Western countries, as Chinese inflation, at 0.7%, is well below the government's 3% target. This is leading to an increase in lending, but is still different from China's past approach. For instance, China has not enacted drastic credit-driven measures. At various times since the financial crisis in 2008, China has enacted extensive fiscal stimulus measures and sharply increased credit to finance infrastructure and real estate projects, among others. This has led to excesses, including in the real estate sector, in the large increase in debt in local government financing vehicles and shadow banking while to this day a lot of Chinese local governments are in bad financial shape. In that respect, policy is much more moderate today and one should not immediately expect China to open all registers to stimulate growth. At the same time, this is not necessary as Chinese growth is already accelerating significantly, but it will not reach the highs of the past anyway. Besides, geopolitical tensions also

MFP SICAV p.l.c.

Investment Committee Report (cont.)

play a role in this, with China being denied access to the most advanced chips and technology, among other things. As a result, China is lagging behind in technological development such as Artificial Intelligence. Also in terms of trade, companies are looking for alternative ways to diversify their production or suppliers away from China.

Conclusion:

In the first months of the year, confidence rose that the scenario of a so-called soft landing was possible, with the slowdown in growth remaining limited and inflation falling back. Since the problems in the financial sector, belief in a soft landing has fallen sharply. The market today assumes a scenario where the US and Europe will fall into recession, partly because interest rates were raised so sharply to fight inflation, but also partly because of weaker bank lending. At the same time, one assumes that in a recession, central banks will be limited in their ability to bring interest rates back down as core inflation remains stubbornly high.

While we endorse these risks, we have a more positive scenario in mind. So far, we see that the economic growth slowdown remains limited and consumer confidence has actually improved in recent months while the labour market remains very tight so far. We assume that we have come to the end of monetary tightening. Moreover, we see productivity growth thanks to the breakthrough of artificial intelligence and the energy transition is also driving economic growth. Finally, we expect inflation to fall further over the course of this year. In short, we have a slightly more positive view, but stand ready to adjust this view depending on the economic data.

Equity markets:

The evolution of equity markets during the first quarter was very turbulent. After a very positive start in January, equity markets fell back in February before finally rising slightly again during a turbulent March. Of course, the problems in the banking sector were a major catalyst to this. Still, we can speak of a good first quarter as the MSCI All Country World Net Total Return Index posted a positive return of +5.4%.

When we dig a little deeper into the analysis, we can make a number of observations. First of all, the good stock market performance of the European and US equity markets stands out. For instance, the European Stoxx 600 index rose 7.8%, slightly outperforming the US S&P 500 index that rose 7.5%. Japan's Nikkei 225 index also did very well with an 8.4% rise, while China's stock market indices CSI 300 and Hang Seng climbed only 4.7% and 3.5%. Moreover, the euro rose against most other currencies such as the US dollar, the Japanese Yen the Chinese Yuan, making the returns of these equity markets expressed in euro even less. One of the reasons for the strong performance of equity markets can be found in falling energy prices, so the impact on corporate profits was more limited than initially expected. A slight decline in interest rates since the end of 2022 is a second factor that contributed positively to the rise in equity markets. We can also see this in the relative performance of so-called growth stocks, which performed a lot better than value stocks. Despite recession fears that have been out for a year, economic growth remains relatively robust so far, corporate profits rose last year and analysts expect corporate profits to stabilise in Europe and the US this year. Moreover, the market believes that we have come to the end of a cycle of rate hikes, which should limit further rate hikes and some are already counting on interest rates falling by the end of 2023.

At the sector level, we saw varied returns. For instance, the biggest losers of 2022 were the strongest-performing sectors in the first quarter of 2023. The technology sector rose 21.2% while telecoms and cyclical consumption rose 18.2% and 16.5% respectively (all in dollar terms). The best-performing sector in 2022 was the energy sector, which rose over 48% last year. In contrast, during the first few months of this year, the sector lost 3.1%. The financial and healthcare sectors also declined during the first quarter.

Despite the positive performance of most equity indices, many concerns remain, ranging from the valuation of equity markets, the evolution of interest rates, geopolitical tensions to recessionary concerns. While it is encouraging that the first quarter closed positively, we see that stock market gains are mainly driven by some sectors that performed very poorly last year. A broad-based rise in which very many possible stocks participate is a signal that the stock market boom still has a lot of strength. This is clearly not the case today. Moreover, the recession scenario has gained in probability. Indeed, there are signs that high inflation and high interest rates are having a negative impact on corporate consumption and investment. As a result of lower volumes and more expensive production costs (including due to wage increases), companies' profit margins may come under pressure. Given still-high inflation, expectations fluctuate as to the timing and extent of any upcoming interest rate cut. Higher interest rates have also increased investors' choices. After all, when interest rates were close to zero percent, it clearly played in favour of equities. Today, there are a lot of alternatives for investors, which has reduced the relative attractiveness of equities. Looking at current valuations, it is notable that the US ranks significantly more expensive than European equity markets, which can be partly explained by structurally higher profit margins. But compared to average historical valuation levels, current markets can hardly be seen as a bargain.

Still, we guard against an overly negative view of equity markets. After all, high inflation is not a global problem. In China, for instance, inflation is only 0.7%, in Japan 3.2%. High inflation was caused by extremely loose monetary policy while at the same time Western governments launched massive stimulus programmes during the pandemic. This led to an overheating of the economy at a time when the supply side was additionally disrupted by supply problems due to the pandemic and the war in Ukraine. Moreover, companies have generally seen their profit margins increase despite high inflation, suggesting that they took advantage of the inflationary context to raise prices more than necessary to cover their higher costs. Central banks have adjusted their monetary policy and economic stimulus plans have also been sharply

MFP SICAV p.l.c. Investment Committee Report (cont.)

reduced. Therefore, given the cooling economy and higher interest rates, we believe that inflation will continue to decline. Moreover, the cooling economy could also rebalance the labour market. Finally, we anticipate strong productivity gains due to the rise of Artificial Intelligence (AI). Microsoft, for instance, will integrate AI into all its software packages in the coming months. AI makes it possible to take over a lot of tasks from people and thus increase productivity.

Looking now at the current earnings season and the evolution of analyst expectations regarding corporate profits, we come to the following observations. Corporate profits of stocks in the S&P500 index fell for the second quarter in a row compared to the same quarter a year earlier. Thus, first quarter corporate profits were 3.7% lower than last year. Despite the decline, this figure is already better than what was expected. To date, about 53% of companies have released their quarterly results. 79% of these companies published better than expected results. At the sector level, we see a mixed picture. About half of the sectors published higher corporate earnings, with cyclical consumption and manufacturing the strongest growers. On the negative side, the weakest sectors were commodities and health care. For the coming quarters, analysts expect falling corporate profits again for the second quarter (-5.0%), but followed by a recovery in the second half of the year with earnings growth of 1.7% and 8.8% for the third and fourth quarters, respectively. This would put corporate profits for the full year 2023 some 1.2% higher than in 2022 (source: Factset).

In Europe, the situation is as follows. According to Refinitiv, corporate profits of stocks in the Stoxx 600 index should grow by 2% over the first quarter. So far in the earnings season, 70% of companies have published better than expected results. The Financial and Technology sectors are the positive outliers with respective earnings growth of 37.8% and 21.6%. On the side of the losers, we see the real estate sector (-21.1%), cyclical consumption (-27.5%) and commodities (-48.7%). For the coming quarters, analysts expect corporate profits to fall 6.5%, 3.5% and 1.1% for the second, third and fourth quarters of 2023, respectively. For the full year, stable profits versus 2022 are now assumed, but with large sector differences. For example, the energy sector would see profits fall by 20.8% while the commodities sector would face even a 26.6% drop in profits. The sector that should record the strongest earnings growth this year is the technology sector with an expected growth of 33.8% followed by the financial sector with an expected earnings growth of 20.1%.

Invest4Growth Asset Management's view:

The current context is characterized by a particularly high degree of uncertainty. In the financial markets, we see that the base case scenario assumes a recession. Although we subscribe to the risks of an imminent recession, the financial situation of European and American households remains good. At the same time, we see that while corporate profits weaken slightly, they invariably turn out to be better than expectations. At the same time, in China, economic growth is accelerating. Much will ultimately depend on the evolution of inflation and monetary policy. As for a possible financial crisis, we believe that the risk of a large-scale crisis remains limited and the situation will stabilize. Higher interest rates also leave little room for substantially higher valuations while at the same time corporate profits will present little or no growth in 2023. In this context, we expect upside potential to remain limited in the short term. On the other hand, there are sectors and companies that will achieve structurally high growth. These are companies active in the themes of energy transition and digitalization. In the longer term, therefore, we remain very positive on equity markets. After all, we are on the eve of the widespread use of Artificial Intelligence that will boost the productivity of people and companies.

Fixed Income

After a disastrous 2022, bond markets have started the year better. Indeed, interest rates fell during the first quarter.

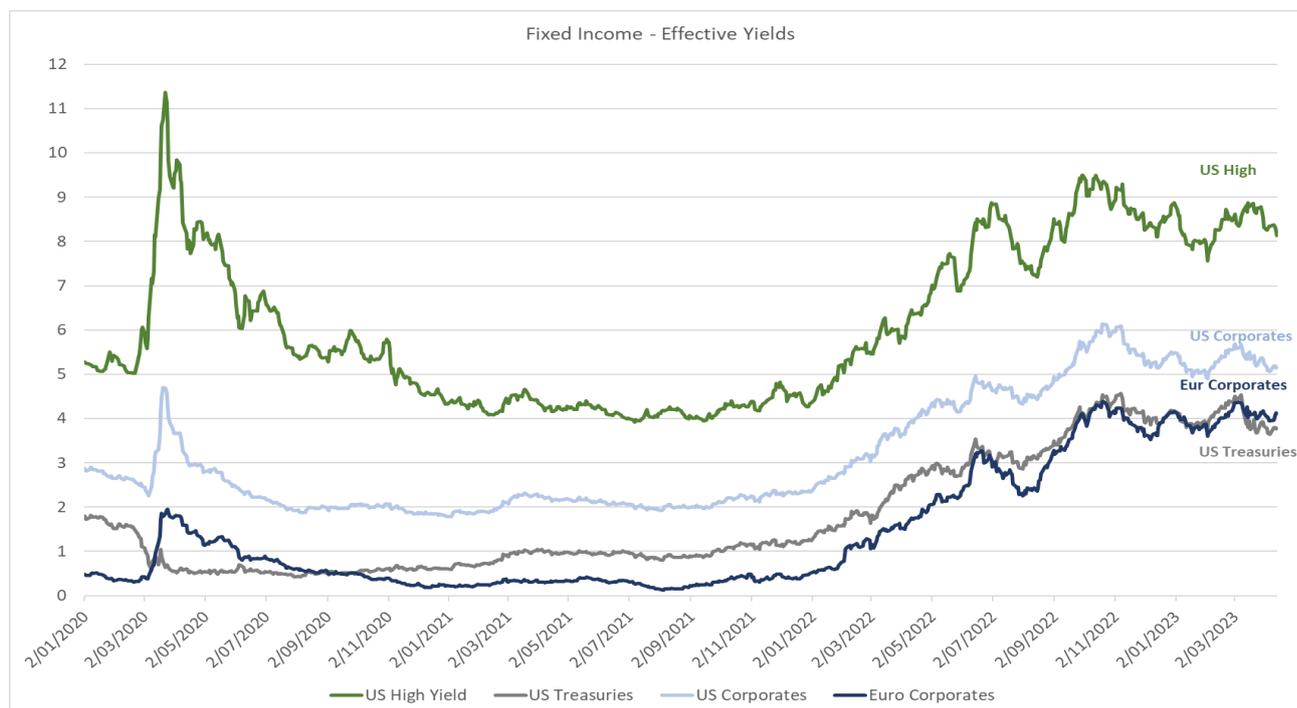
In the table below, we show the yields at March 31 for the various bond categories, as well as the average duration, rating and evolution since the start of the year (in local currency).

	Effective Yield	Duration	Average Rating	YTD
US Govies	3,83	6,55	AAA	3,08%
EUR Govies	2,99	7,32	AA3	2,00%
US Corp	5,24	6,97	A3	3,45%
EUR Corp	4,12	4,64	A3	1,57%
US High Yield	8,31	3,83	B1	3,72%

On the chart below we see that after the sharp rise in interest rates in 2022, this upward trend came to an end and interest rates have been moving sideways within a certain range for several months. As also indicated last quarter, the current levels of interest rates are a lot more attractive than before. The sideways trend also indicates that the market is unsure about the future direction of interest rates. On the one hand, inflation still remains very high, making higher interest rates possible. We rather assume a further decline in inflation, so we expect interest rates to continue moving within that sideways range in the coming months. In the short term, therefore, we remain neutral on bonds. In the longer term, we prefer equities, but remain rather neutral on bonds.

MFP SICAV p.l.c.

Investment Committee Report (cont.)



MFP Raphael's Ethical Choice fund

The investment objective of the sub-fund is to generate long-term capital appreciation by investing globally in equities with a focus on environmental, social and corporate governance (ESG) issues. Equity exposure can evolve between 0% and 100% and is adjusted according to market conditions through the use of derivatives.

The MFP Raphael's Ethical Choice fund increased by 4.69% (share class B) over the first quarter.

The evolution of the fund during the first quarter was satisfactory. After all, most of the shares achieved a nice rise and have good prospects. We expect a very different evolution for 2023 than last year. Then, the portfolio lagged behind because of the exposure to growth companies that were proportionally harder hit by the rise in interest rates. This year, however, we expect that such companies should again outperform broad equity markets.

Looking at the first quarter, the sharp rise in Gerresheimer shares stands out. Last quarter, Gerresheimer was also among the strongest risers. Moreover, on the sustainability front, we saw that Gerresheimer received the Ecovadis Gold award, placing it in the top 5% of most sustainable companies. Further, in January we also indicated "insider buying" activity, with the CEO buying a nice package of shares worth 137,500 euros in December. That was a good sign as the stock rose over 45% during the first three months of the year. The company is reaping the benefits of its investments in recent years, during which production capacity was expanded as well as investing heavily in so-called "High Value Solutions." This is a range of products with high added value for their customers where innovation and high product quality are key. An example of such products are intelligent administration devices to administer medication to patients. As a result of these investments, Gerresheimer's growth rate has increased while simultaneously increasing margins. During the first quarter, sales increased 23% and operating profit rose 27%. The company expects organic growth of at least 10% in sales and operating profit for the full year.

Belgium's Melexis is also growing strongly. The manufacturer of semiconductors and sensors for the automotive industry recorded a 31% increase during the first quarter. Thanks to the electrification of the car fleet, the average number of Melexis components in a car is increasing. Sales in the first quarter amounted to 228.6 million euros, up 24% over the previous year. Operating profit was up 22%. For the full year 2023, Melexis expects revenue growth of 11 to 16% with a gross profit margin of about 45% and an operating profit margin of about 26%.

Spain's Amadeus IT was also among the strongest climbers during the first quarter. The stock went up 27%. The company specializes in services to the travel industry. It provides search, pricing, booking, ticketing and other processing services to airlines, hotels, car rental companies and travel agencies. It also offers software that automates processes such as reservations, inventory management software and departure control systems. The company suffered badly from travel restrictions during the pandemic, and shares fell sharply in 2020. After an initial recovery phase in 2021, the share price fell

MFP SICAV p.l.c. Investment Committee Report (cont.)

again in 2022. However, Amadeus published quite good results for the past year. For example, airline bookings made through the Amadeus system increased by 92% compared to the previous year, and revenue increased by 102.3% to 2.147 billion euros. However, this still leaves us behind the pre-pandemic level, as it corresponds to 73% of the sales of the reference year 2019. Full group sales rose 68% versus 2021 to 4.486 billion euros, taking the company to 80.5% of the 2019 level. Operating profit rose 161.4% to 1.640 billion euros (73.5% of the 2019 level). Free cash flow rose an impressive 724% to 834 million euros. The company also indicated that it is gaining market share and expects to grow further in 2023.

Within the technology sector, we also note the nice increase of ASML (+24.37%), Taiwan Semiconductor (+23.2%) and Microsoft (+18.32%). Microsoft again posted excellent results with its cloud service Azure posting revenue growth of 27% (31% at constant exchange rates) to more than \$22 billion. The overall cloud division saw revenue increase 22% to \$28.5 billion. Thanks in part to the still robust cloud expansion, Microsoft's total revenue went up 7 percent (10% at constant exchange rates) to \$52.9 billion. Operating profit rose 10 percent to \$22.4 billion and earnings per share rose 10 percent to \$2.45. The CEO emphasized that Artificial Intelligence is a key growth driver. In January, Microsoft took a \$10 billion stake in OpenAI. Specifically, anyone who wants to use OpenAI's AI model must do so through Microsoft's Azure Cloud service. In the semiconductor sector, we are currently seeing the opposite. Demand is falling and the sector is in a temporary dip. For example, TSMC saw sales fall 15% in March for the first time in a year. For the full quarter, however, sales growth is still 3.6%. In contrast, Taiwan Semiconductor posted a higher than expected net profit (6.25 billion euros) thanks to strong margins. For the second quarter, TSMC does foresee a decline in sales of about 15%. The company has also announced a limited reduction in its investments given the weakness in demand. Also at ASML, we see a significant drop in orders despite excellent results. Given the structural growth in digitalization, the emergence of Artificial Intelligence via the Cloud, and the massive increase in computing power, we assume that this dip will be short-lived and that the semiconductor market will recover within a few months.

Also notable is the strong performance of Deutsche Post which ended the first quarter with a 22.5% gain. Deutsche Post achieved record results in 2022, with revenue up 15.5% to 94.4 billion euros and operating profit of 8.4 billion (+6%). Free cash flow came in ahead of expectations at 4.6 billion euros. The group indicated that operating profit should reach between 6 and 7 billion euros in 2023 and above 8 billion euros by 2025. For the first quarter of 2023, revenue fell slightly to 20.9 billion euros while operating profit fell 24.1% to 1.6 billion euros. Free cash flow, on the other hand, was an impressive 983 million euros. Management confirmed the previously set targets for 2023 and 2025. The group continues to invest in sustainability by, among other things, investing in electric vehicles, using renewable fuels. In addition, Deutsche Post won a Top employer Award in January.

Among the worst-performing stocks we find Deme (-4.97%), Orsted (-5.67%), EQT AB (-5.74%), Roche (-7.42%) and Li Ning (-7.52%). Deme has already won some large contracts to build offshore wind farms in recent months. The company will already be able to benefit from the European ambition to make the North Sea the largest, green energy power plant in the world. The share price had risen nicely since the IPO and is in need of a breather. EQT AB is in the corner where the blows are falling. Private equity, real estate and infrastructure funds are being shunned by investors because of tightening monetary policies that are making project financing more difficult and depressing valuations. However, EQT AB appears to be little affected by this and has started the year strongly with 10 new investments where the company said it is not experiencing financing difficulties. All funds managed by EQT AB are performing according to or above targets. Valuations also remain firm thanks to the strong underlying performance of portfolio companies. Finally, Li Ning is going through a more difficult period. In 2022, covid-related constraints weighed on growth. Accordingly, growth collapsed from nearly 39% in 2021 to just 14% in 2022 with net profit also remaining virtually stable. Indeed, profit margins fell due to a rise in production and distribution costs. Inventories have also increased at just about all players in the industry, increasing costs and putting further pressure on margins. We expect sales to continue to be under pressure in the first half of the year and believe that a gradual improvement should occur thereafter.

During the first quarter, equity exposure hovered around 75%.

In terms of portfolio sustainability, 57% of the portfolio companies' sales contribute positively to the 17 sustainable development goals of the United Nations. The fund also achieves the maximum sustainability score at Morningstar of 5 globes and also has a low Morningstar carbon risk score indicating that the fund is well positioned for the energy transition.

MFP Best Strategies fund

The investment objective of the sub-fund is to generate capital gains over a medium-term horizon with lower volatility than broad equity markets. The sub-fund achieves its investment objective by investing in multiple alternative strategies including, but not limited to, long/short, relative value, event-driven, global macro and tail risk hedging.

MFP Best Strategies fund gained 2.03% during the first quarter, with January and February showing a positive trend followed by a 1.2% decline in March. The most significant contribution came from the

Relative Value strategy. The best-performing funds were Lumyna - BOFA MLCX Commodity Alpha UCITS

Fund, up 8.21%, followed by Threadneedle (Lux) - Pan European Absolute Alpha, up 6.33%.

Our liquidity position was increased to around 25%.

Investment Committee Report (cont.)

Second Quarter Analysis

Economic context

The International Monetary Fund (IMF) in July again revised its expectations for global economic growth slightly upwards. For 2023 and 2024, the IMF forecasts 3% growth, which despite the upward revision still remains low in historical perspective. Inflation should fall from 8.7% to 6.8% this year and to 5.2% in 2024. The past few years were marked by a lot of exceptional factors, such as the covid pandemic, followed by a sharp economic recovery that resulted in high economic growth, but also high inflation. The World Health Organisation announced in May that Covid-19 was no longer considered a global health crisis. In terms of the disruptive impact on the economy, there too we have seen a recovery in supply chains with delivery terms and transportation costs normalised. Furthermore, we see that inflation remains high but has come down significantly. This is partly due to a recovery in supply chains, while the demand side of the economy is also normalising due to tighter fiscal policies by governments. Finally, central banks, through their monetary policies, have also slowed the economy and inflation.

During the second quarter, we saw diverging evolutions in the different regions. For instance, we see that growth in the US remains very high and was significantly stronger than expected. Growth in the second quarter came in at 2.6% year-on-year, higher than the 1.8% growth in the first quarter, and this despite the sharp rise in interest rates. This is in stark contrast to China, where although growth in the second quarter was still 6.3% higher than the second quarter last year, this is due to the fact that last year's growth had fallen sharply due to the pandemic. Compared to the first quarter, we saw a sharp slowdown in the growth rate. This is surprising as late last year China finally eased its covid policy sharply and markets assumed a sharp recovery in economic growth by 2023, which in the end could only be sustained for one quarter. In Europe, we see a mixed picture. Growth had fallen quarter-on-quarter to 0% in the first quarter, although year-on-year growth still came in at 1.1%. For the second quarter, we again see positive growth of 0.3% compared to the first quarter, with France and Spain in particular registering sustained growth while the German economy stagnates.

However, the near future looks very uncertain. After all, central banks in Europe and the US have raised interest rates particularly sharply over the past year in their fight against inflation. The Fed also indicated that they assume the labour market will have to cool down for inflation to move towards the 2% target. We have seen in recent months that such a sharp rise in interest rates causes casualties, of which we do not always know in advance where they will be. This time, the first victims were US regional banks, some of which went bankrupt. Fortunately, this did not lead to a financial crisis thanks to decisive action by the authorities. Nevertheless, regional banks remain vulnerable. Moreover, with the rise in interest rates, we are seeing a sharp drop in demand for credit by US companies and households, while at the same time banks are also tightening their credit conditions significantly. This will have an effect on economic growth, but it remains to be seen how big that effect will be. In the meantime, we see that corporate capital investment has clearly declined. The Philadelphia Fed Capex index that measures how much companies will increase their investments over the next six months has fallen back to 18% coming from a peak of 46% in the summer of 2021. Incidentally, we are also seeing a decline in lending in Europe.

In both the US and Europe, it is further noticeable that growth is slowing most in the manufacturing sector, where we can even talk about a recession. The reason is that during the pandemic, demand for goods rose sharply only to fall back. Thanks to the reopening of the economy, we again saw consumption shift much more from products to services, so the service sector continues to do relatively well for now. This is also reflected in the labour market. In the US, the labour market remains very tight. In June, for instance, there were still almost 10 million job vacancies for less than 6 million jobseekers. With the tight labour market, the risk remains that companies will have to pay higher wages to attract people, causing a wage-price spiral to drive inflation. This is precisely why the Fed raised interest rates again in July to cool down the economy and especially the labour market and curb inflation. However, despite the interest rate hike, we still see the US economy accelerating again driven by the service sector. Companies therefore continue to create jobs, which explains the strong labour market. In that context, it is therefore not very surprising that consumer confidence has been on the rise again since last summer.

The European central bank is following the same strategy of monetary tightening to bring down inflation, but unlike the US, a lot of advance indicators are indicating a weakening economy. The question is therefore how far the ECB will go.

That other world power, being China, for its part, remains in the doldrums. Little remains of the enthusiasm at the end of last year and the beginning of this year. A short-lived revival of growth (+2.2%) in the first quarter was followed by a sharp fall in growth in the second quarter (+0.8%). Traditional growth engines in manufacturing and construction are slowing down which weighs on growth. After years of rampant construction frenzy, the sector is now facing high debts and low demand. Youth unemployment (16-24 years old) has climbed to a record high of over 20% and the export industry is also struggling due to low global growth. Chinese inflation, meanwhile, has fallen to 0%. Not surprisingly, China is implementing monetary policy easing, but in the context of sky-high local government debts and construction sector difficulties, this will do little to boost the economy. An expansionary fiscal policy should be more effective in the current situation. The Chinese government has also already indicated that they will take measures to stimulate the economy, but given the high levels of debt, resources there too are more limited than in the past.

Conclusion:

MFP SICAV p.l.c. Investment Committee Report (cont.)

After the strong post-pandemic economic growth that also pushed inflation to record levels, we entered a phase of normalisation. Interest rates were raised, fiscal policy in Western countries tightened as did monetary policy, causing growth to slow down and inflation to fall as well. However, current inflation is still considered too high and helped by the fall in energy prices. In contrast, core inflation excluding food and energy remains much more persistent. This leaves central banks with a particularly difficult trade-off to make. On the one hand, they should reduce inflation further, but on the other, they should also avoid pushing the economy into a deep recession. Over the past year, interest rates have risen at a record pace in the US and Europe. Moreover, its impact on the economy is only making itself felt with a time lag. Hence, central banks are now quietly becoming more cautious about rate hikes and allowing more time between any rate hikes, so as to evaluate the impact of the earlier rate hike. The ideal scenario is that of a soft landing of the economy, with inflation falling and the economy growing at a more sustainable pace, without negative shocks such as a recession.

The market's belief on such a soft landing fluctuates according to the economic indicators released. In the first few months of the year, confidence in such a favourable scenario rose but that belief took a big hit in the second quarter when several US regional banks failed. In recent months, confidence quietly returned thanks to a steadfast US economy. We have maintained a relatively positive view since the beginning of the year as long as we see inflation falling further without too much damage to the economy. As soon as we get signals that the economy would slow down more, we will adjust our view. After all, there is a real chance that a recession would start during 2024 anyway. The only question will then be to what extent inflation will have fallen back, leaving central banks free to adjust monetary policy.

Equity Markets:

During the second quarter, global equity markets went higher, but this is mainly thanks to the strong performance of US equity markets, which are also strongly represented in global equity indices such as the MSCI AC World. For instance, the US Nasdaq 100 and S&P 500 rose 15.4% and 8.74%, respectively. European equity markets moved sideways while Chinese equity markets again took hefty losses. In Asia, the sharp rise in Japanese equities also stood out. The Nikkei rose 18.5%. After years of fighting deflation, inflation has finally returned to Japan. Consequently, during the second half of the previous decade, interest rates fell to negative levels and the central bank bought up bonds en masse. Japan's central bank is the last central bank to still have negative short-term interest rates. Meanwhile, inflation has increased, but at 3.3%, it is still significantly lower than in Western countries. Moreover, the central bank does not yet expect the higher inflation to be sustainable enough, so it is maintaining an accommodative monetary policy for the time being despite the prospect of a very gradual tightening. Indeed, the Bank of Japan announced that it will apply its so-called control of the yield curve more flexibly, allowing long-term interest rates to move more freely even above the 0.5% level that no longer becomes a strict upper limit but rather a reference level. However, given the difference in monetary policy with the ECB, it is not surprising that the Japanese yen fell more than 10% against the euro this year. The dollar also lost some ground against the euro this year.

At the sector level, there were already big differences between sectors. The best-performing sectors were technology (+14.75% in USD), consumer cyclicals (+10.7% in USD) and telecoms (+9.7% in USD). The sectors that performed weakest were energy (-0.26% in USD), utilities (-0.24% in USD) and commodities (-0.06% in USD). However, real estate (+0.56%), non-cyclical consumption (+0.56%) and healthcare (+2.55%) also made earlier strides. In short, the strongest decliners in 2022 made the biggest gains this year.

Despite the positive performance of most equity indices, many concerns remain. On the one hand, we see that the rise in equity markets is not very broad-based, but a few sectors are leading the stock market boom. Moreover, within those sectors, some heavyweights are responsible for the rise in sector indices. It is therefore telling that the six largest stocks in the Nasdaq 100 index accounted for more than 50% of the index. For this reason, the Nasdaq exchange operator carried out a special reshuffle in July to reduce the weighting to 40%.

A second concern has to do with the evolution of the economic context. It is a fact that interest rates were raised particularly aggressively over the past year and the ultimate impact is difficult to estimate. In a negative scenario, it could turn into a severe recession. Moreover, China has fallen into the economic doldrums. In previous crises, Chinese growth has also dragged down the rest of the global economy, but that is not on the cards now. In terms of economic context, it is noteworthy that US companies' net profit margins have been declining for over two years. For instance, it still peaked at 13% in the second quarter of 2021 that has been steadily declining since then to 11.1% currently, a figure more in line with the 2018-2019 period.

The geopolitical context also remains a threat to the global economy. With Russia cancelling the grain deal with Ukraine, grain exports from the Black Sea region are once again in question. This could again lead to scarcity and higher food prices. Moreover, the energy crisis is also not yet fundamentally resolved. On top of that, tensions with China are added.

Finally, looking at equity market valuations, we can still conclude that equity markets are relatively expensive. If we take the evolution of the risk premium (earnings yield - bond yield), we see that it has fallen considerably in recent years to below the current 5-year average. In other words, equities have become much less attractive relative to bonds. This is of course largely due to rising interest rates.

Looking at the valuation of equity markets in isolation, we see that European equities remain noticeably cheaper than US equity markets. This is historically very often the case, but this time we still see that the difference in valuation is very large in historical perspective. Finally, looking at the current results season where about half of the companies have already published results and the evolution of analyst expectations of corporate earnings, we come to the following observations.

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Although 80% of US companies delivered better results than expected, the positive surprise (+5.9%) is lower than the historical 5-year and 10-year average. Moreover, corporate profits still appear to be a lot lower compared to the second quarter of last year (-7.3%).

Corporate profits are also falling in Europe during the second quarter. A 5.8% decline is currently expected. As in the US, the energy sector in particular is seeing profit declines after last year's record profits, while the technology, telecoms and cyclical consumption sectors are posting nice profit growth.

Fixed income:

In bond markets, we have also seen a limited recovery after a difficult 2022. Interest rates rose sharply last year which saddled bond markets with hefty losses. This year, we are seeing a consolidation with interest rates moving sideways. As also indicated last quarter, current levels of interest rates are a lot more attractive than before. The sideways trend also indicates that the market is unsure about the future direction of interest rates. On the one hand, inflation still remains very high, making higher interest rates possible. We still maintain the same view as last quarter, namely that inflation will continue to decline gradually, so we expect interest rates to continue moving within that sideways range in the coming months. In the short term, we therefore remain neutral on bonds.

In the table below, we show the yields at 30 June for the various bond categories, as well as the average maturity, rating and evolution since the start of the year (in local currency).

		Effective Yield	Duration	Average Rating	1 Month	YTD	1 Year
GO00	US Govies	4,36	6,47	AAA	-0,72%	1,63%	-2,47%
EG00	EUR Govies	3,2	7,34	AA3	-0,29%	2,09%	-4,85%
COA0	US Comp	5,55	6,88	A3	0,28%	3,23%	1,41%
ER00	EUR Comp	4,33	4,62	A3	-0,42%	2,03%	-0,01%
HOA0	US High Yield	8,35	3,65	B1	1,63%	5,42%	8,87%

Invest4Growth Asset Management's vision:

Since the covid pandemic, the economic context has been characterised by extreme conditions. This brings higher uncertainty. Clearly, economic growth is slowing down and the period of rapid interest rate hikes is coming to an end. Central banks are also quietly adopting a more wait-and-see attitude in their monetary policy. As long as the scenario of a limited growth slowdown remains intact, we are rather positive on equity markets.

MFP Raphael's Ethical Choice fund

The investment objective of the sub-fund is to generate long-term capital appreciation by investing globally in equities with a focus on environmental, social and corporate governance (ESG) issues. Equity exposure can evolve between 0% and 100% and is adjusted according to market conditions through the use of derivatives.

MFP Raphael's Ethical Choice fund rose 1.74% (share class B) during the second quarter. This brings the return since the start of the year to +6.91%.

The evolution of the fund during the first half of the year was satisfactory. After all, most of the shares achieved a nice increase and have good prospects. Among the strongest performers in the second quarter, we find 2 technology stocks, being KLA Corporation (+21.92% in USD) and Microsoft (+18.38% in USD). Both stocks have benefited in their own way from the hype around Artificial Intelligence. KLA is a supplier of machines for semiconductor manufacturing and is particularly dominant globally in, among other things, inspection machines used during production. The semiconductor sector is experiencing a dip after strong growth due to the high demand for electronic devices at the time of the pandemic. In the short term, demand remains under pressure due to a previous high inventory build-up that needs to be cleared first. This also causes delayed investment by manufacturers, which weighs on KLA's short-term outlook. Due to their dominance in the manufacturing control process, KLA enjoys an advantage as companies prioritise their investments, making it better able to digest the industry's cyclical dip. In the long term, KLA continues to operate in a high-growth market thanks to the ever-increasing digitalisation and emergence of Artificial Intelligence. Moreover, because of the semiconductor sector's geopolitical importance and technological leadership, we see that the regionalisation of production is now becoming an additional driver of growth for KLA. Indeed, factories are being built in North America, Japan and Europe to reduce dependence on Taiwan.

For its part, Microsoft earlier this year integrated OpenAI's chatbot into its search engine Bing. Moreover, OpenAI's models run on Microsoft's Azure cloud service and Microsoft has sharply increased investment in AI with the intention of rapidly rolling out AI in more and more of the company's products and services. For example, there will be a 'co-pilot' for the Microsoft 365 service with its applications such as Word, excel, PowerPoint and Outlook. For an additional monthly fee of

USD 30 per month, users will get an AI assistant to make their daily tasks easier. Fortunately, the company published a nice increase in revenue (+8%) and net profit (+21%). Given the share's high valuation, revenue growth is a bit low compared to

MFP SICAV p.l.c. Investment Committee Report (cont.)

other companies. On the other hand, Microsoft does invest heavily in innovative technology to gain a dominant position there too. The future prospects therefore remain very good for a company with impressive profitability.

Last quarter, we mentioned that Gerresheimer has recorded an impressive track record in the stock market. We sold a call on the full position in May after a rise of more than 100% over some six months. We received a 10% premium for this call option. The option has an expiry date in December.

Spain's Inditex (+16.98%), the parent company above clothing chain Zara also had a nice ride. During the first quarter, profits rose more than expected by 54% to €1.2 billion. Sales also continue to grow strongly this year after 2022, rising 13% in the first quarter to 7.6 billion euros. The company continues to invest in new retail spaces which should rise about 3% this year. The company is also investing in its employees and in February announced a 20% pay rise for store staff in Spain. Over the first six months of the year, Inditex's share price rose more than 45%.

Amadeus IT is a leading provider of technology solutions for the travel and tourism industry. The stock continued the rise of the first quarter (+27%) during the second quarter (+13%), bringing its first-half return to 43.56%. Revenue for the first six months was €2,692.1 million, up 28.2% compared to the first half of 2022. Net profit was also up 85% on last year to €560.3 million. Finally, free cash flow rose 57% to 482.4 million. The company further gains market share. The number of passengers transported through Amadeus rose almost 37% versus 2022 and here is still only 4.6% below the pre-coronagraph 2019. In terms of bookings through Amadeus IT, we are still 23.5% below the pre-corona level. The company is in excellent financial shape. Net financial debt is as big as operating profit for the last 12 months. Rating agency Standard & Poor's raised the rating to BBB. The company plans to consolidate its market dominance by further investing in Research & Development whose investments have increased by 20%.

Dassault Systèmes which achieved a return of 21.92% over the first half saw steady growth in revenue (+8% at constant exchange rates) and profit (+4%) during the first half of the year. The company sees its customers increasingly investing in innovation and sustainability. The company that provides virtual 3D Experience software used in all kinds of research and development has strong cash flow generation and attractive growth prospects. Despite solid growth figures and confirmation of expectations for full-year revenue growth of 8-9% and earnings growth of 5-6%, the share price dropped after the release of these figures. We note that there were insider purchases by the chairman of Dassault Systèmes after the publication. We like to mention that Dassault Systèmes is also a pioneer in sustainability. 82% of its electricity consumption comes from renewable energy, 26% of its suppliers have a Science-Based reduction target of CO2 emissions, 66% of its revenues can be classified within the EU Taxonomy as sustainable activities, etc.

We also see a continued flow of insider purchases at Ørsted, albeit with limited amounts. We continue to see good developments at the company. It has announced several divestments in offshore wind farms and transmission systems in recent months which is a good development in order to also be able to implement its new investment plans. The company has also designed and developed the industry's first unmanned surface vessel (USV) for offshore meteorological measurement campaigns. The measurement data will help reduce uncertainties in projected annual energy production for new offshore wind farms. Ørsted, which has patented the USV concept, sees huge potential in the technology and has started series production based on their successful prototype USV. In terms of environmental efforts, the company has a partnership with WWF. This includes a marine restoration project 'BioReef', which aims to create one or more biogenic reefs of European flat oysters and horse mussels in Danish waters to support healthy marine ecosystems. In this way, the company aims to promote offshore wind energy with a net positive impact on the ocean. Indeed, over the past century, the number and quality of biogenic reefs in the North Sea have declined dramatically. Several species have been affected by disease, overfishing, climate change or changes in water quality. Ørsted is therefore a pioneer in sustainable growth. The company is on track to evrinate its greenhouse gas emissions by 98% by 2025 and to achieve net zero greenhouse gas emissions across its value chain by 2040. During Capital markets Day in June, the company also confirmed that growth over the 2020-2027 period will be significantly higher than forecast. Ørsted now expects an average ROCE (return on capital employed) of 15% against 11-12% previously expected. Operating profit is also expected to grow by 15% on average against 12% previously expected.

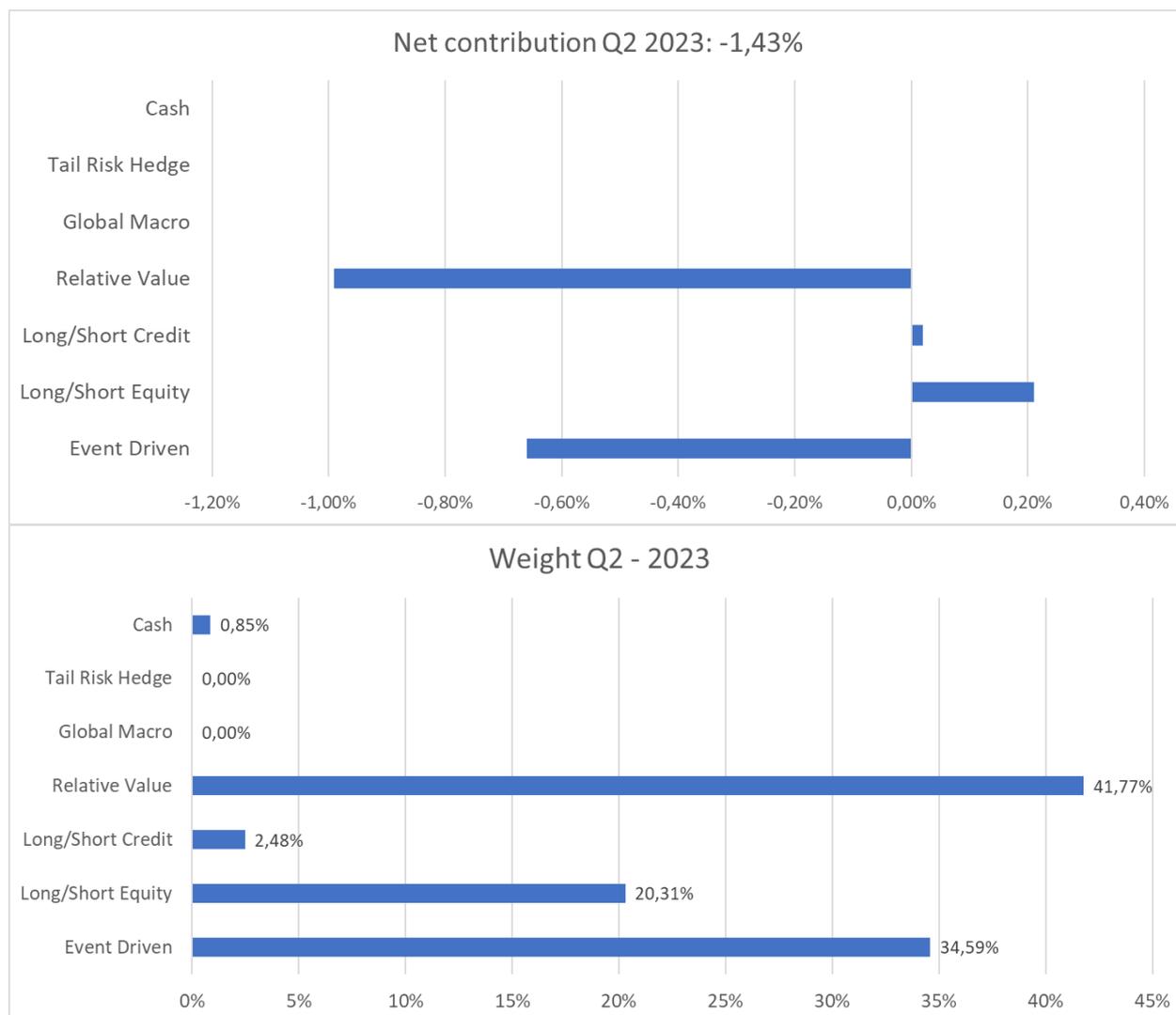
During the second quarter, equity exposure hovered around 75%.

The fund achieves the maximum sustainability score at Morningstar of 5 globes and also has a low Morningstar carbon risk score indicating that the fund is well positioned for the energy transition.

MFP Best Strategies fund

The investment objective of the sub-fund is to generate capital gains over a medium-term horizon with lower volatility than broad equity markets. The sub-fund achieves its investment objective by investing in multiple alternative strategies including, but not limited to, long/short, relative value, event-driven, global macro and tail risk hedging.

MFP Best Strategies fund fell -1.43% during the second quarter, bringing its return since the beginning of the year to +0.56%.



Third Quarter Analysis

In its October report, the International Monetary Fund (IMF) stressed that global economic growth is slowing considerably and will be very weak by 2024. Thereby, emerging countries maintain stable growth while developed economies in particular slow down significantly. Within the latter category, the IMF notes the strength of the US economy, which is doing better than expected. Europe, on the other hand, has economic growth below expectations. Remarkably, despite growth coming in at the lowest level in recent decades, the IMF sees inflation falling only very gradually. Only by 2025, the IMF believes inflation will be brought back to target in most countries. Although the chances of a hard landing have diminished, the IMF believes that inflation expectations have increased in the short term which, combined with a tight labour market, could continue to create inflationary pressures. However, rising interest rates have increased debt problems. Many developing countries face a debt problem and there is also a need for greater fiscal discipline in developed economies.

On the economic front, we think the IMF is still taking a relatively optimistic view. In particular, the stronger-than-expected growth of the US economy does not seem to us to simply carry over to next year. After all, growth has been strongly supported by several factors in recent years. For instance, the US government has gone deep into its pockets to support growth. Budget deficits in recent years have never been seen before except during the World War II period. The budget deficit was 15% in 2020, 12.4% in 2021 and still 5.8% in 2022. In the coming years, the deficit is expected to rise again. This shows how much public spending has financed growth. The question to what extent that government spending will have a structural impact on future economic growth is quite difficult to determine. Projects such as the Inflation Reduction Act encourage investment, which can affect long-term growth. But spending linked to financially supporting US households has no lasting impact. Since consumption is the main pillar of the US economy (about 70% of GDP), we also see some worrying developments here. According to the study firm Statista, US household savings reached \$686 billion in 2022, the lowest figure since 2009. However, savings had climbed to a record high of almost \$3000 billion in 2020, thanks in part to government support. The fact that savings were sharply reduced helps explain why economic growth has been stronger than expected in recent years. Looking into the future, however, we see that this tailwind is dissipating. Moreover, increasing uncertainty is forcing

MFP SICAV p.l.c. Investment Committee Report (cont.)

people to increase their savings rates. More and more Americans are finding it harder to make ends meet, as shown by the Financial Related Stress Index, which is at its highest level since April 2020. This is also the reason why credit lines are being drawn heavily despite the fact that such credit is very expensive. On top of that, some 44 million Americans restarted repaying their student loans as of October, after a period of more than 3 years during which all repayments had stopped. This was part of a population support plan following the corona pandemic.

The US government is also coming under more pressure to reduce budget deficits. Republicans and Democrats are increasingly facing each other with drawn knives. Moreover, long-term interest rates have risen sharply in recent months. This is causing a sharp increase in interest payments on outstanding debt, pushing the budget even further into the red. Looking at the figures, we do see some striking things. The outstanding US government debt is some USD 33000 billion. In August, the monthly interest rate on this debt was 2.92%, a big difference from the low of 1.57% in February 2022. According to US newspaper, The Washington Post, the federal government's interest payments are at a record high. This year, the US government spent \$659 billion in interest payments on its debt.

To put this spending in perspective for a moment. Interest payments are approaching the level of the annual budget that the US spends on defence (about \$800 billion) and will soon exceed it. Within three years, interest payments will represent the government's second-largest expenditure after Social Security. Interest payments have already doubled in the past two years and are expected to continue to rise. After all, some 30% of the outstanding public debt will come due in the next 12 months and will therefore have to be refinanced at the current, higher interest rates. In the next three years, about half of the public debt will have to be refinanced, posing a significant risk.

Finally, this also raises the question to what extent this refinancing of existing debt puts upward pressure on interest rates. After all, the central bank sets short-term interest rates, but long-term interest rates are determined by market supply and demand. Following the financial crisis in 2008, central banks, through their quantitative easing policies, positioned themselves on the buy side within the bond market in order to bring down long-term interest rates. Today, the situation is different. For a year now, they have been steadily reducing their balance sheets.

In Europe, the situation is similar. The European economy has probably already entered a mild recession. PMI indicators have been indicating a slowing economy for some time. European industry has been in recession for some time, but until now the larger services sector has been able to compensate sufficiently for the weak industry. Nevertheless, we see that the service sector in Europe is also gradually weakening. Companies are also putting the brakes on their investment projects due to the sharp rise in interest rates, which is weighing on growth prospects.

As for inflation, on the other hand, we see a steady decline both in the US and Europe. Granted, inflation was up slightly again in the US over the past two months, but core inflation is definitely cooling. Moreover, looking at the underlying components of inflation, we see that in the US, just about all components have fully normalised and are close to or below the central bank's inflation target. Only the housing component, which also has a high weight in the calculation, still remains very high. Yet we see historically that this component follows the evolution of house prices with a lag of 18-24 months. As a result, we assume that in the coming months inflation will continue to decline in the US.

Inflation is also falling in Europe. In our region, it is mostly energy prices that have pushed inflation rates upwards. In September, core inflation fell sharply to 4.5%. Moreover, the crisis within industry is also affecting price levels. Thus, we are seeing a sharp drop in producer prices such as in Germany where producer prices fell by 15% compared to a year ago. Unfortunately, inflation in the services sector is a lot more persistent due to high labour costs.

Finally, China remains in the doldrums. Unlike the rest of the world, China is not experiencing a post-covid boom. In just one quarter, the Chinese economy experienced a significant growth acceleration only to weaken again because of the property crisis raging in China. Meanwhile, the Chinese government has already taken numerous measures to shore up the economy. China is thus further increasing its budget deficit, having also rolled out previous support programmes to revive economic growth. For instance, the government encouraged the purchase of electric cars. These measures did have some positive effect as could be seen from the third-quarter growth figures. Economic activity rose by 1.3% quarter-on-quarter. Nevertheless, thunderclouds remain due to ongoing financial difficulties in the real estate sector and economic growth remains underwhelming.

Conclusion:

US economic growth has been extremely resilient so far. Nevertheless, we are seeing the first signs of weakening and we believe that the economy will move towards recession. At the moment, it is difficult to estimate how deep this recession will feel as this will also depend on monetary and fiscal policy. However, we expect inflationary pressures to ease further and central banks to stop raising interest rates. This would be a very positive element as it would also give central banks more opportunities to adjust monetary policy in the event of a more severe recession.

MFP SICAV p.l.c. Investment Committee Report (cont.)

Equity markets:

During the third quarter, global equity markets went sharply lower. The fact that the MSCI AC World in euro held up so well is due to the strong appreciation of the dollar over the past quarter, with the euro losing more than 3%. Chinese equity markets continued their lousy 2023, already recording negative returns for the second year in a row. There was hardly any sign of the hoped-for post-pandemic boom in China.

Since the summer months, we have clearly seen a tightening of financial conditions, as measured by the Goldman Sachs Financial Conditions Index, which is causing equity markets to fall. No doubt, the sharp rise in long-term interest rates has been a major contributor to the tightening of financial conditions. Keeping in mind that the US government will issue a lot of new bonds in the coming months to refinance existing debt and to finance the budget deficit, doubts arise whether financial conditions will loosen much.

A second notable evolution is the significant differences between sectors. According to a study by Bloomberg Intelligence, in recent years, since the pandemic, differences between sectors have been abnormally high. Historically, dispersion between sectors is highest during periods of severe turmoil in the markets, such as in 2000 and in 2008, but then flattens significantly during the subsequent recovery. This time is different. Despite the sharp stock market recovery in 2021, the differences remained significantly higher and widened even more over the past two years. Correlations between sectors also changed dramatically in the 2021-2023 period compared to previous decades. For instance, the previously high correlation between the non-cyclical consumption sector and cyclical consumption fell sharply. By contrast, the non-cyclical consumption sector saw a sharply higher correlation with utilities than in the past while the pharmaceuticals, manufacturing and commodities sectors also have a much higher correlation.

Another notable observation is that classically defensive sectors have been punished more heavily than the broad indices in the past 3 months by rising interest rates. This does not make picking a new defensive strategy any easier.

Since the beginning of the year, we have seen strong outperformance from the sectors that were the weakest performers last year, being telecoms, IT and cyclical consumption. The real estate sector has been in bad weather for two years due to rising interest rates. Last year, the sector lost over 25% and this year too, the sector is in the penultimate position. However, valuations are particularly attractive today. But as long as interest rates are in a rising trend, the sector will be shunned by investors. Furthermore, the very weak performance of the clean energy sector stands out. Both alternative energy producers and suppliers were slaughtered on the stock market while at the same time traditional oil companies flourished. The financial sector is holding up in the mid-range, but the question is whether the sharp rise in interest rates is not causing under-the-counter problems. In the spring, some regional banks in the US went bankrupt. Remarkably, there have been no additional casualties so far despite a further rise in interest rates.

Looking at the current results season in the US, we have seen slightly better-than-expected results halfway through the season. According to Factset, 78% of companies have published better than expected results, with corporate profits recording 2.7% growth versus the year before. Should that figure remain unchanged, this quarter would also mark the first quarter of growth since the third quarter last year. Only three sectors have so far recorded a decline in profits, being energy, commodities and pharmaceuticals. Looking ahead, analysts today expect earnings growth of 5.3% in the 4de quarter. That is a lot less than what was expected at the end of September for the 4de quarter. Back then, analysts were still assuming 8.1% earnings growth for the 4de quarter. For the full year 2023, we arrive at earnings growth of 0.9%. For next year, analysts remain optimistic. Factset calculated that analysts are assuming earnings growth of 11.9% in 2024.

In Europe, on the other hand, we see a fall in profits for companies in the Stoxx 600 index. According to Refinitiv, a 9.7% fall in profits is expected for the 3de quarter compared to the third quarter last year. However, this fall in profits will be attributed to the energy sector. Without the energy sector, corporate profits would be 1.7% higher. Currently, we are only at the beginning of the results season for European companies, but based on the first publications, we see a slightly disappointing picture. Indeed, 54% of companies did better than expected in terms of operating profit, but only 40% achieved higher sales than what analysts had expected. And that figure is significantly lower than in an average quarter. For the next two quarters too, analysts are assuming a decline in sales and profits before resuming growth from the second half of 2024. For the full year 2023, operating profits are expected to be at the same level as in 2022. In other words, no profit growth, but also no decline in operating profits.

Another important aspect of equity markets concerns valuation. There are two ways to look at the valuation of equity markets. On the one hand, one can look at the valuation in isolation and compare it with the history and on the other hand, one can also compare the valuation in relative terms against bonds. In absolute terms, we take the price-earnings ratio. For the US S&P 500, the price-earnings ratio is 19 if we take the gains of the past 12 months. If we look ahead and take the expected earnings for the next 12 months, the price-earnings ratio drops to 17, marking below the historical average for the past 5 years. Still, we believe this is not a good analysis. After all, the valuation compared to valuations of the past few years does not make sense as interest rates are at completely different levels. After all, when bonds offer barely any yield, there is little alternative to equities and so valuations rise. When interest rates are around 5%, there is indeed an alternative to equities and so it makes sense that investors demand a higher risk premium, and thus want to pay a lower valuation. Moreover, one can ask whether expected earnings for next year will not be revised downwards if we enter a recession.

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In Europe, valuations are a lot lower than in the US. This has pretty much always been the case historically. Yet it is notable that the valuation differential has risen very high. The price-earnings ratio of the broad Stoxx 600 index is 11.8 for 2023 and falling slightly for 2024.

Comparing the valuation of equity markets with bond markets, we can say that US equity markets are relatively expensive, while European equity markets are more likely to have a neutral valuation. Still, one should be careful when drawing conclusions. European equity markets are very different from US equity markets by sector breakdown. In Europe, there are a lot fewer technology companies present, which often have a higher growth profile than the broad equity markets. European industry is also in a difficult context, with European competitiveness weakening, which is increasingly leading to the loss of investment in Europe in favour of other regions. In short, our view is that equity markets are poorly priced in the current context of high interest rates.

Fixed income markets:

After a historically bad 2022, bond markets consolidated during the first half of the year. In contrast, during the third quarter, we saw another upward acceleration in interest rates. However, current levels are relatively attractive. US corporate bonds generate yields above 5% while European corporate bonds yield around 4%. We have not seen such levels in recent years. Moreover, inflation is falling, making these bonds quite attractive. At Invest4Growth Asset Management, we put together bond portfolios with a strong spread across sectors and issuers and maturities, often aiming for an average maturity of 4 years. This also allows us to adequately absorb interest rate risk should interest rates rise further.

MFP Raphael's Ethical Choice fund

The MFP Raphael's Ethical Choice fund was down 3.7% during the third quarter (share class B). This brings the return since the start of the year to +2.58% for the first nine months of the year. The third quarter initially started well with a positive stock market month of July. However, the trend completely reversed in August and the markets have been in a downtrend ever since. The portfolio suffered significantly from this downturn despite the fact that equity exposure was sharply reduced. For instance, equity exposure had risen to 90% in July, only to fall to 65% by the end of September. The most notable share price movements over the past quarter came from Novo Nordisk (+17.7%) whose shares split into two. Novo Nordisk experienced particularly strong growth again this year and its share price rose 39% over the first nine months of the year. In doing so, Novo Nordisk dethroned LVMH as Europe's most valuable company. Novo Nordisk, a world leader in diabetes and obesity drugs is benefiting from the strong growth of obesity drugs. Demand is so high that production cannot keep up. Moreover, these GLP1 hormone drugs such as Ozempic and Wegovy are also found to have a positive effect on cardiovascular disease, further expanding the application market. Novo Nordisk therefore increased its annual forecast. The obesity medication market is estimated to be worth more than USD 70 billion by 2032. Novo Nordisk and Eli Lilly would account for 45% market share each.

Another strong riser over the past quarter was US-based Intuit (+11.7%). The company published quarterly results in August for the fiscal fourth quarter ended 31 July. Intuit's total revenue rose 12% year-on-year in the fiscal fourth quarter. Operating income rose 45% and earnings per share 50%. Strong services to the self-employed and small businesses offset weakness in the tax, credit and consumer-facing businesses. Intuit expects revenue growth of 11% to 12% in fiscal 2024, with earnings up 12% to 14% to between \$16.17 and \$16.47 per share.

IBM (+6.07%) also had a good quarter with its share price climbing higher against the grain. Moreover, in October, IBM came out with excellent quarterly figures that were better than the market had expected. Moreover, the company raised its expectations regarding the free cash flow it will realise this year. Thus, IBM thinks it will earn about \$10.5 billion of free cash flow, up \$1 billion from last year. Moreover, this IT giant is finally managing to accelerate growth. Thus, it expects revenue growth of 3-5% versus last year. The software segment in particular surprised positively thanks to increasing demand for IBM's Watson X AI platform.

Cisco announced in September the acquisition of cyber security company Splunk for USD 28 billion. As companies shift their IT infrastructure to cloud computing, the importance of a secure and reliable network is ever increasing. Splunk allows Cisco to increase its recurring revenue and strengthens its presence in cyber security and network observation and reduces Cisco's dependence on the network equipment business. Cisco's healthy balance sheet, high free cash flow and reliable dividend make the US networking giant a solid investment. Earlier in August, Cisco had also come out with strong quarterly figures. Quarterly revenue was up 16% to \$15.2 billion while earnings per share rose 43%.

Among the worst performers, we unfortunately find quite a few names. As mentioned earlier, we see a number of negative trends in the alternative energy sector. Within the portfolio, companies including Orsted (-40%) and Deme (-16.8%) were victims of this as well as SQM (-17.8%). At the previous quarterly results on 10 August, Orsted had given no warning about problems at US wind farms. Orsted maintained their expectations for an operating profit of DKK20-23bn (excluding revenue from new partnerships) and higher profits from the Offshore segment. It was therefore surprised when it announced on 29 August that it would book a significant write-down on US offshore development projects. The reasons are rising wind farm construction costs because of higher raw material costs, higher inflation, higher interest rates and supplier problems. The share price went down more than 25% on the same day. We sold the stock afterwards. We underestimated the problem of rising financing charges and higher costs. The fact that offshore projects are being cancelled or facing delays also affects

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maritime companies like Deme. After its half-year results, Deme also took a big hit as profitability was lower than expected. Still, Deme believes the best is yet to come. Its order book grew 37% to a record €7.7 billion. Offshore Energy represents some 40% of Deme's business. Deme is otherwise in a strong financial position. Its debt ratio is 1.4 times gross operating profit while the company has just completed major investments and commissioned several new vessels. Deme will reap the benefits of these investments in the coming years as these vessels will also contribute to the company's results from now on.

MFP Best Strategies fund

MFP Best Strategies fund lost 6.18% during the third quarter, bringing its return since the beginning of the year to -5.65%.

Due to weak performance within the absolute return theme on the one hand, and interest rates quoted at their highest level for many years on the other, the portfolio was drastically changed. Most absolute return funds were sold, leaving only 4 funds in the portfolio, being Pictet Mandarin, Nordea Alpha 15MA, Helium Selection fund and Lumyna - BofA MLCX Commodity Alpha. These absolute return funds represent about a third of the portfolio. In addition, about half of the portfolio was invested in individual bonds, from creditworthy issuers and with limited maturities. Furthermore, an option strategy is still done in-house, which remains an additional driver for the fund. Finally, the fund is quite defensively positioned and has a significant cash buffer hovering around 15%. This should allow the fund to enter a new growth trajectory. Depending on opportunities, we expect to further reduce absolute return funds.

Fourth Quarter Analysis

The IMF sees inflation falling faster than expected in most regions thanks to the unwinding of supply-side problems and restrictive monetary policy. Global inflation is expected to fall to 5.8% in 2024 and to 4.4% in 2025, with the forecast for 2025 revised downwards. In short, disinflation and steady growth have reduced the likelihood of a hard landing and the risks to global growth are generally balanced. On the positive side, faster disinflation could lead to further easing of financial conditions thanks to less restrictive monetary policy. On the other hand, the IMF notes that with inflation easing and economies better able to cope with the effects of fiscal tightening, a renewed focus on fiscal consolidation is needed to rebuild fiscal capacity to absorb future shocks, generate revenues for new spending priorities and curb the rise in public debt.

Furthermore, we see very different dynamics between the US economy and the European economy. For instance, estimated growth in 2023 was over 2.5% in the US compared to barely 0.5% in Europe. Given the sharp rise in interest rates since 2022, it is noteworthy that US growth seems to be barely affected by the sharply higher interest rates. There are several explanations for this. The main explanation is that the financial situation of both businesses and households is very healthy. The vast majority of US households have fixed rates on their mortgage loans and therefore hardly feel the interest rate hike. Asset manager Clearbridge said the average interest rate on outstanding mortgage loans in the US had risen from 3.3% to just 3.7%, while interest rates on new long-term loans were over 8%. Companies have also taken advantage of the long period of low interest rates to lock in interest rates on their outstanding debt at low levels and for the long term. As a result, the impact of interest rate hikes is only slowly seeping into the economy. Only when companies have to take out new loans to finance new projects, for instance, do they face the higher interest rates. Among households, too, it is only those taking out new loans that feel the full impact of the interest rate hike.

The IMF now expects global economic growth to remain stable in 2024 versus 2023 at 3.1%. In 2025, growth would then accelerate slightly to 3.2%. In the United States, the IMF sees growth slowing somewhat from 2.5% in 2023 to 2.1% in 2024, while European growth should accelerate from 0.5% to 0.9%, which is still significantly lower than US growth. The IMF's view is in line with the consensus that expects a soft landing in the US, where inflation should fall further creating room for the central bank to ease monetary policy. We share this view and expect that inflation could indeed fall further over the course of this year. After an initial phase of strong cooling, we see US inflation moving rather in a sideways range since the summer. This can be explained by the fact that inflation was initially able to fall more sharply thanks to the removal of bottlenecks in supply chains. However, current inflation is more demand-driven and more persistent. On the other hand, the housing component has a significant weight in the inflation rate.

Knowing that housing costs respond to house prices with some 18-month lag, it seems likely to us that inflation would fall further in the coming months anyway. Besides, long-term inflation expectations from consumers and financial markets have also declined.

Looking further into the labour market, we see signs of slight cooling there too. For instance, the pace of job creation has gradually decreased and wage costs also show a slight downward trend. Still, the labour market remains somewhat surprisingly strong. Weekly unemployment claims have fallen again in recent months and have now been recording historically low levels for more than 2 years. This indicates that no imminent recession seems imminent so far. In any case, the strong labour market has also ensured rising incomes and low unemployment, creating a positive wealth effect that continues to support consumption. The graphs below clearly illustrate how household wealth has risen sharply in recent years while at the same time the share of disposable income needed to pay off credit has fallen. This again illustrates that most households

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were barely impacted by rising interest rates. This therefore helps explain why consumer confidence has increased in recent months.

As mentioned earlier, the good financial health of companies also contributes to a strong economy. On the chart below, we see that for both European and US companies, the ratio of net debt to operating profit is at historically low levels. Despite this, companies do remain cautious and investment plans have been put on hold. This is no doubt also related to the sharp rise in interest rates, which has made financing new projects a lot more expensive.

Nevertheless, we see that recessionary risk has fallen in recent months. After all, the forward PMI indicators that had been falling for quite some time have bottomed out since the summer everywhere and are no longer falling. This also translates into a rise in business confidence in most economic sectors. Still, it is clear that the manufacturing sector is performing significantly weaker than the services sector. Incidentally, this also helps explain why US growth is a lot higher than European growth. After all, consumption represents some 71% of US GDP, which is considerably more than in Europe, which relies much more on industrial activity.

Finally, China remains the economic problem child. The IMF expects growth to slow from 5.2% in 2023 to 4.6% in 2024, with several indicators pointing to underlying vulnerabilities and structural challenges. On economic reforms, China is taking steps to boost economic growth, including increased infrastructure spending, interest rate cuts and easing restrictions on home buying. However, reliance on an overburdened real estate sector and high youth unemployment are worrisome. Moreover, geopolitical tensions, especially with the United States, are lurking and could further affect growth projections. On the foreign trade front, we see an increase in China's exports, but deflation remains a concern. Consequently, falling consumer prices point to weak domestic demand. Moreover, the property sector continues to have a dampening effect on the economy, prompting policymakers to implement more stimulus measures to increase demand and spending. Finally, questions about how the government will tackle the debt and deflationary spiral and whether there will be more stimulus measures remain unanswered. The private sector remains cautious due to low consumer confidence and investment, further compounded by strict regulations and uncertainties. Restoring confidence in the private sector becomes a crucial factor for economic growth. Moreover, China's public debt also continues to grow amid China's decision to support the economy by issuing a large amount of government bonds and allowing local governments to bring forward part of their 2024 bond quota. Nevertheless, the real estate sector, combined with local government debt, remains a major concern for China's long-term growth potential. In short, China's economy faces a critical year in which balancing growth, structural reforms, and navigating international tensions will be key. The government's ability to address these challenges will be crucial for the future stability and growth of the economy.

Conclusion:

The recession widely feared last year has so far not materialised and it looks like the chances of a soft landing have increased. Inflation is on a downward trend and no longer notes far above targets. US economic growth is surprisingly strong and consumer confidence has risen. In Europe, we are experiencing stagnation, but even here there are faint signs of improvement. Still, that does not mean the risks have completely disappeared. In fact, one of the main risks remains high government debts and budget deficits. In the US, almost a third of the debt comes due in 2024, so any interest rate hike could become very painful. Moreover, the IMF also highlights the need to reduce fiscal deficits and debt mountain. If sovereign debts do not get under control, we do risk a severe financial crisis sooner or later.

Equity markets

During the fourth quarter, global equity markets moved sharply higher. Several elements contributed to the rise driven by reduced recession fears and the increasing likelihood of a soft landing. Equity markets were spurred by a sharp fall in interest rates. The 10-year rate fell in the US from a high of 5% in early November to 3.88% at the end of December. Interest rates also went lower in Europe. German 10-year rates fell from a high of almost 3% in early October to less than 2% at the end of December. Looking at overall financial conditions as calculated by Goldman Sachs with their Financial Conditions index, we saw a notable easing of overall conditions thanks to the fall in interest rates, while the dollar also weakened and credit spreads fell. Consequently, interest-rate-sensitive real estate shares rose the brightest last quarter, moving almost 20% higher, after being among the weakest performing sectors for the past 2 years. Another positive element was the fact that the stock market boom did have much broader support than during previous quarters. After all, the so-called "Magnificent Seven", the garland of stocks Microsoft, Apple, Google, Amazon, Meta, Nvidia and Tesla accounted for some two-thirds of the S&P 500 index's stock market boom in 2023. During the year-end rally in November and December, we saw these big names lagging just a little behind the broad market, which was able to make up some of its ground with this. In addition, previously devalued themes and sectors were picked up by investors. For instance, we saw that the Clean Energy theme lost some 23% in 2023 (iShares Clean Energy), despite a rise of over 16.5% in November and December.

The stock market malaise in China, on the other hand, thundered on unchanged. After a negative 2022 in which the CSI 300 index lost 19.83% and the Hang Seng Index 12.56%, Chinese stock markets could not turn the tide in 2023 with both indices losing around 10%. The Chinese economy remains weighed down by a property crisis and high government debt, which does not help consumer confidence. The Chinese real estate sector weighs more than 25% in China's GDP, making it a heavy drag on the Chinese economy. At the same time, the Chinese government's authoritarian regulatory drive has scared away a lot of foreign investors, leading many investors to consider Chinese equities non-investable.

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In terms of sectors, we again see large differences in returns between sectors. As mentioned earlier, the fall in interest rates pushed the real estate sector sharply higher after a long period of great weakness. Another sector that stood out during the 4th quarter was the technology sector, which also climbed over 18% (in USD terms). The defensive sectors lagged behind this rise with the energy sector in particular being a negative outlier with a loss of almost 4%. The 2023 stock market rise can only be credited to a few sectors while 4 sectors remained quite stable, including the energy, pharmaceuticals, consumer defensive and utilities sectors.

Finally, looking at the current results season in the US, we see a mixed picture. On the one hand, we see that the number of companies publishing results above expectations is lower than the average of the past 10 years. On the other hand, the financial sector in particular is pushing these averages down. On top of that, it looks like earnings growth in the 4th quarter will be positive for the S&P 500, which would be positive growth for the second quarter in a row. In only 4 sectors, we see earnings declines, being energy, pharma, commodities and financial services. More important is probably the outlook for 2024. On average, analysts assume that earnings growth for the S&P 500 would average 11.2%. The P/E ratio with expected earnings for the next 12 months stands at a solid 20, which is a lot more expensive than the average of the past 10 years (17.6), while at the same time earnings expectations are thus high. That leaves little room for disappointment.

In Europe, the figures are weaker. Corporate profits in the Stoxx 600 index are expected to fall 8.5%. The energy sector does weigh on that overall figure as without the energy sector the profit drop should be limited to 2.3%. Revenue for the 4th quarter should also record a decline. As in the US, we also see less positive earnings surprises in Europe than the historical average. Conversely, valuations of European stocks are noticeably cheaper than in the US. The price-earnings ratio with expected earnings for the next 12 months is at 12.9 versus the 10-year average of 14.4, but corporate profits are therefore hardly expected to grow in Europe.

Fixed income markets

After a historically bad 2022, bond markets ended 2023 on a positive note. Bond markets rose 6-7% in the last quarter of the year thanks to the sharp fall in interest rates in November and December. US 10-year yields are still roughly 4% while German 10-year yields are just over 2%. Moreover, bond markets are sending a similar signal to equity markets regarding the economic scenario being priced in. After all, not only did government bond yields fall, but credit spreads are also narrowing. This can be seen as the risk premium demanded by investors for the higher risk of investing in corporate bonds. Thus, bond markets are signalling that the risks of a recession have diminished and thus the probability of a soft landing has increased. During a recession, we normally see the number of defaults increase, leading investors to demand a higher risk premium.

Where we found interest rates relatively attractive last quarter, this is much less so at the end of the fourth quarter. Indeed, risks still remain. Given the resilience of the US economy in particular, inflationary pressures may remain present or even increase. Indeed, the labour market remains very tight, which could translate into rising wage costs that indirectly fuel inflation. Another key risk remains the increase in the huge mountain of government debt. Just about everywhere in the world, from Japan over China and Europe to the United States, we have seen an explosion in government debt in recent years. This is not without danger, and if investors believe that repayability would be compromised, interest rates will shoot sharply higher. Especially for the United States there is an increased risk this year as almost a third of government debt has to be refinanced this year. Although interest rates are significantly lower than in October, current levels are still significantly higher than a few years ago. Combined with a steep increase in the mountain of debt, this creates an ever-increasing burden that consumes an ever-increasing share of the budget. Interest payments on outstanding debt, for instance, amounted to about 15% of US revenues and 10% of total expenditure. As large budget deficits are also expected in the coming years, a rise in interest rates would have a sharp impact on debt affordability.

In short, the interest rate levels at the end of December seemed slightly unattractive to us, but given the rise in interest rates in the first weeks of January, we are rather neutral on bonds.

MFP Raphael's Ethical Choice fund

The MFP Raphael's Ethical Choice fund was up 2.91% during the third quarter (share class B). This brings the return since the start of the year to +5.56% (+6.35% for share class A).

After a very poor summer period, October also remained a very difficult month. In contrast, the fund was able to recover sharply in the last two months of the year. One of the stocks that benefited most from the fall in interest rates was Swedish private equity giant EQT AB (+32.2%). Thanks to the integration of Barings Private Equity Asia, the company grew sharply. Revenue for 2023 was up 39% to €2.131bn. Operating profit and operating margins also went higher. Most importantly, the company made significantly more new investments totalling 19 billion euros in 2023, an increase of over 60%, despite the difficult market environment, the fruits of which will be reaped later. In contrast, there were very fewer divestments because of the difficult markets. Despite this context, the company still managed to raise capital from investors relatively smoothly. EQT AB's funds also continued to perform in line with expectations. Finally, the company continues to focus on Artificial Intelligence via "Motherbrain", an investment platform developed by EQT itself that provides support to the various management teams. Finally, on the sustainability front, EQT AB is the first Private Equity company to have set Science Based

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Targets in its journey to becoming a carbon neutral company. EQT has also supported 23 companies in its portfolios to also have Science Based Targets validated while another 30 are in the pipeline to also have these targets validated.

We further highlight the demerger of Solvay and the new Syensqo. Solvay completed the demerger of Syensqo on 11 December 2023. Syensqo comprises the new businesses such as lightweight composite materials for aerospace, critical chemicals for rechargeable batteries, green hydrogen, biotechnologies, etc. The Syensqo share price rose sharply during the first day of trading, but subsequently lost ground over the rest of the month. Still, Syensqo ended the year more than 13% higher than its IPO reference price. Solvay followed the opposite course. After an initial sharp decline against the starting price, the share recovered in the following weeks although it still ended the year 6.5% lower than the starting price. Taking both shares together, this meant an increase of more than 16% over the fourth quarter.

Signify also posted a nice increase (+19%), despite lower sales in 2023 compared to the previous year. Organic sales growth was -7.8% in the third quarter and -7.7% in the 4th quarter. The company did surprise with solid margins. Nevertheless, Signify warned that pressure on sales would continue in the coming quarters. To protect its margins, Signify has therefore launched a cost-cutting programme that should achieve annual savings of EUR 200 million. We decided to sell the stock. Therefore, call options were sold on Signify in the previous quarter with various strike prices.

Dassault Systemes (+25.3%) also had a very good evolution on the stock market during the 4th quarter. Thus, the company reported a software revenue increase of 12% and a subscription revenue increase of 18%, indicating an acceleration compared to the previous quarter. 3DEXPERIENCE software revenue saw an impressive 46% growth and operating margin also increased to 31.0%, a 0.5% improvement, excluding currency effects, compared to last year. For the full year 2023, the company confirmed revenue growth of 8%-9% and raised its expected earnings per share by 1 cent to €1.19-€1.21. Bernard Charlès, chairman and CEO, highlighted the importance of virtual copied environment in enabling sustainable and personalised experiences which explains the success of the 3DEXPERIENCE platform, driven by customers' need for competitive advantage and sustainability. Software revenue showed growth in all regions, with a strong performance in Europe thanks to large transformation deals. These results underscore Dassault Systèmes' strong position in delivering innovative solutions that help clients navigate sustainability and digitalisation, while staying on track to deliver on its five-year plan to double EPS by 2023.

The various stocks in the semiconductor sector also performed quite strongly. KLA rose 26.4%, TSM 20.1% and ASML gained 22.2%. KLA was able to exceed market expectations in each of the past quarters. In the December quarter, sales grew 4% compared to the previous quarter with positive growth in all three business segments. Strong customer acceptance of KLA's market-leading products in multiple optical inspection markets confirms KLA's market leadership and that market leadership in critical and fast-growing segments of the Wafer Fabrication Equipment (WFE) market is driving the company's growth. Here, KLA and Process Control's essential role in customer technology development and R&D initiatives serves as a buffer against short-term market volatility.

ASML also continues to enjoy excellent prospects thanks to its dominance in the most advanced equipment. Thus, the company again reported impressive results for the fourth quarter of 2023. ASML achieved net sales of €7.2 billion, with a gross profit margin of 51.4%, and net income of €2.0 billion. Total net sales for 2023 were €27.6 billion, with a gross profit margin of 51.3%, and net income of €7.8 billion. In the fourth quarter, order bookings reached a record €9.2 billion, of which €5.6 billion related to Extreme Ultraviolet Lithography (EUV) technology, an advanced semiconductor manufacturing technology. These results reflect ASML's strong position in the market and continued demand for its advanced lithography systems essential for semiconductor production. The notable order bookings particularly highlight the growing need for EUV tools, indicating that ASML continues to benefit from trends in the semiconductor industry, including the transition to more advanced chip production processes.

Given the difficult Chinese context that also weighs on Chinese equities, we have reduced exposure to Chinese equities through derivatives. The Chinese exposure is still around 1.5%.

MFP Best Strategies fund

MFP Best Strategies fund rose 1.31% during the fourth quarter bringing its return since the beginning of the year to -3.75%.

During the fourth quarter, the strategy change in the portfolio was further implemented. This involved selling all remaining absolute return funds, with the exception of the Lumyna BofA MLCX Commodity Alpha UCITS Fund EUR. The fund offers market-neutral exposure to commodity markets. The fund's strategy involves actively managing positions in futures contracts based on the futures structure of the commodity markets. This means that the fund seeks opportunities in the form of contango and backwardation within the commodity futures markets. Contango refers to a situation where the future price of a commodity is higher than the spot price, while backwardation is the opposite scenario, where the future price is lower than the spot price. By trading based on these price differences and expected changes in the forward structure, the fund seeks to generate additional returns on top of the price movements of the underlying commodities themselves. This can contribute to the fund's total return independent of the direction of commodity prices.

Additional bonds were also bought so that today the portfolio consists of almost 70% quality bonds. These contributed positively to the portfolio thanks to the fall in interest rates in November and December.

MFP SICAV p.l.c. Investment Committee Report (cont.)

Furthermore, it continues to run an options strategy in-house, which remains an additional driver for the fund. Finally, the fund is quite defensively positioned and has a significant cash buffer hovering around 15%.

Remuneration Policy

For the purposes of SLC 1.9 of Appendix II to Part B of the Standard Licence Conditions, the total, fixed remuneration paid to the Company's three directors is disclosed on page 44.

Other identified staff consist of the Compliance Officer and the Money Laundering Reporting Officer.

None of the identified staff are employed with MFP Fund SICAV p.l.c. During the financial year ended 31 December 2023, the total, fixed, contribution paid by the Company towards the remuneration of these identified staff, totalling 3 beneficiaries, amounted to €29,918.

Details of the management fees paid by the Company to the Investment Manager, and a description of how they are calculated, are disclosed in the Statement of Comprehensive Income and in note 9 to the financial statements.

Remuneration Policy of the Investment Manager

In accordance with its obligations under Directive 2009/65/EC, as amended (the "UCITS Directive") as implemented, amended, consolidated or substituted from time to time (the "UCITS Regulations"), the Manager is required to have remuneration policies and practices for those categories of staff ("Identified Staff"), including senior management, risk takers, staff responsible for control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the Manager or any Undertakings for Collective Investment in Transferable Securities ("UCITS") under management. The remuneration policies must be consistent with and promote sound and effective risk management (and the principles as outlined in Schedule 1 hereto) and not encourage risk-taking which is inconsistent with the risk profiles, rules or instruments of incorporation of the Investment Manager or the UCITS it manages.

Remuneration consists of all forms of payments or benefits made directly by, or indirectly, but on behalf of the Investment Manager, in exchange for professional services rendered by staff. This shall include where appropriate:

- all forms of payments or benefits paid by the Manager;
- any amount paid by the UCITS, including any portion of performance fees; and/or
- any transfer of units or shares of any UCITS;

in exchange for professional services rendered by the Identified Staff. For the purpose of item (ii) above, whenever payments, excluding reimbursements of costs and expenses, are made directly by the UCITS to the Investment Manager for the benefit of the relevant categories of Identified Staff, for professional services rendered, which may otherwise result in a circumvention of the relevant remuneration rules, they shall be considered remuneration for the purpose of this policy.

Fixed remuneration means payments or benefits without consideration of any performance criteria. Variable remuneration means additional payments or benefits depending on performance or, in certain cases, other contractual criteria. The provisions of this remuneration policy only apply only to Identified Staff. Pursuant to the term as defined in ESMA's Guidelines on sound remuneration policies under the UCITS Directive, applicable from 1 January 2017 (ESMA/2016/575) (the "Guidelines"), Identified Staff are staff members who have a material impact on the Investment Manager's risk profile, as follows:

"Categories of staff, including senior management, risk takers, Control Functions and any employee receiving total remuneration that falls into the remuneration bracket of senior management and risk takers, whose professional activities have a material impact on the management company's risk profile or the risk profiles of the UCITS that it manages and categories of staff of the entity(ies) to which investment management activities have been delegated by the management company professional activities have a material impact on the risk profiles of the UCITS that the management company manages".

For the above purposes, "Control Functions" means: "Staff (other than senior management) responsible for risk management, compliance, internal audit and similar functions within a management company (e.g. the CFO to the extent that he/she is responsible for the preparation of the financial statements)."

For the above purposes, "Remuneration bracket" means:

"The range of the total remuneration of each of the staff members in the senior manager and risk taker categories – from the highest paid to the lowest paid in these categories." The following categories of staff, unless it is demonstrated that they have no material impact on the Investment Manager's risk profile or on a UCITS it manages, should be included as the Identified Staff:

- Directors;
- Senior management;

MFP SICAV p.l.c. Investment Committee Report (cont.)

- Staff responsible for Control Functions;
- Staff responsible for heading the investment management, administration, marketing,
- Human resources;
- Other risk takers such as staff members who acting individually or as part of a group can exert Material influence on the Manager's risk profile or on a UCITS it manages

Additionally, staff whose remuneration takes them into the same bracket as senior managers and risk takers but who do not fall into one of the categories above must be assessed to determine whether they have a material impact on the risk profile of the Manager or of a UCITS it manages and should be included as Identified Staff. A list of the Investment Manager's Identified Staff shall be maintained by the Investment Manager. It should be noted that the inclusions of persons in this list relate specifically to their role within the Investment Manager and their remuneration (if any) received directly by the Investment Manager and shall not affect any other role or remuneration such persons may otherwise receive from entities connected with the Manager, delegates of the Manager or otherwise. The Scheme will not pay remuneration through any vehicles or methods that will facilitate the avoidance of the Remuneration's Policy. Any significant breach of this policy or proposed changes to the policy that could have a significant impact on the Scheme's risk profile or resources will be promptly notified to the MFSA in accordance with their rules.

Total remuneration paid to the Identified Staff, totalling 4 beneficiaries, amounted to €70,278 fixed during the period ended 31 December 2023

"Identified Staff" amount includes:

1. Director fees;
2. Clarus/MJ Hudson (Risk Manager);
3. Compliance manager; and
4. MLRO.

MFP SICAV p.l.c.
Statement of Financial Position – MFP SICAV p.l.c.
For the year ended 31 December 2023

		MFP SICAV p.l.c. 31/12/2023	MFP SICAV p.l.c. 31/12/2022
	Notes	€	€
Assets			
Financial assets at fair value through profit or loss	14	15,867,627	16,209,624
Other receivables and prepayments		48,085	6,447
Cash and cash equivalents	13	4,967,182	2,751,357
Subscriptions receivable		20,220	16,181
Total assets		20,903,114	18,983,609
Liabilities			
Financial liabilities at fair value through profit or loss	14	369,963	122,067
Accrued expenses	5	73,354	34,456
Redemptions payable		116,281	5,419
Other payables		1,245	-
Liabilities (excluding net assets attributable to holders of investor shares)		560,843	161,942
Net assets attributable to holders of investor shares		20,342,271	18,821,667

	MFP SICAV p.l.c. 31/12/2023	MFP SICAV p.l.c. 31/12/2022
Salient Statistics:		
Shares in issue as at the reporting period		
Class A EUR Accumulator Shares	67,690.8738	66,519.4717
Class A EUR Distribution Shares	62,861.5638	68,911.5581
Class B EUR Accumulator Shares	62,924.9240	44,149.7299
Class B EUR Distribution Shares	16,231.9313	19,169.0321

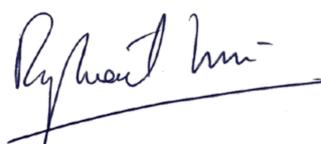
Net asset value per share as at period end

Class A EUR Accumulator Shares – Best Strategies Fund	EUR 87.4360	EUR 90.8395
Class A EUR Distribution Shares – Best Strategies Fund	EUR 85.4535	EUR 88.7818
Class A EUR Accumulator Shares – Raphael's Ethical Choice Fund	EUR 104.9088	EUR 98.6437
Class A EUR Distribution Shares – Raphael's Ethical Choice Fund	EUR 103.3950	EUR 97.2214
Class B EUR Accumulator Shares – Raphael's Ethical Choice Fund	EUR 103.2128	EUR 97.7800
Class B EUR Distribution Shares – Raphael's Ethical Choice Fund	EUR 101.9780	EUR 96.6092

The notes to the financial statements form an integral part of these financial statements. Approved by the Board of directors on 18 April 2024 and signed on its behalf by:



Mr. Sam Safavi
Director



Mr. Raphael Ursi
Director

MFP SICAV p.l.c.**Statement of Financial Position – Best Strategies Fund**

For the year ended 31 December 2023

		Best Strategies Fund 31/12/2023	Best Strategies Fund 31/12/2022
Assets	Notes	€	€
Financial assets at fair value through profit or loss	14	4,964,814	5,356,902
Other receivables and prepayments		38,130	1,019
Cash and cash equivalents	13	2,040,997	1,484,973
Subscription receivable		23	10,297
Total assets		7,043,964	6,853,191
Liabilities			
Financial liabilities at fair value through profit or loss	14	120,315	118,200
Accrued expenses	5	34,821	17,712
Other payables		1,245	-
Liabilities (excluding net assets attributable to holders of investor shares)		156,381	135,912
Net assets attributable to holders of investor shares		6,887,583	6,717,279
		Best Strategies Fund 31/12/2023	Best Strategies Fund 31/12/2022
Salient Statistics:			
Shares in issue as at the reporting period			
Class A EUR Accumulator Shares		42,339.7084	36,028.6111
Class A EUR Distribution Shares		37,278.3904	38,796.9011
Net asset value per share as at period end			
Class A EUR Accumulator Shares – Best Strategies Fund		EUR 87.4360	EUR 90.8395
Class A EUR Distribution Shares – Best Strategies Fund		EUR 85.4535	EUR 88.7818

The notes to the financial statements form an integral part of these financial statements.

MFP SICAV p.l.c.**Statement of Financial Position – Raphael’s Ethical Choice Fund**

For the year ended 31 December 2023

		Raphael’s Ethical Choice Fund 31/12/2023	Raphael’s Ethical Choice Fund 31/12/2022
Assets	Notes	€	€
Financial assets at fair value through profit or loss	14	10,902,813	10,852,722
Other receivables and prepayments		9,955	5,426
Cash and cash equivalents	13	2,926,185	1,266,386
Subscription receivable		20,197	5,884
Total assets		13,859,150	12,130,418
Liabilities			
Financial liabilities at fair value through profit or loss	14	249,648	3,867
Accrued expenses	5	38,533	16,744
Redemption payable		116,281	5,419
Liabilities (excluding net assets attributable to holders of investor shares)		404,462	26,030
Net assets attributable to holders of investor shares		13,454,688	12,104,388

	Raphael’s Ethical Choice Fund 31/12/2023	Raphael’s Ethical Choice Fund 31/12/2022
Salient Statistics:		
Shares in issue as at the reporting period		
Class A EUR Accumulator Shares	25,351.1654	30,490.8606
Class A EUR Distribution Shares	25,583.1735	30,114.6571
Class B EUR Accumulator Shares	62,924.9240	44,149.7299
Class B EUR Distribution Shares	16,231.9313	19,169.0321
Net asset value per share as at period end		
Class A EUR Accumulator Shares – Raphael’s Ethical Choice Fund	EUR 101.9088	EUR 98.6437
Class A EUR Distribution Shares – Raphael’s Ethical Choice Fund	EUR 103.3950	EUR 97.2214
Class B EUR Accumulator Shares – Raphael’s Ethical Choice Fund	EUR 103.2128	EUR 97.7800
Class B EUR Distribution Shares – Raphael’s Ethical Choice Fund	EUR 101.9780	EUR 96.6092

The notes to the financial statements form an integral part of these financial statements.

Statement of Profit or Loss and Other Comprehensive Income – MFP SICAV p.l.c.

MFP SICAV p.l.c.

For the year ended 31 December 2023

		MFP SICAV plc 01/01/2023 to 31/12/2023 €	MFP SICAV plc 01/01/2022 to 31/12/2022 €
Income/(loss)	Notes		
Net gains/(losses) on financial assets at fair value through profit or loss	6	787,896	(2,927,880)
Dividend Income		276,150	253,511
Interest Income		92,778	-
		1,156,824	(2,674,369)
Expenditure			
Management fee	9	232,773	221,989
Secretarial and administration fee	9	41,904	41,806
Transaction costs		91,303	48,641
Directors' fee	9	29,918	29,918
Other operating expenses		168,598	146,107
		564,496	488,461
Total comprehensive income/(loss)		592,328	(3,162,830)
Movements in net assets attributable to holders of investor shares for the year		592,328	(3,162,830)

The notes to the financial statements form an integral part of these financial statements.

MFP SICAV p.l.c.

Statement of Profit or Loss and Other Comprehensive Income - Best Strategies Fund

For the year ended 31 December 2023

		Best Strategies Fund 01/01/2023 to 31/12/2023	Best Strategies Fund 01/01/2022 to 31/12/2022
	Notes	€	€
Loss			
Net losses on financial assets at fair value through profit or loss	6	(111,893)	(412,440)
Interest income		58,960	-
		(52,933)	(412,440)
Expenditure			
Management fee	9	81,551	78,473
Secretarial and administration fee	9	20,077	20,000
Transaction costs		70,937	38,010
Directors' fee	9	14,959	14,959
Other operating expenses		43,773	36,213
		231,297	187,655
Total comprehensive loss		(284,230)	(600,095)
Movements in net assets attributable to holders of investor shares for the year		(284,230)	(600,095)

The notes to the financial statements form an integral part of these financial statements.

MFP SICAV p.l.c.**Statement of Profit or Loss and Other Comprehensive Income – Raphael’s Ethical Choice Fund**

For the year ended 31 December 2023

		Raphael’s Ethical Choice Fund 01/01/2023 to 31/12/2023 €	Raphael’s Ethical Choice Fund 01/01/2022 to 31/12/2022 €
Income/(loss)	Notes		
Net gains/(losses) on financial assets at fair value through profit or loss	6	899,789	(2,515,440)
Dividend income		276,150	253,511
Interest income		33,819	-
		1,209,758	(2,261,929)
Expenditure			
Management fee	9	151,223	143,516
Secretarial and administration fee	9	21,827	21,806
Performance fee		-	-
Transaction costs		20,366	10,631
Directors’ fee	9	14,959	14,959
Other operating expenses		124,825	109,894
		333,200	300,806
Total comprehensive income/(loss)		876,558	(2,562,735)
Movements in net assets attributable to holders of investor shares for the year		876,558	(2,562,735)

The notes to the financial statements form an integral part of these financial statements.

MFP SICAV p.l.c.

Statement of Changes in Net Assets attributable to Holders of Investor Shares

For the year ended 31 December 2023

	MFP SICAV p.l.c. 01/01/2023 to 31/12/2023 €	MFP SICAV p.l.c. 01/01/2022 to 31/12/2022 €
Net assets attributable to investor shareholders at the beginning of the year	18,821,667	23,001,041
Creation of shares	5,947,658	3,919,282
Redemption of shares	(5,019,381)	(4,887,343)
Net increase/(decrease) from share transactions	928,277	(968,061)
Dividends for the year (note 10)	-	(48,483)
Movement in net assets attributable to holders of investor shares for the year	592,328	(3,162,830)
Net assets attributable to investor shareholders at year end	20,342,272	18,821,667
	Best Strategies Fund 01/01/2023 to 31/12/2023 €	Best Strategies Fund 01/01/2022 to 31/12/2022 €
Net assets attributable to investor shareholders at the beginning of the year	6,717,280	7,607,785
Creation of shares	1,357,482	1,064,928
Redemption of shares	(902,949)	(1,350,169)
Net increase/(decrease) from share transactions	454,533	(285,241)
Dividends for the year (note 10)	-	(5,169)
Movement in net assets attributable to holders of investor shares for the year	(284,230)	(600,095)
Net assets attributable to investor shareholders at year end	6,887,583	6,717,280
	Raphael's Ethical Choice Fund 01/01/2023 to 31/12/2023 €	Raphael's Ethical Choice Fund 01/01/2022 to 31/12/2022 €
Net assets attributable to investor shareholders at the beginning of the year	12,104,388	15,393,257
Creation of shares	4,590,175	2,854,354
Redemption of shares	(4,116,433)	(3,537,174)
Net increase/(decrease) from share transactions	473,742	(682,820)
Dividends for the year (note 10)	-	(43,314)
Movement in net assets attributable to holders of investor shares for the year	876,558	(2,562,735)
Net assets attributable to investor shareholders at year end	13,454,688	12,104,388

The notes to the financial statements form an integral part of these financial statements.

MFP SICAV p.l.c.
Statement of Cash Flows – MFP SICAV p.l.c.
For the year ended 31 December 2023

	MFP SICAV p.l.c 01/01/2023 to 31/12/2023 €	MFP SICAV p.l.c 01/01/2022 to 31/12/2022 €
Cash flow used in operating activities		
Increase/(decrease) in net assets at fair value attributable to investor shareholders	564,477	(3,162,830)
Coupon income	27,851	-
Net change in fair value of financial instruments through profit or loss	(787,896)	2,927,880
Changes in operating assets and liabilities:		
Net payments from sales and purchases of financial investments	1,331,219	847,243
Net change in other receivables and prepayments	41,639	(730)
Net change in accrued expenses	4,680	(36,036)
Net change in subscription receivable	(4,039)	83,819
Net change in redemption payable	110,861	-
Net change in payables	(1,245)	5,396
Net cash flow from operating activities	1,287,547	664,742
Cash flows from financing activities		
Proceeds from/ (used in) issue of investor shares	5,947,658	3,919,282
Payments for redemption of redeemable shares	(5,019,381)	(4,887,344)
Payment of dividends	-	(48,483)
Net capital contributions/(redemptions) by non-controlling interest holders	928,277	(1,016,543)
Net cash from/(used in) financing activities	928,277	(1,016,543)
Net increase/(decrease) in cash and cash equivalents	2,215,824	(351,801)
Cash and cash equivalents at the beginning of the year	2,751,358	3,103,158
Cash and cash equivalents at the end of the year (note 13)	4,967,182	2,751,357

The notes to the financial statements form an integral part of these financial statements.

MFP SICAV p.l.c.

Statement of Cash Flows – Best Strategies Fund and Raphael's Ethical Choice Fund

For the year ended 31 December 2023

	Best Strategies Fund 01/01/2023 to 31/12/2023 €	Best Strategies Fund 01/01/2022 to 31/12/2022 €
Cash flow from in operating activities		
Decrease in net assets at fair value attributable to shareholders	(312,081)	(600,095)
Coupon income	27,851	-
Net change in fair value of financial instruments through profit or loss	111,893	412,440
Changes in operating assets and liabilities:		
Net proceeds from sales and purchases of financial investments	244,799	960,600
Net change in other receivables and prepayments	37,110	(760)
Net change in accrued expenses	(17,109)	24,093
Net change in subscription receivable	10,274	(10,297)
Net change in payables	(1,245)	5,396
Net cash flow from operating activities	101,491	791,377
Cash flows from/ (used in) financing activities		
Proceeds from issue of redeemable shares	1,357,482	1,064,928
Payments for redemption of redeemable shares	(902,949)	(1,350,169)
Payment of dividends	-	(5,169)
Net capital contributions/(repayments) by non-controlling interest holders	454,533	(290,410)
Net cash from/(used in) financing activities	454,533	(290,410)
Net increase in cash and cash equivalents	556,025	500,967
Cash and cash equivalents at the beginning of the year	1,484,972	984,006
Cash and cash equivalents at the end of the year (note 13)	2,040,997	1,484,973
	Raphael's Ethical Choice Fund 01/01/2023 to 31/12/2023 €	Raphael's Ethical Choice Fund 01/01/2022 to 31/12/2022 €
Cash flow from/(used in) operating activities		
Increase/(decrease) in net assets at fair value attributable to shareholders	876,558	(2,562,735)
Net change in fair value of financial instruments through profit or loss	(899,789)	2,515,440
Changes in operating assets and liabilities:		
Net proceeds/(payments) from sales and purchases of financial investments	1,197,283	(113,356)
Net change in other receivables and prepayments	4,529	30
Net change in accrued expenses	21,789	(60,129)
Net change in subscription receivable	(14,313)	94,116
Net cash flow used in operating activities	1,186,056	(126,634)
Cash flows from financing activities		
Proceeds from issue of redeemable shares	4,590,175	2,854,354
Payments for redemption of redeemable shares	(4,116,433)	(3,537,172)
Payment of dividends	-	(43,314)
Net capital contributions/(repayments) by non-controlling interest holders	473,742	(726,132)
Net cash from/(used in) financing activities	473,742	(726,132)
Net increase/(decrease) in cash and cash equivalents	1,659,799	(852,766)
Cash and cash equivalents at the beginning of the year	1,266,386	2,119,152
Cash and cash equivalents at the end of the year (note 13)	2,926,185	1,266,386

MFP SICAV p.l.c.
Notes to the Financial Statements
For the year ended 31 December 2023

1. GENERAL INFORMATION

MFP SICAV p.l.c. ("the Company" or "the Fund"), having company number as SV389, is a self-managed 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 in terms of the Investment Services Act (Chapter 370, Laws of Malta) on the 15th of March 2016. The Company, qualifies as a 'Maltese UCITS' in terms of the UCITS Regulations and the MFSA Rules. The Company consists of two Sub-Funds, which is capitalised through the issue of one or more Classes of Investor Shares.

2. BASIS OF PREPARATION

Basis of measurement

These financial statements have been prepared under the historical cost basis except for financial instruments through profit and loss, which are measured at fair value.

Use of estimates and judgements

The preparation of the financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect 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 on-going 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 description as critical in terms of the requirements of IAS 1 (revised).

Functional and presentation currency

These financial statements are presented in Euro, which is the Company's functional and presentation currency.

Transactions in foreign currencies are translated into the Euro at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the reporting date into the Euro at the exchange rate at that date. Foreign currency differences arising on translation are recognised in the statement of comprehensive income as net foreign exchange gain or loss, except for those arising on financial instruments at fair value through profit or loss, which are recognised as net gain / (loss) from financial instruments at fair value through profit or loss.

3. MATERIAL ACCOUNTING POLICIES

Accounting convention

These financial statements have been prepared under the going concern basis. A separate Statement of Financial Position, Statement of Comprehensive Income Statement of Changes in Net Assets attributable to holders of Investor Shares and Statement of Cash Flows has accordingly been prepared for each Sub-Fund. For the purpose of these financial statements, all references to net assets refer to the net assets attributable to holders of redeemable shares.

Foreign exchange translation

The Sub-Funds functional currency is the currency domination as stipulated in the Prospectus. Transactions carried out in currencies other than the functional currency, are translated at exchange rates ruling at the transaction dates. Assets and liabilities designated in currencies other than the functional currency are translated into the functional currency at exchange rates ruling at the Company's period end. All resulting differences are taken to the statement of comprehensive income.

Translation differences on financial assets held at fair value through profit or loss are reported as part of 'net assets in fair value of financial assets at fair value through profit or losses.

Financial instruments

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

Classification

The Company classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- those to be measured at amortized cost.

The classification and subsequent measurement of debt financial assets depends on: (i) the Company's business model for managing the related assets portfolio and (ii) the cash flow characteristics of the asset. On initial recognition, the Company may irrevocably designate a debt financial asset that otherwise meets the requirements to be measured at amortized cost (AC), at fair value through other comprehensive income (FVOCI) or at fair value through profit or loss (FVTPL) if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

For investments in equity instruments that are not held for trading, classification will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

All other financial assets are classified as measured at FVTPL.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Directors determine the appropriate classification of investments at the time of purchase and re-evaluate such designation at the reporting date.

- Financial assets and liabilities designated at fair value through profit and loss at inception are those that are managed, and the performance of which is evaluated on a fair value basis in accordance with the sub funds' documented investment strategy, and/or to eliminate or significantly reduce an accounting mismatch.
- Financial assets and liabilities are classified as 'held for trading' if these are acquired, principally for the purpose of selling in the near term, or if on initial recognition, they are 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. Derivatives are also categorised as 'held for trading'. The Company does not classify any derivatives as hedges in a hedging relationship.

For all other financial assets Management assessed that the Company's business model for managing the assets is "hold to collect" and these assets meet the solely payments of principal and interest (SPPI) tests. As a result, all other financial assets were classified as financial assets at amortised cost.

Financial liabilities, other than those classified as at FVTPL continued to be classified at amortised cost.

Recognition and measurement

Purchases and sales of financial assets are recognised on valuation date, the date on which the Company recognise the purchase or sale of the asset in its cash account and becomes available on the depositary statement. Financial assets are initially recognised at fair value, and transaction costs for all financial assets carried at fair value through profit and loss are expensed as incurred.

Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Company has substantially transferred all risks and rewards of ownership.

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

Financial assets at fair value through profit or loss are subsequently re-measured at fair value. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets at fair value through profit and loss category are calculated on a first in first out cost method and included in the statement of comprehensive income in the period in which they arise. Loans and receivables are carried at amortised cost using the effective interest method less any provision for impairment.

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

Derivative Financial Instruments

Derivatives are initially recognized at fair value and any directly attributable transaction costs are recognized in profit or loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value and any changes therein are generally recognized in profit or loss. Fair value is calculated using the current values, discounted cash flow analysis or option valuation methods. Derivatives are recorded as assets when their fair value is positive and as liabilities when their fair value is negative. Embedded derivatives are separated from the host contract and accounted for separately if certain criteria are met.

Net assets attributable to holders of Investor Shares

The Company issues investor shares which are redeemable at the option of the holder and are classified as a financial liability. Investor shares can be put back to the Company at any dealing date for cash equal to a proportionate share of that sub-fund's net asset value.

The Sub-Fund's net asset value per share is calculated by dividing the net asset attributable to the holders of Investor Shares with the total number of outstanding shares. In accordance with the Prospectus, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per share for subscriptions and redemptions.

Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash at bank. Cash and cash equivalents are carried at AC because: (i) they are held for collection of contractual cash flows and those cash flows represent SPPI, and (ii) they are not designated at FVTPL.

The Company has adopted the simplified expected credit loss model for its trade receivables, trade receivables with significant financing component and contract assets, as required by IFRS 9, paragraph 5.5.15, and the general expected credit loss model for financial assets at amortized cost, cash and cash equivalents, bank deposits with original maturity over 3 months, debt financial assets at FVOCI and loan commitments and financial guarantees.

Income recognition

All distributions from financial assets included in the statements of comprehensive income are recognised on the date of which the stock is quoted ex-dividend up to the Company's reporting date. Interest income from financial assets not classified as fair value through profit or loss is recognised using the effective interest method. Other gains or losses, including interest income, arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the statements of comprehensive income within net changes in fair value of financial assets at fair value through profit or loss in the period in which they arise.

Dividend distribution

It is intended that the Company will distribute most or all of its net income through dividends in respect of the "A" Distribution Class and the "B" Distribution Class in such amounts and with such frequency as may be determined by the Directors in accordance with the Prospectus. It is envisaged, but no guarantee is given, that most or all of the net income of the Sub-Fund will be declared on an annual basis (the "Dividend Cut Off Date"). At each annual general meeting, a final dividend may, if recommended by the Directors and approved by the Shareholders, also be paid.

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Only those holders of the “A” Distribution Class and “B” Distribution Class listed on the Company’s register of members at close of business on the last Business Day immediately preceding the relevant Dividend Cut Off Date shall be entitled to receive the respective dividend payments for the relevant period. Payments shall be effected in the Base Currency unless a different arrangement has been agreed to by the Custodian.

Income Equalisation

The Offering Price of any Investor Shares generally contains an element representing the accrued income earned by those Investor Shares since the start of the relevant interim accounting period. This means that investors buying Investor Shares buy a percentage of net income, and the corresponding portion of the Offering Price (the equalisation payment) will be notionally credited by the Company to an equalisation account for the Sub-Fund.

In the absence of significant fluctuations between the redemption and issue of Investor Shares, the Directors may choose not to consider equalisation when determining distributions to Shareholders or to pay to such Shareholders any excess of equalisation credits over debits. Any fluctuations between redemption and issue of shares that could have an effect of one per cent (1%) or more on the NAV per Share shall be considered significant.

Standards, interpretations and amendments to published standards, which are effective in the current year

The following amendments are effective in the current year:

The following amendments are effective in the current year:

- Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies. The amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. Material accounting policy information is now required to be disclosed instead of significant accounting policies. The amendments explain how an entity can identify material accounting policy information and give examples of when accounting policy information is likely to be material. Accounting policy information may be material due to its nature and is material if users of an entity’s financial statements would need it to understand other material information in financial statements.

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.

With effect from these financial statements for the year ended 31 December 2023, MFP SICAV PLC has consequently limited its disclosure of accounting policies to that information that is material.

In addition, MFP SICAV PLC also adopted the following standard and amendments to standards, and determined that they did not have a material effect on the financial statements.

- Amendments to IAS 8 – Definition of Accounting Estimates.

Standards, interpretations and amendments to published standards that are in issue but not yet effective.

Up to the date of approval of these financial statements, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective for the current reporting period and which have not been adopted early.

The following standards, interpretations and amendments have been issued by the IASB:

- Amendments to IAS 1 – Classification of Liabilities as Current or Non-Current (effective for financial years on or after 1 January 2024 by virtue of the October 2022 Amendments) and Non-Current Liabilities with Covenants. The amendments affect only the presentation of liabilities in the statements of financial position and not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items. The amendments:
 - a) 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, and covenants that need to be complied with after the reporting period should not affect that classification;
 - b) clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability;
 - c) make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services; and
 - d) introduce additional presentation and disclosure requirements for liabilities that are subject to covenants.

The changes resulting from the above amendments are in the process of being assessed by MFP SICAV PLC to determine their applicability and potential effect on the financial statements.

The following amendments have also been issued, and MFP SICAV PLC determined that they will not have a material effect on its financial statements:

- Amendments to IAS 7 – Statements of Cash Flows and IFRS 7 – Financial Instruments Disclosures: Supplier Finance Arrangements (effective for financial periods beginning on or after 1 January 2024).
- Amendments to IAS 21 – The Effects of Change in Foreign Exchange Rates - lack of exchangeability (effective for financial periods beginning on or after 1 January 2025).

4. FORMAT OF THE FINANCIAL STATEMENTS

The Statements of Financial Position present assets and liabilities in increasing order of liquidity and do not distinguish between current and non-current items. 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 Funds' investment strategy. All other assets and liabilities are expected to be realized within one year.

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5. ACCRUED EXPENSES

	MFP SICAV p.l.c	MFP SICAV p.l.c
	31/12/2023	31/12/2022
	€	€
Directors' fees	14,918	9,557
Professional fees	4,301	5,416
Audit fees	8,400	8,000
Management fees	19,185	4,704
Administrator fees	9,345	1,853
Compliance fees	944	29
Other expenses	16,261	4,897
Total	73,354	34,456

	Best Strategies Fund	Best Strategies Fund
	31/12/2023	31/12/2022
	€	€
Directors' fees	7,459	4,919
Professional fees	3,428	4,539
Audit fees	4,200	4,000
Management fees	6,285	1,698
Administrator fees	4,373	1,035
Compliance fees	378	-
Other expenses	8,698	1,521
Total	34,821	17,712

	Raphael's Ethical Choice Fund	Raphael's Ethical Choice Fund
	31/12/2023	31/12/2022
	€	€
Directors' fees	7,459	4,638
Professional fees	873	877
Audit Fees	4,200	4,000
Management fees	12,900	3,006
Administrator fees	4,972	818
Compliance fees	566	29
Other expenses	7,563	3,376
Total	38,533	16,744

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6. NET CHANGES IN FAIR VALUE OF FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	MFP SICAV p.l.c 01/01/2023 to 31/12/2023 €	MFP SICAV p.l.c 01/01/2022 to 31/12/2022 €
Unrealised gain/(loss)	650,998	(3,149,756)
Realised gain/(loss)	449,643	(26,696)
Exchange (loss)/gain on currency revaluation	(312,745)	248,572
Total	787,896	(2,927,880)

	Best Strategies Fund 01/01/2023 to 31/12/2023 €	Best Strategies Fund 01/01/2022 to 31/12/2022 €
Unrealised loss	(493,882)	(314,330)
Realised gain/(loss)	492,933	(149,440)
Exchange (loss)/gain on currency revaluation	(110,944)	51,330
Total	(111,893)	(412,440)

	Raphael's Ethical Choice Fund 01/01/2023 to 31/12/2023 €	Raphael's Ethical Choice Fund 01/01/2022 to 31/12/2022 €
Unrealised gain/(loss)	1,144,880	(2,835,426)
Realised (loss)/gain	(43,290)	122,744
Exchange (loss)/gain on currency revaluation	(201,801)	197,242
Total	899,789	(2,515,440)

7. SHARE CAPITAL

The Fund may issue up to a maximum of ten billion one thousand (10,000,001,000) fully paid-up shares which are not assigned any nominal value divided into ten billion (10,000,000,000) investor shares and one thousand (1,000) Founder Shares.

The actual value of the paid-up share capital of any Sub-Fund shall be at all times equal to the value of the assets of any kind of the particular Sub-Fund after the deduction of such Sub-Fund's liabilities.

Founder Shares

One thousand (1,000) Shares were issued as Founder Shares upon the incorporation of the Fund. The Founder Shares constitute a separate class of Shares of the Company but not a distinct Sub-Fund. The Founder Shares shall have no nominal value assigned to them and shall not constitute a distinct Sub-Fund. 500 Founder Shares are held by Mr Sam Safavi and 500 by Mr Raphael Ursi.

Investor Shares

The maximum number of investor shares which may be allotted or issued shall be ten billion (10,000,000,000), provided, however, that any Investor Shares which have been repurchased shall be deemed never to have been issued solely for the purpose of calculating the maximum amount of Investor Shares which may be issue.

Investor Shares may be created as either distribution or accumulation Shares as the Directors may determine.

Investor Shares constituting a Sub-Fund or a class thereof may be denominated in any currency and different classes of Investor Shares within a Sub-Fund may be denominated in different currencies.

The Investors Shares carry the right to one (1) vote each, provided that no voting rights shall be attached to Fractional Shares.

The Investor Shares rank *pari passu* among themselves in all respects.

The following Investor Shares shall constitute the Best Strategies Sub fund:

- Class A EUR Accumulator Shares
- Class A EUR Distribution Shares

The following Investor Shares shall constitute the Raphael's Ethical Choice Sub Fund:

- Class A EUR Accumulator Shares
- Class A EUR Distribution Shares
- Class B EUR Accumulator Shares
- Class B EUR Distribution Shares

8. NET ASSET VALUE PER SHARE

The total net asset value of the Sub-Funds as determined for pricing purposes in accordance with the Fund's prospectus comprise the following adjustments in accordance with IFRS:

	Best Strate- gies Fund	Best Strategies Fund	Best Strat- egies Fund	Raphael's Ethical Choice Fund	Raphael's Ethical Choice Fund	Raphael's Ethical Choice Fund
	31/12/2023	31/12/2022	31/12/2021	31/12/2023	31/12/2022	31/12/2021
	€	€	€	€	€	€
Total Net Asset Value	6,887,583	6,717,279	7,607,785	13,454,689	12,104,389	15,393,258
Net Asset Value per unit:						
Class A EUR Accumulator Shares	87.4360	90.8395	98.8566	104.9088	98.6437	118.6410
Class A EUR Distribution Shares	85.4535	88.7818	96.7620	103.3950	97.2214	117.8712
Class B EUR Accumulator Shares	-	-	-	103.2128	97.7800	118.4908
Class B EUR Distribution Shares	-	-	-	101.9780	96.6092	118.0107

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9. FEES

(a) Management fees

The Company will pay the Investment Manager an Investment Management Fee of up to:

Best Strategies Fund:

- 1.15% per annum in respect of the Class A EUR Accumulator Shares; and
- 1.15% per annum in respect of the Class A EUR Distribution Shares.

Raphael's Ethical Choice Fund:

- 0.75% per annum in respect of the Class A EUR Accumulator Shares;
- 0.75% per annum in respect of the Class A EUR Accumulator Shares;
- 1.50% per annum in respect of the Class B EUR Accumulator Shares;
- 1.50% per annum in respect of the Class B EUR Distribution Shares.

The Investment Management Fee is calculated on the NAV at each Valuation Point and is payable monthly in arrears.

The Investment Manager will be reimbursed for all properly incurred and approved out-of-pocket expenses.

(b) Performance fees

Best Strategies Fund:

The Company will pay a Performance Fee of:

- 20% of the net return per year in excess of the High-Water Mark, plus a hurdle rate of 5%, for Class A EUR Accumulator Shares; and
- 20% of the net return per year in excess of the High-Water Mark, plus a hurdle rate of 5%, for Class A EUR Distribution Shares.

Raphael's Ethical Choice Fund:

The Company will pay a Performance Fee of:

- 15% of the performance between the current NAV and the highest NAV of the previous quarter-ends (HWM). The HWM is the higher of (a) the Initial Offering Price, and (b) the highest NAV per share on which a performance fee was paid.
- None for Class B EUR Distribution Shares.

(c) Custody fees

If the value of the total net assets of the Sub-Funds – Best Manager Fund and Raphael's Ethical Choice Fund is up to but less than EUR 10 million the Custody Fee shall be 0.10% per annum on the aggregate value of the assets of the Sub-Fund.

If the value of the total net assets of the Sub-Funds is larger than EUR 10 million but less than EUR 50 million the Custody Fee shall be 0.075% per annum on the aggregate value of the assets of the Sub-Fund. If the value of the total net assets of the Sub-Fund is larger than EUR 50 million the Custody Fee shall be 0.035% per annum on the aggregate value of the assets of the Sub-Fund, subject to a minimum fee of EUR25,000 per annum. In 2023, the custodian waived the minimum fee for both sub-funds. The Custody Fee shall be payable to the Custodian quarterly in arrears.

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(d) Administration fees

The administrator is to receive a variable rate as follows: 0.03% of the NAV of the two Sub-Funds per annum for a NAV up to EUR 50Mil, 0.025% for a NAV of EUR 50Mil to EUR 100Mil and 0.020% for a NAV of EUR 100Mil and over, subject to a yearly fixed fee of EUR 17,000 per sub fund.

The Administration Fee is calculated by reference to the Net Asset Value at each Valuation Point and shall be payable monthly in arrears. In addition to the Administration Fee, the Administrator is also entitled to receive out of the assets of each Sub-Fund agreed upon fixed fees for the preparation of financial statements for the Sub Funds, for the preparation of CBM Report for both Sub-Funds, investor transactions and maintenance of investor accounts.

The Company shall be responsible for all disbursements and reasonable out-of-pocket expenses incurred by the Administrator in the proper performance of its duties

(e) Director's fees

Subject to the Company Prospectus, the Board of Directors shall receive a collective fee of up to EUR 100,000 per annum, plus reasonable out of pocket expenses or as otherwise determined from time to time to the Company and as set out in the agreement between the Directors and the two Sub-Funds.

(f) Auditors' remuneration

Fees charged by the auditors for services rendered during the financial period ending 31 December 2022 and 31 December 2023 relate to:

	Best Strategies Fund	Best Strategies Fund	Raphael's Ethical Choice Fund	Raphael's Ethical Choice Fund
	01/01/2023 To 31/12/2023	01/01/2022 To 31/12/2022	01/01/2023 To 31/12/2023	01/01/2022 To 31/12/2022
	€	€	€	€
Annual statutory audit exc. VAT	4,200	4,000	4,200	4,000
Other audit services exc. VAT	790	850	920	850

10. DIVIDEND DISTRIBUTION

For the current fiscal year The Company has announced the distribution of dividends based on the 2023 financial year's performance, allocating €58,960 to MFP Best Strategies and €309,969 to MFP Raphael's Ethical Choice Fund

- Raphael's Ethical Choice Fund: EUR 309,969 (2022: EUR 0)
- Best Strategies Fund: EUR 58,960 (2022: EUR 0)

This final dividend is subject to approval by shareholders at the Annual General Meeting and has not been included as a liability in these financial statements.

11. TAX EXPENSE

The tax regime for collective investment schemes in Malta is based on the classification of funds into prescribed or non-prescribed funds in terms of the conditions set out in the Collective Investment Schemes (Investment Income) Regulations, 2001 (as amended). In general, a prescribed fund is defined as a resident fund, which has declared that the value of its assets situated in Malta amount to at least 85% of the value of the total assets of the fund.

On the basis that the sub-funds within the Company are currently classified as non-prescribed funds for Maltese income tax purposes, they should not be subject to Maltese income tax in respect of the income or gains derived, other than on any income from immovable property situated in Malta. However, Maltese resident investors therein may be subject to a 15% final withholding tax on capital gains realized on redemption, liquidation, or cancellation of units in the sub-funds. Nevertheless, the Maltese resident investor may request the Company not to affect the deduction of the said 15% final withholding tax., in which case the investor would be required to declare the gains in his/her income tax return and will be subject to tax at the normal rates of tax.

Any gains or profits derived on the transfer or redemption of units in the sub-funds by investors who are not resident in Malta should not be chargeable to Maltese income tax under the relevant provisions found in the Maltese Income Tax Act, subject to the satisfaction of certain statutory conditions.

In the case of the Company's foreign investments, any capital gains, dividends, interest and other gains or profits may be subject to tax imposed by the country of origin concerned and such taxes may not be recoverable by the Company or by its shareholders under Maltese domestic tax law.

The Best Strategies Fund and Raphael's Ethical Choice Fund are classified as non-prescribed Funds.

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12. RELATED PARTIES

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.

- (i) Mr. Sam Safavi, a Director of the Company, is also involved in the Investment Manager. However, all the Directors have fiduciary duties to the Company and consequently have exercised and will exercise good faith and integrity in handling all the Company's affairs.
- (ii) During the reporting period, the total remuneration paid to the Directors was €15,000 for Best Strategies Fund and €15,000 for Raphael's Ethical Choice Fund as disclosed in the statements of profit or loss and other comprehensive income. There were no other payments to key management personnel.

13. CASH AND CASH EQUIVALENTS

For the purpose of the statements of cash flows, the year end cash and cash equivalents comprising bank balances and balances with brokers were as follows:

Best Strategies Fund

	Bank/Broker	% of	Bank/Broker	% of
	Balance	net assets	Balance	net assets
	31/12/2023	31/12/2023	31/12/2022	31/12/2022
	€	%	€	%
Sparkasse Bank Malta plc	977,647	14.19%	1,090,517	16.23%
Interactive Brokers LLC	1,063,350	15.44%	394,455	5.87%
Total	2,040,997		1,484,972	

Raphael's Ethical Choice Fund

	Bank/Broker	% of	Bank/Broker	% of
	Balance	net assets	Balance	net assets
	31/12/2023	31/12/2023	31/12/2022	31/12/2022
	€	%	€	%
Sparkasse Bank Malta plc	951,967	7.08%	518,281	4.28%
Interactive Brokers LLC	1,974,218	14.67%	748,105	6.56%
Total	2,926,185		1,266,386	
Aggregated cash and cash equivalents	4,967,182		2,751,358	

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14. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

14.1 FINANCIAL ASSETS AND FINANCIAL LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

	MFP SICAV plc		MFP SICAV plc	
	Balance 31/12/2023	% of net assets	Balance 31/12/2022	% of net assets
	€	%	€	%
Financial assets at FVTPL				
Equity:				
EUR Equity	5,511,462	27.09%	5,947,497	31.60%
USD Equity	3,951,483	19.42%	3,401,441	18.07%
CHF Equity	322,127	1.58%	359,917	1.91%
SEK Equity	359,589	1.77%	69,422	0.37%
DKK Equity	524,542	2.58%	657,826	3.50%
HKD Equity	108,963	0.54%	366,599	1.74%
Collective investment schemes:				
EUR Exchange trade funds	890,231	4.38%	4,053,708	21.54%
USD Exchange trade funds	-	-	1,208,494	6.42%
EUR Debt Securities	3,264,642	16.05%	-	-
USD Debt Securities	756,991	3.72%	-	-
Derivatives	177,596	0.45%	94,707	0.50%
Financial liabilities at FVTPL				
Derivatives	(369,963)	(1.82%)	(72,054)	(0.38%)
Total	15,497,663		16,087,557	

	Best Strategies Fund		Best Strategies Fund	
	Balance 31/12/2023	% of net assets	Balance 31/12/2022	% of net assets
	€	%	€	%
Financial assets at FVTPL				
Collective investment schemes:				
EUR Exchange trade funds	890,231	12.93%	4,053,708	60.35%
USD Exchange trade funds	-	-	1,208,494	17.99%
EUR Debt Securities	3,264,642	47.40%	-	-
USD Debt Securities	756,991	10.99%	-	-
Derivatives	52,950	0.77%	94,700	1.41%
Financial liabilities at FVTPL				
Derivatives	(120,315)	(1.75%)	(118,200)	(1.76%)
Total	4,844,499		5,238,702	

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	Raphael's Ethical Choice Fund		Raphael's Ethical Choice Fund	
	Balance	% of	Balance	% of
	31/12/2023	net assets	31/12/2022	net as-sets
	€	%	€	%
Financial assets at FVTPL				
Equity:				
EUR Equity	5,511,462	40.96%	5,947,497	49.14%
USD Equity	3,951,483	29.37%	3,401,441	28.10%
CHF Equity	322,127	2.39%	359,917	2.97%
SEK Equity	359,589	2.67%	69,422	0.57%
DKK Equity	524,542	3.90%	657,826	5.43%
HKD Equity	108,963	0.81%	366,599	3.03%
Derivatives	124,646	0.93%	7	0.00%
Financial liabilities at FVTPL				
Derivatives	(249,648)	(1.86%)	46,146	0.38%
Total	10,653,164		10,848,855	

	Best Strategies Fund		Best Strategies Fund	
	Notional amount	Fair value	Notional amount	
	31/12/2023	31/12/2023	31/12/2022	
	€	€	€	
Financial assets at FVTPL				
AEX Options, EUR	8,600,500	52,950	94,700	
Financial liabilities at FVTPL				
Derivatives:				
Options, EUR	(8,551,500)	(120,315)	(118,200)	

	Raphael's Ethical Choice Fund		Raphael's Ethical Choice Fund	
	Notional amount	Fair value	Notional amount	
	31/12/2023	31/12/2023	31/12/2022	
	€	€	€	
Financial assets at FVTPL				
Derivatives:				
Options, EUR	6,241,000	80,600	-	
Options, USD	3,977,500	38,638	7	
S&P Futures, USD	5,408	5,408	-	
Financial liabilities at FVTPL				
Derivatives:				
Options, EUR	(2,235,000)	(111,648)	-	
Options, USD	(5,755,500)	(122,584)	-	
Options, HKD	(855,000)	(12,617)	-	
Eurostoxx Futures, EUR	(2,800)	(2,800)	(25,425s)	
S&P Futures, EUR/USD	-	-	(13,377)	

MFP SICAV p.l.c.

Notes to the Financial Statements

For the year ended 31 December 2023

The financial year-end of certain underlying collective investment schemes is not co-terminus with that of the Company or independently audited financial statements are not readily available as at the date of approval of the Company's financial statements. As a result, the valuation of these collective investment schemes, in aggregate amounting to EUR 890,231 (2022: EUR5,262,202), cannot be corroborated against independently audited net asset values as of 31 December 2023 and have been based on alternative available independent market information.

15. FINANCIAL RISK MANAGEMENT

Risk management

The Sub-Funds' activities expose them to a variety of financial risks: market risk (including price risk, fair value interest rate risk, cash flow interest rate risk and currency risk), credit risk and liquidity risk.

Market risk

Market volatility reflects the degree of instability and expected instability of the performance of the Investor Shares and the Sub-Fund's assets. The level of market volatility is not purely a measurement of the actual volatility, but is largely determined by the prices for instruments, which offer investors protection against such market volatility. The prices of these instruments are determined by forces of supply and demand in the options and derivatives markets generally. These forces are, themselves, affected by factors such as actual market volatility, expected volatility, macro-economic factors, and speculation.

Price Risk

The Company is exposed to price risk because of the investments held by the Company and classified on the statement of financial position either as held for trading or at fair value through profit or loss. The Company is not exposed to commodity price risk.

Sensitivity analysis

The table below summarises the impact of increases/decreases of the prices of the Financial Assets and Financial Liabilities of the Company. The analysis is based on the assumption that the prices of the Financial Assets and Financial Liabilities of the Company had increased/decreased by 5% (2023: 5%) with all other variables held constant and all the Company's Financial Assets and Financial Liabilities.

	MFP SICAV plc 31/12/2023	MFP SICAV plc 31/12/2022
	€	€
Equity	+/-538,908	+/-540,135
Collective Investment Schemes	+/-44,512	+/-263,110
Debt Securities	+/-201,082	-
Derivatives	+/-9,618	1,133
Total	+/- 774,883	+/- 771,487

	Best Strategies Fund 31/12/2023	Best Strategies Fund 31/12/2022
	€	€
Collective Investment Schemes	+/- 44,512	+/- 263,110
Debt Securities	+/-201,082	-
Derivatives	+/-3,368	+/-1,175
Total	+/- 242,225	+/- 261,935

MFP SICAV p.l.c.

Notes to the Financial Statements

For the year ended 31 December 2023

	Raphael's Ethical Choice Fund 31/12/2023	Raphael's Ethical Choice Fund 31/12/2022
	€	€
Equity	+/- 538,908	+/- 540,135
Derivatives	+/-6,250	+/-2,308
Total	+/- 532,658	+/- 542,443

Post year-end profit for the year would increase/decrease as a result of gains/losses on financial assets and financial liabilities classified as at fair value through profit or loss. Other components of financial assets would increase/decrease as a result of gains/losses on Financial Assets and Financial Liabilities classified as held for trading.

To manage its price risk arising from investments in on financial assets and financial liabilities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the relevant EU regulations as well as the relevant Supplements of the Sub-Funds.

As of 31 December 2023, the Company has the below debt securities in its portfolio. No debt securities were held in 2022.

Name	ISIN	CCY	200,000	No
Berkshire Hathaway Inc 12.03.2025'25 Notes	XS2133056114	EUR	200,000	
DEUTSCHE BANK AG 1.625%	DE000DL19U23	EUR		2
ING Groep NV 1.125%	XS1771838494	EUR		2
FORD MOTOR CREDIT COM 3.25%	XS2229875989	EUR		2
Volkswagen International Finance NV 3.875%	XS2604697891	EUR		2
Stora Enso OYJ 4%	XS2629062568	EUR		2
RWE AG 2.125%	XS2482936247	EUR		2
DANONE SA 0.709% 2024 MTN	FR0013216918	EUR		2
HeidelbergCement Finance Luxem- bourg SA 1.125% Notes 2027Senior	XS2018637327	EUR		2
E On International Finance BV 1.25% Notes 19.10.2027'27	XS1702729275	EUR		2
BMW Finance nv 1% notes	XS1910245676	EUR		2
Glaxosmithkline Capital plc 1.375% notes	XS1147605791	EUR		2
Vonovia Finance bv 1.25% 06.12.2024 notes	DE000A189ZX0	EUR		2
Unibail-Rodamco-Westfiel se 2.625% notes	FR0013506821	EUR		2
Kraft Heinz Food co 2.25%	XS1405784015	EUR		2
Nasdaq Inc 1.75% Bonds 2029	XS1843442622	EUR		2
Bayer ag 0.625% Notes	XS2281343413	EUR		2
Apple INC 3.45% Notes	US037833AS94	USD		2
UBS Group AG 4.55%	US902613BB36	USD		2
Hyundai Capital America 5.8%	US44891CCF86	USD		2
European Investment Bank 2.375%	US298785HM16	USD	200,000	189,562

Liquidity risk

Certain types of assets or securities may be difficult to buy or sell, particularly during adverse market conditions. This may affect the ability to obtain prices for the assets held by a Sub-Fund and may therefore prevent the calculation of the NAV per Share and/or the raising of cash to meet redemptions of Investor Shares in the Sub-Fund concerned.

The funds' constitution provides for the daily 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 the sub-funds are investing in securities with an expected liquidation period within one week.

MFP SICAV p.l.c.

Notes to the Financial Statements

For the year ended 31 December 2023

The sub-fund's investments in collective investment schemes may not be readily realisable and their marketability may be restricted, in particular because the underlying funds may have restrictions that allow redemptions only at specific infrequent dates with considerable notice periods and apply lock-ups and redemption fees. The respective sub-funds' ability to withdraw monies from or invest monies in underlying funds with such restrictions will be limited and such restrictions will limit the Company's flexibility to reallocate such assets among underlying funds. Some of the underlying funds may be or may become illiquid, and the realisation of investments from them may take a considerable time and/or be costly. As a result, the Company may not be able to quickly liquidate its investment in these instruments at an amount close to fair value in order to meet its liquidity requirements.

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

The liabilities of the sub-funds are comprised of accrued expenses and advances received against pending subscriptions and these are due within 3 months of the date of statement of financial position.

Exposure risk

The risk associated with investments (such as derivatives) or practices (such as short selling) increase the amount of money the Fund could gain or lose on an investment. A hedged exposure risk could multiply losses generated by a derivative or practice used for hedging purposes. Such losses should be substantially offset by gains on the hedged investment. However, while hedging can reduce or eliminate losses, it can also reduce or eliminate gains. To the extent that a derivative or practice is not used as a hedge, the Fund is directly exposed to its risks. Gains or losses from speculative positions in a derivative may be much greater than the derivative's original cost.

Exchange and currency risks

Best Strategies Fund and Raphael's Ethical Choice Fund have all share classes in Euro. The value of an investment in the Fund, whose Shares are denominated in a currency and whose distributions will be paid in that currency, will be affected by fluctuations in the value of the underlying currency of denomination of the Fund's investments or by changes in exchange control regulations, tax laws, withholding taxes and economic or monetary policies. Adverse fluctuations in currency exchange rates can result in a decrease in the net return and in a loss of capital. Shareholders will have a continuing exposure to, and be at risk of, fluctuations in the exchange rates of the currency of the relevant share class. Investors must recognize that the value of Investor Shares can fall as well as rise for this reason as can the Fund's ability to generate sufficient income to pay a distribution.

In the event of exceptional circumstances and substantial issues arising with any share class currency, the management may change the reference currency to any other share class currency without reference to investors.

Interest rates are determined by factors of supply and demand in the international money markets, which are influenced by macro-economic factors, speculation and central bank and government intervention. Fluctuations in short-term, and/or long-term interest rates may affect the value of the Investor Shares in a particular Sub-Fund. Fluctuations in interest rates of the currency in which the Investor Shares in a particular Sub-Fund are denominated and/or fluctuations in interest rates of the currency or currencies in which the Sub-Fund's assets are denominated may affect the value of the Investor Shares in that Sub-Fund.

Credit Risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into and cause the Company to incur a financial loss.

MFP SICAV p.l.c.

Financial assets which potentially expose the Company to credit risk consist principally of cash balances.

Notes to the Financial Statements

For the year ended 31 December 2023

The Company manages its credit risk by evaluating the credit entities where the Company has a credit risk exposure. The Company holds bank balances with Sparkasse and Interactive Brokers. Interactive Brokers has a credit grading of BBB+. Sparkasse is a bank forms part of the ERSTE Group Bank plc, which has a credit rating of A (S&P), A2 (Moody's), A (Fitch).

The carrying amount of financial assets best represents the maximum credit risk exposure at the reporting date. On 31 December 2023 and 31 December 2022, the Fund's financial assets exposed to credit risk amounted to the following:

	MFP SICAV p.l.c	MFP SICAV p.l.c
	31/12/2023	31/12/2022
	€	€
Cash and cash equivalents	4,967,182	2,751,359
	4,967,182	2,751,359

	Best Strategies Fund	Best Strategies Fund
	31/12/2023	31/12/2022
	€	€
Cash and cash equivalents	2,040,997	1,484,972
	2,040,997	1,484,972

	Raphael's Ethical Choice Fund	Raphael's Ethical Choice Fund
	31/12/2023	31/12/2022
	€	€
Cash and cash equivalents	2,926,185	1,266,387
	2,926,185	1,266,387

Capital risk management

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

In order to maintain or adjust the capital structure the Sub-Fund's policy is to limit and manage as much as possible any redemption requests, within the parameters contemplated by the offering memorandum. The offering memorandum allows for redemptions to be limited according to the discretion of the directors should it be deemed that redemption requests will adversely impact remaining shareholders.

The Board of Directors monitor capital on the basis of the value of net assets attributable to holders of Investor Shares.

MFP SICAV p.l.c.

Notes to the Financial Statements

For the year ended 31 December 2023

16. FAIR VALUE MEASUREMENT

On 31 December 2023 and 2022, the fair value of listed financial investments is based on quoted prices in an active market. The quoted market price used for financial assets held by the Sub-Fund's is the last available price; without any deduction for transaction costs. The fair value of financial assets and liabilities that are not traded in an active market is determined using broker quotes and other methodology designed to assess the value after acquisition, having regard to market terms at the measurement date, including interest rates and liquidity and other factors. The fair values of other financial assets and financial liabilities are not materially different from their carrying amounts.

The Sub-Funds subsequently measures its financial instruments 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 an active market 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 for the asset or liability, either directly or indirectly; and
- Level 3 fair value measurements are derived from inputs that are not based on observable market data (unobservable inputs).

Assessing the significance of a particular input to the fair value measurement in its entirety requires judgment, considering factors specific to the asset or liability. The determination of what constitutes 'observable' requires significant judgment by the Sub-Funds. The Sub Funds considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The table below analyses financial instruments measured at fair value at the end of the reporting period by the level in the fair value hierarchy into which the fair value measurement is categorised:

Best Strategies Fund	Level 1	Level 2	Level 3	Total
31 December 2023	€	€	€	€
Financial assets designated at fair value through profit/loss				
Collective Investment Schemes	-	890,231	-	890,231
Debt Securities	4,021,633	-	-	4,021,633
Derivatives	52,950	-	-	52,950
Financial liabilities designated at fair value through profit				
Derivatives	(120,315)	-	-	(120,315)
	3,954,268	890,231	-	4,844,499

MFP SICAV p.l.c.
Notes to the Financial Statements
For the year ended 31 December 2023

Raphael's Ethical Choice Fund	Level 1	Level 2	Level 3	Total
31 December 2023	€	€	€	€
Financial assets designated at fair value through profit/loss				
Equity	10,778,166	-	-	10,778,166
Derivatives	124,646	-	-	124,646
Financial liabilities designated at fair value through profit/loss				
Derivatives	(249,648)	-	-	(249,648)
	10,653,164	-	-	10,653,164

Best Strategies Fund	Level 1	Level 2	Level 3	Total
31 December 2022	€	€	€	€
Financial assets designated at fair value through profit/loss				
Collective Investment Schemes	-	5,262,202	-	5,262,202
Derivatives	94,700	-	-	94,700
Financial liabilities designated at fair value through profit/loss				
Derivatives	(118,200)	-	-	(118,200)
	(23,500)	5,262,202	-	5,238,702

Raphael's Ethical Choice Fund	Level 1	Level 2	Level 3	Total
31 December 2022	€	€	€	€
Financial assets designated at fair value through profit/loss				
Equity	10,802,702	-	-	10,802,702
Derivatives	7	-	-	7
Financial liabilities designated at fair value through profit/loss				
Derivatives	46,146	-	-	46,146
	10,848,855	-	-	10,848,855

Independent auditor's report

to the members of
MFP SICAV p.l.c

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of MFP SICAV p.l.c (the "Company") and its sub-funds, set out on pages 28 to 57, which comprise the statements of financial position as at 31 December 2023, and the statements of profit or loss and other comprehensive income, statements of changes in net assets attributable to holders of investor shares and statements of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Opinion

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

Emphasis of Matter – value of investments at fair value through profit or loss

We draw attention to note 14.1 to the financial statements which describes that the financial year-end of certain underlying collective investment schemes is not co-terminous with that of the Company and in certain instances where the year-ends are co-terminous, independently audited financial statements are not readily available as at the reporting date of the Company. As a result, the valuation of these collective investment schemes, in aggregate amounting to EUR 890,231, cannot be corroborated against independently audited net asset values as at 31 December 2023 and have been based on net assets values as calculated by the administrators of the underlying funds. Because of the inherent uncertainty in the aforesaid valuations, reported figures might differ from the values that would have been obtained had independently audited net asset values as at 31 December 2023 been available. Our opinion is not qualified in respect of this matter.

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Independent auditor's report (continued)

to the members of
MFP SICAV p.l.c

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

The directors are responsible for the other information contained within the 2023 Annual Report and Audited Financial Statements. The other information comprises the information included in the 2023 Annual Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon.

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

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

With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosure requirements of Article 177 of the Companies Act (Cap. 386).

In accordance with the requirements of sub-article 179(3) of the Companies Act (Cap. 386) in relation to the Directors' Report on pages 4-6, in our opinion, based on the work undertaken in the course of the audit:

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

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

Responsibilities of the Directors for the Financial Statements

As explained more fully in the Statement of Directors' responsibilities on page 7, the directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Companies Act (Cap. 386), and for such internal control as the directors 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 and its sub-funds' 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 any one or more of its sub-funds or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

Independent auditor's report (continued)

to the members of
MFP SICAV p.l.c

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

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

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

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

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

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

Independent auditor's report (continued)

to the members of
MFP SICAV p.l.c

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

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.

Report on Other Legal and Regulatory Requirements

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

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

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

The audit report was drawn up on 18 April 2024 and signed by:



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

Appendix – Portfolio Statement – Best Strategies Fund

For the year ended 31 December 2023

31 December 2023	Ccy	Total	% of net assets
Open Positions		€	
Investments in Collective Investment Schemes			
LUMYNA FUNDS SICAV	EUR	890,231	12.44%
Investments in Debt Securities			
DEUTSCHE BANK AG 1.625%	EUR	188 054	2,73%
ING Groep NV 1.125%	EUR	194 842	2,83%
FORD MOTOR CREDIT COM 3.25%	EUR	197 658	2,87%
Volkswagen International Finance NV 3.875%	EUR	201 634	2,93%
Stora Enso OYJ 4%	EUR	202 442	2,94%
RWE AG 2.125%	EUR	195 750	2,84%
DANONE SA 0.709% 2024 MTN	EUR	195 120	2,83%
Berkshire Hathaway Inc 12.03.2025'25	EUR	192 524	2,80%
HeidelbergCement Finance Luxembourg SA 1.125%	EUR	189 280	2,75%
E On International Finance BV 1.25%	EUR	188 310	2,73%
BMW Finance nv 1%	EUR	195 562	2,84%
Glaxosmithkline Capital plc 1.375%	EUR	196 050	2,85%
Vonovia Finance bv 1.25% 06.12.2024	EUR	195 024	2,83%
Unibail-Rodamco-Westfiel se 2.625%	EUR	194 196	2,82%
Kraft Heinz Food co 2.25%	EUR	193 738	2,81%
Nasdaq Inc 1.75% Bonds 2029	EUR	185 976	2,70%
Bayer ag 0.625% Notes	EUR	158 482	2,30%
Apple INC 3.45% Notes	USD	179 933	2,61%
UBS Group AG 4.55%	USD	223 446	3,24%
Hyundai Capital America 5.8%	USD	182 063	2,64%
European Investment Bank 2.375%	USD	171 549	2,49%
Investments in Derivatives			
AEX 01/19/24 C770 Index	EUR	(21 270)	(0,31)%
AEX 01/19/24 C800 Index	EUR	3 270	0,05%
WAEXB 01/12/24 P765 Index	EUR	1 275	0,02%
WAEXB 01/12/24 P775 Index	EUR	(2 970)	(0,04)%
AEX 03/15/24 C780 Index	EUR	(48 660)	(0,71)%
AEX 03/15/24 C800 Index	EUR	25 640	0,37%
AEX 06/21/24 C820 Index	EUR	(13 700)	(0,20)%
AEX 06/21/24 C840 Index	EUR	7 800	0,11%
AEX 12/20/24 C850 Index	EUR	(17 860)	(0,26)%
AEX 12/20/24 C900 Index	EUR	6 940	0,10%
DAEX 01/02/24 P782 Index	EUR	615	0,01%
DAEX 01/02/24 P786 Index	EUR	(2 175)	(0,03)%
WAEXA 01/05/24 P770 Index	EUR	520	0,01%
WAEXA 01/05/24 P780 Index	EUR	(2 540)	(0,04)%
AEX 12/20/24 P600 Index	EUR	6 890	0,10%
AEX 12/20/24 P650 Index	EUR	(11 140)	(0,16)%
		4,844,499	

Appendix – Portfolio Statement – Raphael’s Ethical Choice Fund

For the year ended 31 December 2023

31 December 2023	CCY	Total	% of net as- sets
Open Positions			
Investments in Equity		€	
SOLVAY (light)	EUR	79 031	0,59%
SYENSQO	EUR	268 641	2,00%
MELEXIS	EUR	374 125	2,78%
INDITEX	EUR	433 730	3,22%
ACCENTURE	USD	412 835	3,07%
AIR LIQUIDE	EUR	435 016	3,23%
ANHEUSER-BUSCH INBEV	EUR	417 703	3,10%
ROCHE HOLDING	CHF	322 127	2,39%
EQT AB	SEK	359 589	2,67%
UCB	EUR	378 720	2,81%
ASML	EUR	477 190	3,55%
GERRESHEIMER	EUR	339 660	2,52%
IBM	USD	414 425	3,08%
SIGNIFY	EUR	340 342	2,53%
DEME	EUR	222 800	1,66%
MICROSOFT	USD	471 326	3,50%
INTUIT	USD	446 854	3,32%
NOVO NORDISK	DKK	524 542	3,90%
KLA	USD	589 191	4,38%
TSMC	USD	404 706	3,01%
CISCO	USD	347 468	2,58%
TENCENT ADR	USD	136 796	1,02%
ALIBABA GROUP HOLDINGS ADR	USD	149 408	1,11%
PYPAL	USD	243 695	1,81%
AEM US	USD	198 534	1,48%
SQM US	USD	136 244	1,01%
LI NING CO	HKD	108 963	0,81%
DEUTSCHE POST	EUR	309 500	2,30%
DASSAULT SYSTEMES	EUR	328 445	2,44%
UNILEVER	EUR	309 953	2,30%
NESTE OYJ	EUR	268 148	1,99%
SCHNEIDER ELECTRIC	EUR	381 738	2,84%
LVMH Shares (MC)	EUR	146 720	1,09%
Investments in Derivatives			
SQM US 01/19/24 C75 Index	USD	611	0,00%
KLAC US 01/19/24 C590 Index	USD	(5 271)	(0,04)%
KLAC US 01/19/24 P540 Index	USD	1 199	0,01%
SPX US 06/21/24 P2750 Index	USD	(2 240)	(0,02)%
SPX US 06/21/24 P3600 Index	USD	6 968	0,05%
SPX US 12/20/24 C5000 Index	USD	(22 407)	(0,17)%
SPX US 12/20/24 P3000 Index	USD	(5 837)	(0,04)%
SPX US 12/20/24 P4100 Index	USD	24 407	0,18%
CSCO 03/15/24 C47.5 Index	USD	(7 113)	(0,05)%
CSCO 03/15/24 C50 Index	USD	(2 009)	(0,01)%
CSCO 03/15/24 P45 Index	USD	(670)	0,00%
ACN US 03/15/24 C360 Index	USD	(7 194)	(0,05)%
ACN US 03/15/24 P335 Index	USD	4 480	0,03%
INTU US 04/19/24 C560 Index	USD	(37 805)	(0,28)%
INTU US 04/19/24 P460 Index	USD	973	0,01%
CELH 01/19/24 P45 Index	USD	(326)	0,00%
IDCC 01/19/24 P105 Index	USD	(2 846)	(0,02)%
SPXW US 01/22/24 C4700 Index	USD	(28 221)	(0,21)%
GOOG 01/26/24 P132 Index	USD	(643)	0,00%
2331 HK 01/30/24 C19 Index	HKD	(12 617)	(0,09)%
GXI GR 01/19/24 C90 Index	EUR	(21 528)	(0,16)%
PLT NA 01/19/24 C27 Index	EUR	(18 810)	(0,14)%
AEX 01/19/24 C780 Index	EUR	(13 440)	(0,10)%
AEX 01/19/24 P765 Index	EUR	1 670	0,01%
AEX 01/19/24 C800 Index	EUR	(3 270)	(0,02)%
ANN GR 01/19/24 P28 Index	EUR	(1 890)	(0,01)%

**Appendix – Portfolio Statement – Raphael’s Ethical Choice
Fund (cont.)**

For the year ended 31 December 2023

Investments in Derivatives

PLT NA 02/16/24 C29 Index	EUR	(5 475)	(0,04)%
SX5E 02/16/24 C4500 Index	EUR	(14 715)	(0,11)%
NEF GR 06/20/24 C34 Index	EUR	8 320	0,06%
AEX 06/21/24 C850 Index	EUR	(11 460)	(0,09)%
AEX 06/21/24 P650 Index	EUR	(7 620)	(0,06)%
AEX 06/21/24 P720 Index	EUR	19 600	0,15%
AEX 06/21/24 C880 Index	EUR	2 180	0,02%
SX5E 06/21/24 P3700 Index	EUR	(5 840)	(0,04)%
SX5E 06/21/24 P4100 Index	EUR	13 840	0,10%
SX5E 12/20/24 P3000 Index	EUR	(6 900)	(0,05)%
SX5E 12/20/24 P4000 Index	EUR	30 750	0,23%
AEX 06/21/24 P400 Index	EUR	(700)	(0,01)%
AEX 06/21/24 P600 Index	EUR	4 240	0,03%
HWBH4 Index	USD	5 408	0,04%
VGH4 Index	EUR	(2 800)	(0,02)%

10,653,164

Appendix – Efficient Portfolio Management Techniques

For the year ended 31 December 2023

Raphael's Ethical Choice Fund

The global exposure of the Sub-Fund arising out of its FDI positions was measured on the basis of the Absolute VaR.

Best Strategies Fund

The global exposure of the Sub-Fund arising out of its FDI positions was measured on the basis of the Absolute VaR.

OTC Financial Derivative Transactions

The Company has not been engaged with any OTC Financial Derivative Transactions throughout the year. All FDI's in which the Company traded were listed FDI's on regulated exchanges and as such did not involve any counterparty risk. The Company was not involved in transactions that resulted in the Company receiving any collateral.

Appendix – SFDR disclosure

For the year ended 31 December 2023

Sustainability and Taxonomy Regulation**Raphael Ethical Choice Fund**

The Taxonomy Regulation was established to provide an EU-wide classification system which provides investors and investee companies with a common language to identify whether certain economic activities can be considered environmentally sustainable. The Taxonomy Regulation introduces additional disclosures in respect of certain Article 8 and Article 9 SFDR Funds. For Funds classified as Article 6 SFDR Funds, the investments underlying the Funds do not take into account the EU criteria for environmentally sustainable economic activities and therefore these disclosure requirements do not apply to Article 6 SFDR Funds. Under the Taxonomy Regulation, an economic activity will be considered to be environmentally sustainable where it:

1. contributes substantially to one or more defined environmental objectives;
2. does not significantly harm any of the environmental objectives;
3. complies with certain minimum social safeguards; and
4. complies with specified performance thresholds known as technical screening criteria.

For points 1 and 2 above, the Taxonomy Regulation defines the environmental objectives into six areas of sustainable investments:

- climate change mitigation; and
- climate change adaptation.
- sustainable use and protection of water and marine resources;
- transition to a circular economy;
- pollution prevention and control; and
- protection and restoration of biodiversity and ecosystems.

The first two objectives of the EU Taxonomy – climate change mitigation and climate change adaptation – were confirmed in parliament and entered into force in January 2022. This means that companies within the scope of the Non-Financial Reporting Directive (NFRD) have to report on their share of taxonomy-eligible activities. Eligibility is defined as an activity which is covered by the EU Taxonomy under one of the two environmental objectives.

Eligibility reporting is just a first step to determine which activities will be able to report alignment to the taxonomy in 2023. For an eligible activity to be aligned with the EU Taxonomy, it further has to

1. comply with the Technical Screening Criteria (TSC);
2. the Do No Significant Harm (DNSH) Criteria; and the company has to fulfil Minimum Social Safeguards throughout their global supply chain.

In 2023, aligning with Article 10(4) of the Disclosures Delegated Act, large non-financial undertakings are required to report activities deemed aligned with the EU Climate Delegated Act. MFP Raphael's Ethical Choice fund is committed to investments that support four key environmental objectives: the sustainable use and protection of water and marine resources, the transition to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. Significant developments occurred in 2023 regarding the EU's environmental sustainability regulations. On 27 June 2023, the European Commission adopted the Environmental Delegated Act, which was subsequently published in the EU's Official Journal on 21 November 2023. This Act provides detailed technical screening criteria for assessing the alignment of economic activities with environmental objectives three to six of the EU taxonomy. The adoption of the Environmental Delegated Act necessitates an update to our reporting obligations. Initially, companies were to report their taxonomy eligibility for the environmental objectives three to six starting from the fiscal year 2023, with full reporting on taxonomy eligibility and alignment expected the following year. However, with the publication of the Environmental Delegated Act, it is imperative to review and adjust our reporting processes to ensure compliance with the finalized regulatory requirements. Henceforth, MFP Raphael's Ethical Choice fund will adhere to the updated guidelines set forth in the Environmental Delegated Act, ensuring our investments and reporting practices fully reflect the EU's comprehensive criteria for sustainable activities. This commitment underscores our dedication to fostering environmental sustainability and aligning with the EU's ambitions for a green transition.

Appendix – SFDR disclosure (continued)

For the year ended 31 December 2023

The policy adjustments are made in recognition of the EU's ongoing efforts to refine and expand its sustainability taxonomy, aiming to guide investment towards more sustainable economic activities and achieve climate neutrality by 2050. MFP Raphael's Ethical Choice fund remains committed to these goals, ensuring our investment strategies not only comply with the latest regulations but also contribute positively to environmental sustainability.

As part of its investment aims, MFP Raphael's Ethical Choice fund intend to make investments that contribute to the environmental objectives of climate change mitigation and/or climate change adaptation. MFP Raphael's Ethical Choice fund therefore invest in activities that are classified under the Taxonomy Regulation as activities that contribute to climate change mitigation and/or climate change adaptation.

However, precise information and templates on how to report on Taxonomy remain vague, leading to uncertainty in the market. Two significant issues remain: the scope of activities covered as well as the definition of an exact measure for Capex and Opex, which leaves much up to interpretation for the reporting company. Overall we expect to see clearer market standards emerging in the coming reporting cycles. One cautionary remark about eligibility: On its face, it is not possible to infer any information about taxonomy alignment. From January 2023, companies in scope will have to report on their taxonomy alignment. Many companies with a high eligibility (a high share of activities covered

in the Taxonomy), will report significantly lower alignment of activities that actually meet all requirements. Hence, MFP Raphael's Ethical Choice fund can, at this time, only make partial statements about the proportion of underlying investments that are in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation or the proportion of their total investments that are aligned with the Taxonomy Regulation (which includes the enabling and transitional activities referred to in the Taxonomy Regulation). Nevertheless, as declared in the offering supplement for this sub fund, MFP Raphael's Ethical Choice fund intends to have at least 70% of its portfolio aligned with the social or environmental characteristics, this includes 5% intended for underlying investments that are in economic activities that qualify as environmentally sustainable under the Taxonomy Regulation.

The "do no significant harm" principle applies only to those investments underlying MFP Raphael's Ethical Choice fund that take into account the EU criteria for environmentally sustainable economic activities. Similarly, for the reasons set out above, MFP Raphael's Ethical Choice fund can only make partial statement in respect of these Funds about the "do no significant harm" principle at this time.

The investments underlying the remaining portion of MFP Raphael's Ethical Choice fund do not take into account the EU criteria for environmentally sustainable economic activities.

Raphael's Ethical Choice Fund

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities fund cannot make any statement in respect of these Funds about the "do no significant harm" principle at this time.

The investments underlying the remaining portion of MFP Raphael's Ethical Choice fund do not take into account the EU criteria for environmentally sustainable economic activities.

Best Strategies Fund

The investments underlying this financial product do not take into account the EU criteria for environmentally sustainable economic activities.

Periodic disclosure for the financial products referred to in Article 8, paragraphs 1, 2 and 2a, of Regulation (EU) 2019/2088 and Article 6, first paragraph, of Regulation (EU) 2020/852

Sustainable investment means an investment in an economic activity that contributes to an environmental or social objective, provided that the investment does not significantly harm any environmental or social objective and that the investee companies follow good governance practices.

The **EU Taxonomy** is a classification system laid down in Regulation (EU) 2020/852, establishing a list of **environmentally sustainable economic activities**. That Regulation does not include a list of socially sustainable economic activities. Sustainable investments with an environmental objective might be aligned with the Taxonomy or not.

Product name: MFP Raphael’s Ethical Choice fund
Legal entity identifier: 54930071GHLDBXWVJ676
Isin codes: MT7000021085, MT7000021093, MT7000021101, MT7000021119

Environmental and/or social characteristics

Did this financial product have a sustainable investment objective?

<input checked="" type="radio"/> <input type="radio"/> <input type="checkbox"/> Yes	<input type="radio"/> <input type="radio"/> <input checked="" type="checkbox"/> No
<input type="checkbox"/> It made sustainable investments with an environmental objective: ___% <ul style="list-style-type: none"> <input type="checkbox"/> in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> It made sustainable investments with a social objective: ___%	<input checked="" type="checkbox"/> It promoted Environmental/Social (E/S) characteristics and while it did not have as its objective a sustainable investment, it had a proportion of 16.3% of sustainable investments <ul style="list-style-type: none"> <input checked="" type="checkbox"/> with an environmental objective in economic activities that qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with an environmental objective in economic activities that do not qualify as environmentally sustainable under the EU Taxonomy <input type="checkbox"/> with a social objective <input type="checkbox"/> It promoted E/S characteristics, but did not make any sustainable investments



To what extent were the environmental and/or social characteristics promoted by this financial product met?

- The Fund promotes adherence to the 10 Principles of the UN Global Compact, the 17 UN Sustainable Development Goals (SDG’s) and the UN Principles for Responsible Investing which are the frameworks which guides the management of the fund. All

Sustainability indicators measure how the environmental or social characteristics promoted by the financial product are attained.

companies in the portfolio were screened based on the MSCI ESG Research LLC data and there appeared zero companies that failed although 3 companies were on the watch list.

- The characteristics promoted by this financial product consist of investing in corporates with excellent Environmental, Social and Governance ratings while excluding companies involved in controversial products or activities with respect to animal welfare, fossil fuels, producing tobacco or unconventional military weapons as well as any company from the gambling sector. With respect to fossil fuels, companies active in coal, tar sands, oil shale, unconventional fossil fuels, deep sea drilling and arctic drilling are excluded.

- Looking at the MSCI ESG rating, we had 24% of the investee companies in the portfolio with a AAA rating and 68% of the portfolio had a rating of A and above.
- The majority of the investee companies have activities that are estimated to be eligible for the EU Taxonomy. On average for the entire portfolio the estimated eligibility of revenues for the EU Taxonomy is about 63%.
- We no longer have data from Sustainable Platform. However, according to the analysis performed by Clarus Risk, the portfolio was strongly aligned on several SDG's. The table below summarizes the SDG's with the highest alignment scores. The percentages are calculated as the ratio of the eligible assets of the portfolio (which was about 80% of total portfolio).

	% of aligned or strongly aligned	% of neutrally aligned	% of misaligned or strongly misaligned
5: Gender Equality	70%	29%	1%
6: Clean Water & Sanitation	27%	73%	0%
7: Affordable and Clean Energy	37%	60%	3%
8: Decent Work and Economic Growth	53%	47%	0%
9: Industry , Innovation and Infrastrucure	20%	80%	0%
10: Reduced Inequalities	60%	38%	2%
11: Sustainable Cities and Communities	9%	90%	1%
12: Responsible Consumption & Production	52%	45%	3%
13: Climate action	47%	50%	3%

- The exclusion criteria were respected.

● **How did the sustainability indicators perform?**

- The sustainability indicators used to measure the attainment of these characteristics are :
 - a. GHG emissions scope 1, 2 and 3 as well as their evolution over time and the presence of emission reduction targets : 84% of the investee companies had GHG emissions reduction targets with KPI's, 3% without KPI's, for 8% there was no evidence of GHG emission reduction targets while we had no data for 5%.

- b. The energy efficiency: 70% of the investee companies have established an energy efficiency policy, but we had no data for 22%
- c. Policy with respect to water and waste management: 62% of companies in the portfolio have established a water policy and 73% have established a waste reduction policy
- d. Whether the investee companies are signatories of the UN Global Compact: 51% of the investee companies are known signatories.
- e. Whether the investee companies are GRI compliant in their sustainability reporting: 59% of the investee companies have indicated using the Global Reporting Initiative framework for guidance in its public reporting.
- f. The presence of policies with respect to environmental issues, human rights, child labour, anti-bribery and whistle-blower protection: 70% of investee companies had known policies in place to reduce the environmental impact of their activities, while over 70% of investee companies have policies with regards to human rights, child labour, anti-bribery and whistle-blower protection.
- g. Board Gender diversity: 65% of investee companies had at least 30% of the board positions held by women
- h. The rate of accidents/injuries in investee companies: there were 9 known fatal injuries over all investee companies during the previous year. All 9 fatal injuries were at AB-Inbev. Only 7 investee companies reported accidents per 1000 employees.

● ***...and compared to previous periods?***

Compared to the previous report, we see comparable or slightly improved figures overall.

● ***What were the objectives of the sustainable investments that the financial product partially made and how did the sustainable investment contribute to such objectives?***

The sustainable investments of the Fund aim to further the transformation and decarbonization of the economy in order to mitigate the impact of climate change as well as to adapt to climate change. The sustainable investment objective is attained by mainly investing in companies that advance the following United Nations Sustainable Development Goals (SDGs): Affordable and clean energy goal (SDG 7), Decent work and economic growth (SDG 8), Industry, innovation and infrastructure (SDG 9), Sustainable cities and communities (SDG 11) and Climate action (SDG 13). 43% of the investee companies had a high rating of A or above at CDP (Carbon Disclosure Report), while 84% of the investee companies have GHG emission reduction targets with KPI's. We also invest in companies that contribute to the energy transition such as Deme (a world leader in land reclamation, marine infrastructure, offshore energy and environmental remediation), Syensqo and Air Liquide.

● ***How did the sustainable investments that the financial product partially made not cause significant harm to any environmental or social sustainable investment objective?***

All investments qualifying as sustainable are screened against all relevant significant harm indicators under the EU Taxonomy, although there currently is still a lack of data on the EU Taxonomy.

The portfolio was also assessed by Clarus Risk on both the Do Not Significant Harm test and Substantial Contribution Criteria (revenue exposure) to the six environmental objectives of the SFDR. According to that assessment 0% of the portfolio failed the DNSH test on Climate Change Mitigation, Climate Change Adaptation, Sustainable Use and Protection of Water and Marine Resources and Protection and Restoration of Biodiversity & Ecosystems. Only on the environmental objectives of Transition to Circular Economy and Pollution Prevention & Control there was 2.37% of the portfolio that failed the DNSH test. On the “Substantial Contribution Criteria” we had 7.77% of the portfolio that generated a substantial contribution to Climate Change Mitigation and 0.04% to Climate Change Adaptation.

The Fund assesses the contribution of companies to the Sustainable Development Goals (SDG’s) and monitors the Principal Adverse Impact indicators referred to in Annex I of the SFDR Delegated Act. The Fund also considers whether the sustainable investments are aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights through negative screening and the exclusion policy.

— — — ***How were the indicators for adverse impacts on sustainability factors taken into account?***

The fund considers principal adverse impacts on sustainability factors as referred to in Annex I of the SFDR Delegated Act.

Pre-investment, the following principal adverse impacts on sustainability factors are considered:

- Via the applied normative and activity-based exclusions, the following PAIs are considered:
 - Exposure to companies active in the fossil fuel sector (PAI 4, Table 1). Only 3 investee companies have exposure to the fossil fuel sector. These are Neste, who specializes in renewable diesel and sustainable aviation fuel and in an indirect way, there is Solvay that

Principal adverse impacts are the most significant negative impacts of investment decisions on sustainability factors relating to environmental, social and employee matters, respect for human rights, anti-corruption and anti-bribery matters.

sells chemicals to the oil sector and DEME, who also generates revenue from the oil sector.

- Exposure to controversial weapons (anti-personnel mines, cluster munitions, chemical weapons (PAI 14, Table 1). None of the investee companies had exposure to controversial weapons.
 - Violations of the UN Global Compact Principles and Organisation for Economic Cooperation and Development (OECD) Guidelines for Multinational Enterprises (PAI 10, Table 1). According to Bloomberg data, 3 companies have been recorded to have a violation, but hence more than 90% of investee companies had no violations recorded. According to Clarus Risk (data based on MSCI and Eurostream) no violations were detected.
- Via the ESG integration process, as part of the investment due diligence policies and procedures, the following PAIs are considered:
- All indicators related to GHG emissions, as part of the required Climate Risk analysis (PAI 1-6, Table 1, PAI 4, Table 2)
 - Biodiversity, water and waste indicators (PAI 7-9, Table 1) when relevant for the sector
 - Board gender diversity (PAI 13, Table 1)

Post-investment, the following principal adverse impacts on sustainability factors are taken into account:

- All indicators related to Climate and environmental issues (PAI 1-9, Table 1)
- Indicators in related to social and employee matters (PAI 10-13, Table 1; PAI 1-2-4-6-9-10, Table 3)

For 2023, we still have no full coverage, but overall, the data indicates a strong ESG focus of the fund. The PAI table is published for the year 2023 and the evolution is being monitored. The latest figures at end 2023 already were showing improvements compared to the previous report.

— — — *Were sustainable investments aligned with the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights? Details:*

It is the purpose of the fund to only invest in investee companies which respect business and human rights and adhere to international norms and laws. All assets in the fund are screened versus some qualitative indicators such as the presence of policies on environmental issues, business ethics and human rights and which aim to respect international norms and regulation as laid out in the OECD Guidelines for Multinational Enterprises and the UN Guiding Principles on Business and Human Rights.

In that respect, strong governance principles are key which is why the fund supports an independent, diverse board of directors and prefers that key committees such as audit, nominating and compensation committees be comprised of independent directors.

The “do no significant harm” principle applies only to those investments underlying the financial product that take into account the EU criteria for environmentally sustainable economic activities. The investments underlying the remaining portion of this financial product do not take into account the EU criteria for environmentally sustainable economic activities.’



How did this financial product consider principal adverse impacts on sustainability factors?

Yes, The fund considers principal adverse impacts on sustainability factors as referred to in Annex I of the SFDR Delegated Act, both pre-investment as well as post-investment (see explanation above). Upon investment and over the life of the product, we assess and monitor indicators that are deemed to indicate the presence of a principal adverse impact as per EU law, as far as we are able to collect data. We address adverse impacts by reducing or completely sell the exposure to investee companies which score below average on the principal adverse impact indicators, and which don’t manage to improve on these indicators. When the AUM’s of the fund will increase above EUR 50 million, we intend to delegate voting rights to proxy voting companies.



What were the top investments of this financial product?

The list includes the investments constituting the greatest proportion of investments of the financial product during the reference period which is: 2022

Largest investments	Sector	% Assets	Country
KLA	<i>IT</i>	4.37%	<i>US</i>
NOVO NORDISK	<i>Health Care</i>	3.89%	<i>Denmark</i>
ASML	<i>IT</i>	3.55%	<i>Netherlands</i>
MICROSOFT INBEV	<i>IT</i>	3.50%	<i>US</i>
INTUIT	<i>IT</i>	3.32%	<i>US</i>
AIR LIQUIDE	<i>Materials</i>	3.23%	<i>France</i>
INDITEX	<i>Consumer Discr</i>	3.22%	<i>Spain</i>
ANHEUSER-BUSCH	<i>Cons. Staples</i>	3.10%	<i>Belgium</i>
IBM	<i>IT</i>	3.08%	<i>US</i>
ACCENTURE	<i>IT</i>	3.07%	<i>US</i>
TSMC	<i>IT</i>	3.01%	<i>Taiwan</i>
SCHNEIDER ELECTRIC	<i>Industrials</i>	2.84%	<i>France</i>
UCB	<i>Health Care</i>	2.81%	<i>Belgium</i>
Melexis	<i>IT</i>	2.78%	<i>Belgium</i>
EQT AB	<i>Financials</i>	2.67%	<i>Sweden</i>

What was the proportion of sustainability-related investments?



The fund invests in direct holdings. In order to meet the environmental or social characteristics promoted, the fund generally invests about 70% of its assets in companies that fulfill the ESG criteria. Hence, 70% of the investments are aligned with the social or environmental characteristics. This includes at least 5% of the total investments that are qualified as Taxonomy-aligned sustainable investments. 30% of the investments do not incorporate any environmental or social characteristic.

If we exclude the derivatives exposure that is used for hedging of the portfolio, about 80% of the portfolio was invested in investee companies, while the rest was held cash. 67% of the exposure to investee companies have an MSCI ESG rating in the category A, AA and AAA, while an additional 16% of the exposure was not rated by MSCI, but contain leading companies in sustainability. We had no exposure to investee companies that are characterized as laggards with respect to ESG.

[include note only for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852]

To comply with the EU Taxonomy, the criteria for **fossil gas** include limitations on emissions and switching to fully renewable power or low-carbon fuels by the end of 2035. For **nuclear energy**, the criteria include comprehensive safety and waste management rules.

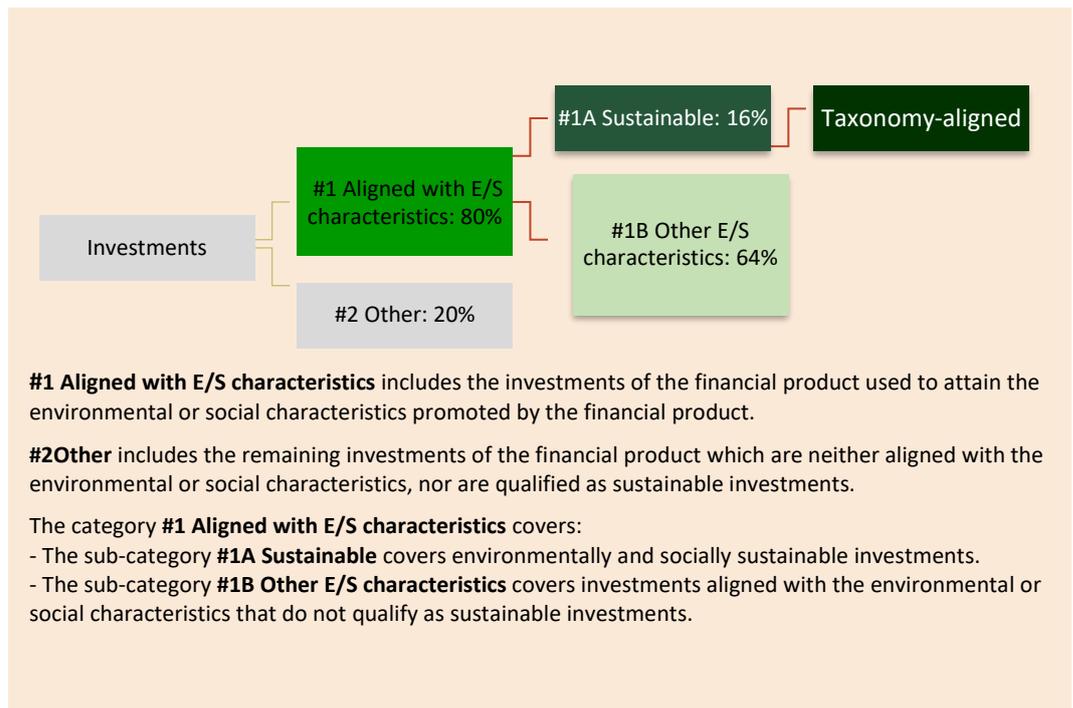
Enabling activities directly enable other activities to make a substantial contribution to an environmental objective.

Transitional activities are activities for which low-carbon alternatives are not yet available and among others have greenhouse gas emission levels corresponding to the best performance.

● What was the asset allocation?

80% of the portfolio was invested in investee companies (equities), while the rest of the portfolio comprises cash and derivatives for hedging purposes.

Of the investments, only 5% were invested in investee companies that are below the 50 percentile according to Bloomberg with respect to the Bloomberg ESG scoring peer group percentile ranking while 89% of



investee companies were above the 60 percentile meaning that 89% of the portfolio is clearly outperforming their peer group with respect to ESG. Based on the EU Taxonomy **Eligible** Revenues, 16% of the investments in investee companies would qualify as sustainable investments. Please note that there is still a lack of data with respect to the EU Taxonomy.

● ***In which economic sectors were the investments made?***

Communication Services	1.02%
Consumer Discretionary	5.15%
Consumer Staples	6.50%
Energy	2.05%
Financials	2.67%
Health Care	11.63%
Industrials	9.36%
Information Technology	33.61%
Materials	8.31%

Within the Energy sector, we had only Neste as a position in the portfolio. The Industry Group of Neste is Oil, Gas & Consumable Fuels. Within this industry group, Neste would classify as Oil & Gas Refining and Marketing as a sub-industry. Hence, there were no investments in the fund that derive revenues from the exploration & production of fossil fuels. Neste is focused on renewable energy and announced that in 2023 the amount of greenhouse gas emissions that their customer reduced thanks to Neste’s renewable products amounted to 11 million ton.



To what extent were the sustainable investments with an environmental objective aligned with the EU Taxonomy?

As there continues to be some lack of data with regards to EU Taxonomy, we verify the percentage of the revenues of investee companies that are Taxonomy eligible, according to Bloomberg, as well as the percentage of revenue, capex and opex that are aligned with the EU Taxonomy according to the investee companies.

We had 32% of investee companies with EU Taxonomy eligible revenues. On average, the percentage of their revenues that were eligible was 58%. Based on the weight of the investee companies in the portfolio, 16% of the investments have EU Taxonomy eligible revenues.

With respect to the lack of data, we had only 40% of investee companies where we had data on the alignment with the EU Taxonomy.

With respect to the Do No Significant Harm criteria, 27% of investee companies have indicated the they have undertaken a full assessment of the DNSH criteria

with passing results, or that they report passing DNSH criteria using the Template for the KPI's of Non-Financial Undertakings from Annex II of the Commission Delegated Regulation (EU) 2021/2178.

[include note for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852

Taxonomy-aligned activities are expressed as a share of:

- **turnover** reflecting the share of revenue from green activities of investee companies.
- **capital expenditure (CapEx)** showing the green investments made by investee companies, e.g. for a transition to a green economy.
- **operational expenditure (OpEx)** reflecting green operational activities of investee companies.

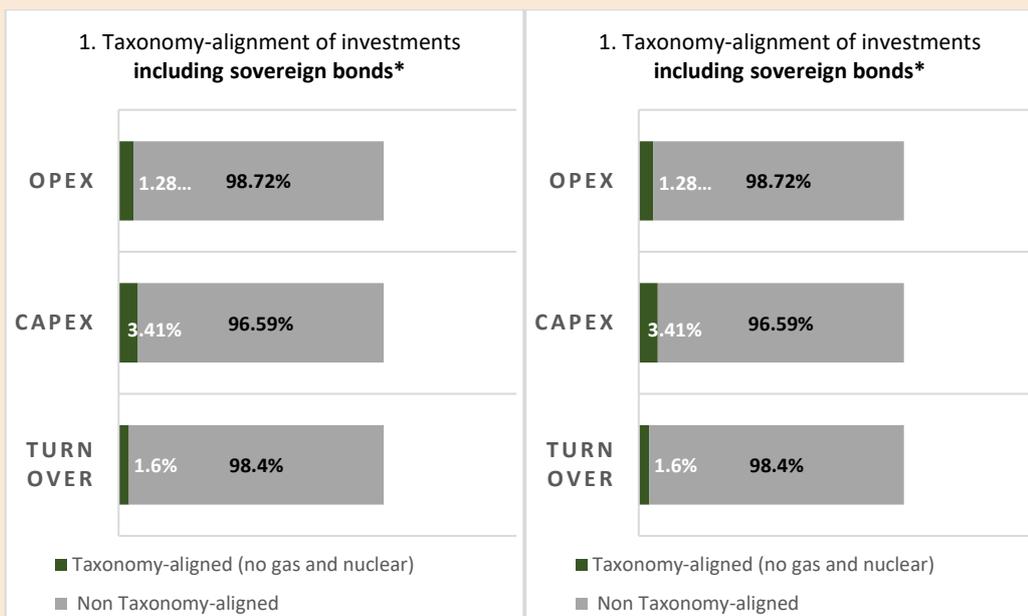
● **Did the financial product invest in fossil gas and/or nuclear energy related activities complying with the EU Taxonomy¹?**

Yes: *[specify below, and details in the graphs of the box]*

In fossil gas In nuclear energy

No

The graphs below show in green the percentage of investments that were aligned with the EU Taxonomy. As there is no appropriate methodology to determine the taxonomy-alignment of sovereign bonds, the first graph shows the Taxonomy alignment in relation to all the investments of the financial product including sovereign bonds, while the second graph shows the Taxonomy alignment only in relation to the investments of the financial product other than sovereign bonds.*



* For the purpose of these graphs, 'sovereign bonds' consist of all sovereign exposures.

¹ Fossil gas and/or nuclear related activities will only comply with the EU Taxonomy where they contribute to limiting climate change ("climate change mitigation") and do not significantly harm any EU Taxonomy objective - see explanatory note in the left hand margin. The full criteria for fossil gas and nuclear energy economic activities that comply with the EU Taxonomy are laid down in Commission Delegated Regulation (EU) 2022/1214.

[include note for the financial products referred to in Article 6, first paragraph, of Regulation (EU) 2020/852 that invest in environmental economic activities that are not environmentally sustainable economic activities]

 are sustainable investments with an environmental objective that do not take into account the criteria for environmentally sustainable economic activities under Regulation (EU) 2020/852.

● **What was the share of investments made in transitional and enabling activities?**

Please note that again data is lacking, hence the results are not representative.

The share of investments made in transitional activities was as follows:

Expressed as a share of Turnover : 0.00%

Expressed as a share of CapEx : 0.1%

Expressed as a share of OpEx : 0.00%

The share of investments made in enabling activities was as follows:

Expressed as a share of Turnover : 0.46%

Expressed as a share of CapEx : 0.84%

Expressed as a share of OpEx : 0.62%

● **How did the percentage of investments that were aligned with the EU Taxonomy compare with previous reference periods?**

The figures were lower than in the initial report, but we believe this is meaningless due to the lack of data.



What was the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy?

We can't give a figure of the the share of sustainable investments with an environmental objective not aligned with the EU Taxonomy as the determination of what is a sustainable investment with an environmental objective happens on the level of activities, not at a company level. Hence, there are two approaches that we have followed. One is based on the EU Taxonomy, but as mentioned, there still lacks a lot of data. The results have been given earlier in this report. The other approach uses data from Clarus Risk, which is a specialised data provider. The approach of Clarus Risk calculates the alignment to the 17 SDG's on two levels, namely the SDG Product Alignment (This assessment estimates companies' revenue from products and services, addressing relevant SDGs or from products and services with potentially adverse impacts towards the goals) and the SDG Operational Alignment (This evaluates the extent to which companies' operations could result in a positive or negative impact in addressing each SDG by taking into consideration: internal policies, targets, and practices; trends in quantitative performance metrics, involvement in operations with significant adverse impacts, and events with a negative impact towards achieving SDGs).



What was the share of socially sustainable investments

We consider the following SDG's as socially based, namely

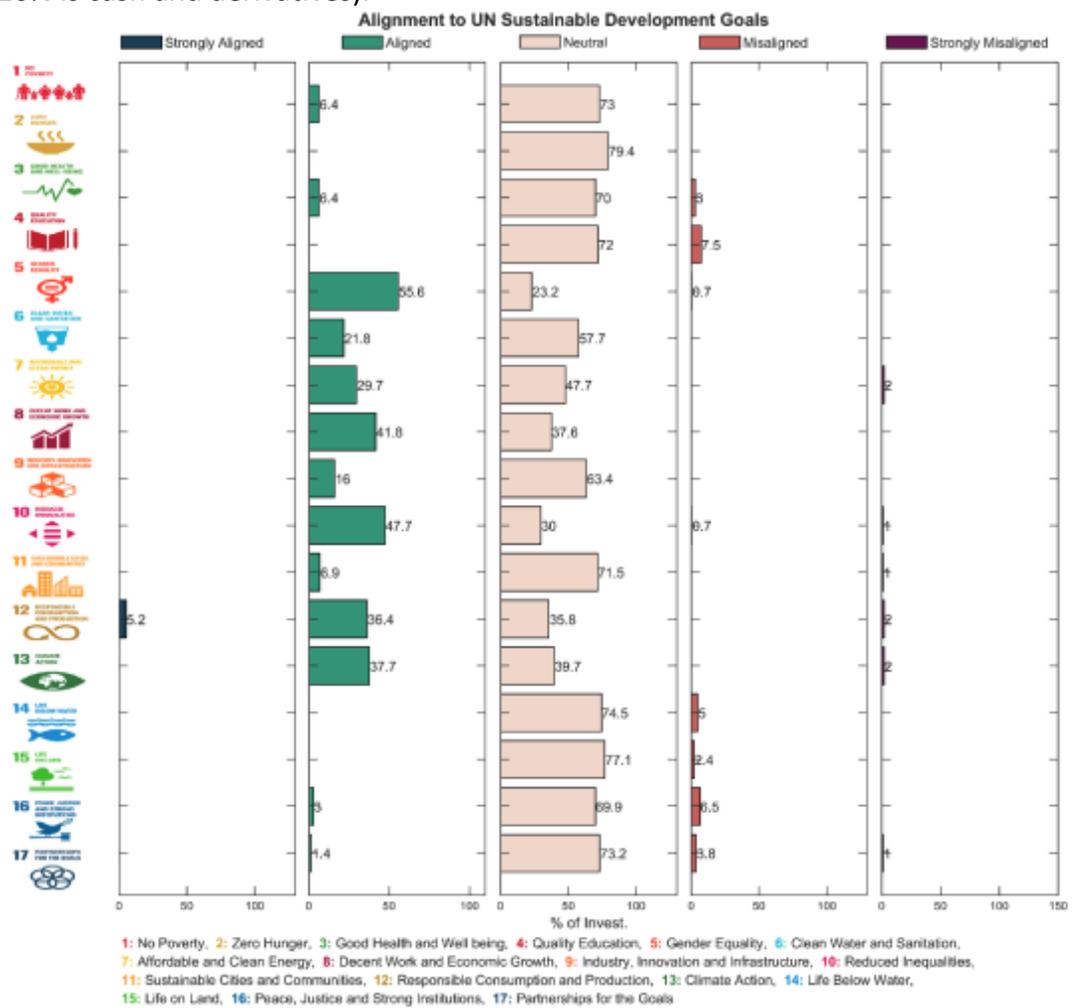
SDG 1: No Poverty : 6.4% of the portflio was aligned ; 0% misaligned

SDG 3: Good Health and Well-being: 6.4% aligned ; 3% misaligned

SDG 4: Quality Education: 0% aligned ; 7.5% misaligned

SDG 5: Gender equality: 55.6% aligned ; 0.7% misaligned
 SDG 8: Decent Work and Economic Growth: 41.8% aligned ; 0% misaligned
 SDG 10: Reduced Inequalities : 47.7% aligned ; 1.7% misaligned
 SDG 16: Peace, Justice, and Strong Institutions : 3% aligned ; 6.5% misaligned

Please find below the alignment of the portfolio on the 17 SDG's. Overall, it is clear that on average, the alignment to social SDGs is much higher than the misalignment (aligned = 23% average versus misaligned 2.8% average). Please note that the percentages of alignment add up to about 80%, which is the percentage of the portfolio invested in investee companies, while the remaining 20% is cash and derivatives).



What investments were included under “other”, what was their purpose and were there any minimum environmental or social safeguards?

The investments included under “other” are the cash and derivatives for hedging purposes.



What actions have been taken to meet the environmental and/or social characteristics during the reference period?

We kept the same approach as we have had since the launch of the fund, namely selecting companies by screening them with the available tools we have in order to verify their ESG profile. Hence, we didn't had to amend the portfolio to meet environmental and/or social characteristics.

Appendix - Statement on principal adverse impacts of investment decisions on sustainability factors

MFP Raphael's Ethical Choice Fund considers principal adverse impacts of its investment decisions on sustainability factors. The present statement is the consolidated statement on principal adverse impacts on sustainability factors of MFP Raphael's Ethical Choice Fund which is authorised and regulated by the Malta Financial Services Authority. This statement on principal adverse impacts on sustainability factors covers the reference period from 01 January 2023 to 31 December 2023. The previous reported period for historical comparison covered from 01 January 2022 to 31 December 2022.

Data have been obtained from MSCI and calculations for PAIs performed on a monthly basis. In this statement, the monthly average values were used for each indicator. To avoid doubt, the proportion of eligible assets is computed considering the asset classes: equity, corporate bonds, and sovereign, and weighted by considering all portfolio investments, including cash (Definition 4, Annex I of the RTS document). Unless explicitly stated, the coverage is computed for each PAI by considering the proportion of all assets where either reported or estimated data is available.

Description of the principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies

Adverse Sustainability Indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Green-house gas emissions	1. GHG Emissions	Scope 1 GHG Emissions of investee companies expressed in tonnes of CO2 equivalent	454.000	506.000	Coverage: 85.00 Eligible Assets: 85.00	We are committed to achieve net zero greenhouse gas emissions by 2050 or sooner. We have a target to reduce the carbon footprint of the portfolio over time in order to align with a 1,5 C degree world by 2040 and will monitor the companies in the portfolio so that they engage to become aligned on the Paris agreement. Furthermore, through our exclusionary policy, investments are prohibited in fossil fuel companies and electric utility companies that are not aligned with our objective of decarbonizing over time. We aim to strengthen this policy in order to
		Scope 2 GHG Emissions of investee companies expressed in tonnes of CO2 equivalent	208.000	253.000	Coverage: 85.00 Eligible Assets: 85.00	
		Scope 3 GHG Emissions of investee companies expressed in tonnes of CO2 equivalent	2520.000	4940.000	Coverage: 85.00 Eligible Assets: 85.00	
		Total Scope 12 GHG Emissions of investee companies expressed in tonnes of CO2 equivalent	661.000	759.000	Coverage: 85.00 Eligible Assets: 85.00	
		Total Scope 123 GHG Emissions of investee companies expressed in tonnes of CO2 equivalent	3180.000	5700.000	Coverage: 85.00 Eligible Assets: 85.00	

2. Carbon Footprint	Carbon Footprint Scope 12 expressed as a ratio of all investments	54.300	59.400	Scope 1 and 2 GHG emissions expressed in tCO2e per million € invested in the portfolio. Coverage: 85.00 Eligible Assets: 85.00	ensure that investee companies are leading the transition out of fossil fuels.
	Carbon Footprint Scope 123 expressed as a ratio of all investments	261.000	445.000	Scope 1, 2 and 3 GHG emissions expressed in tCO2e per million € invested in the portfolio. Coverage: 85.00 Eligible Assets: 85.00	
3. GHG Intensity of Investee Companies	GHG intensity of investee companies Scope 12 a ratio of investee company's revenue	98.800	99.900	Scope 1 and 2 GHG emissions per million of € of revenue. Coverage: 85.00 Eligible Assets: 85.00	Overall, we aim to be on a downward trajectory with respect to the carbon footprint of the portfolio and expect the investee companies to set targets and evolve on a trajectory of decarbonizing their operations.
	GHG intensity of investee companies Scope 123 a ratio of investee company's revenue	561.000	748.000	Scope 1,2 and 3 GHG emissions per million of € of revenue. Coverage: 77.00 Eligible Assets: 85.00	
4. Exposure to companies active in the fossil fuel sector	a) Share of investments in companies active in the fossil fuel sector	a) 3.170	a) 7.420	Includes all fossil fuels related activities: extraction, processing, storage and transportation of petroleum products, natural gas, and thermal and metallurgical coal. a) Coverage: 80.00 . Eligible Assets: 87.00	
5. Share of non-renewable energy consumption and production	a) Share of non-renewable energy consumption of investee companies from non-renewable energy sources	a) 35.000 b) N/A	a) 36.700 b) N/A	Both metrics are expressed, expressed as a percentage of total energy sources. a) Coverage: 70.00 . Eligible Assets: 85.00 b) N/A	

compared to renewable energy sources b) Share of non-renewable energy production of investee companies from non-renewable energy sources compared to renewable energy sources

6. Energy consumption intensity per high impact climate sector

Energy consumption in GWh per million EUR of revenue of investee companies, per high impact climate sector

A full description of the following sectors is shown at the end of the statement.

Sector	Value
NACE B	0.003
NACE C	0.209
NACE D	0.006
NACE G	0.015
NACE H	0.007

Note that the sectors may not be the same as those from the current period.

Sector	Value
NACE C	0.186
NACE D	0.018
NACE F	0.034
NACE G	0.025
NACE H	0.006

Only the sectors in which there are investments are reported. Here, coverage represents the proportion of companies from that sector with respect to all investments where data is effectively available.

Sector	Coverage	E. Assets
NACE B	0.69	85.00
NACE C	51.00	85.00
NACE D	0.63	85.00
NACE G	4.80	85.00
NACE H	2.40	85.00

Biodiversity

7. Activities negatively affected

Share of investments in investee companies with

0.000

0.000

Coverage: **85.00**
Eligible Assets: **85.00**

We commit to take potential negative effects on biodiversity

fecting biodiversity sensitive areas

sites/operations located in or near to biodiversity-sensitive areas where activities of those investee companies negatively affect those areas

into consideration as we recognise the importance of all companies assessing and reporting on their exposure to natural capital and biodiversity risk. This figure should remain extremely low going forward.

Water	8. Emissions to water	Tonnes of emissions to water generated by investee companies per million € invested	0.000	0.000	Total tons of pollutants released to surface waters because of companies' operations. Coverage: 2.60 Eligible Assets: 85.00	The coverage ratio on the PAI indicator is very low as it currently stands at 2,6%. Our first priority is to try to have an improved level of coverage in order to enable some target settings in a second stage.
Waste	9. Hazardous waste and radioactive waste ratio	Tonnes of hazardous waste and radioactive waste generated by investee companies per million € invested	0.232	0.273	Coverage: 32.00 Eligible Assets: 85.00	Our first priority is to try to have an improved level of coverage in order to enable some target settings in a second stage. Furthermore, when investee companies are identified which exhibit high adverse impacts, an internal assess-

Indicators for social and employee, respect for human rights, anti-corruption, and anti-bribery matters

Adverse Sustainability Indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned, and targets set for the next reference period	
Social and employee matters	10. Violations of OECD Guidelines for Multinational Enterprises or the UN Guiding Principles	Share of investments in investee companies that have been involved in violations of the UNGC principles or OECD Guidelines for Multinational enterprise, the UN Guiding principles, including the principles and rights set out in the eight fundamental conventions identified in the ILO Declaration and the International Bill of Human Rights	0.000	0.000	Coverage: 85.00 Eligible Assets: 85.00	When companies are in violation of the UNGC principles or OECD guidelines, an internal assessment of the company is initiated. If the violation is not being acknowledged and strongly remediated these companies are excluded from the portion of the portfolio allocated to sustainable investments as violators are considered to cause significant harm to one or more environmental or social sustainable investment objectives.
	11. Lack of processes and compliance mechanisms to monitor compliance with OECD Guidelines for Multinational Enterprises or the UN Guiding principles	Share of investments in investee companies without policies to monitor compliance with or with grievance/ complaints handling mechanisms to address violations of the OECD Guidelines for Multinational Enterprises, the UN Guiding principles, including the principles and rights set out in the eight fundamental conventions identified in the ILO Declaration and the International Bill of Human Rights	27.600	27.600	Coverage: 85.00 Eligible Assets: 85.00	We aim by 2025 to have less than 20% of companies with a lack of processes and compliance mechanisms to monitor compliance with OECD Guidelines for Multinational Enterprises or the UN Guiding principles. Issuers identified as outliers on the indicator, or which exhibit high adverse impact across several indicators may be subject to further analysis and potential actions.
	12. Gender pay-gap between female and male employees	Average gender pay gap between female and male employees of investee companies	1.990	1.310	The difference between the average gross hourly earnings of male and female employees, as a percentage of male gross earnings. Coverage: 15.00 Eligible Assets: 85.00	Our first priority is to try to have an improved level of coverage in order to enable some target settings in a second stage. Based on the current coverage, there is no real gender pay gap in the Investee Compa-

13. Management and supervisory board gender diversity	Average ratio of female to male board members in investee companies, expressed as a percentage of all board members	31.900	33.000	Coverage: 85.00 Eligible Assets: 85.00	<p>panies that we hold in the fund. Issuers identified as outliers on the indicator, or which exhibit high adverse impact across several indicators may be subject to further analysis and potential actions.</p> <p>We believe that companies should strive to create diverse, equitable and inclusive cultures in their organisations. Issuers identified as outliers on the indicator, or which exhibit high adverse impact across several indicators may be subject to further analysis and potential actions.</p>
14. Exposure to controversial weapons	Share of investments in investee companies involved in the manufacture or selling of controversial weapons	0.000	0.000	Coverage: 85.00 Eligible Assets: 85.00	<p>We do not invest in companies that are involved in the production or development of controversial weapons such as cluster munitions, antipersonnel landmines, nuclear weapons, biological and chemical weapons, blinding laser weapons, incendiary weapons, depleted uranium weapons, white phosphorus weapons. If such a holding would be detected, we conduct further analysis which is presented to the Investment Committee that decides how to proceed (e.g. exclusion).</p>

Indicators applicable to investments in sovereigns and supra-nationals

Adverse Sustainability Indicator		Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Environmental	15. Sovereign GHG intensity	GHG intensity of investee countries as a ratio of investee country's GDP	N/A	N/A	Coverage: 0.00 Eligible Assets: 0.00	
Social	16. Investee countries subject to social violations	Number of investee countries subject to social violations, as referred to in international treaties and conventions, United Nations principles and, where applicable, national law	N/A	N/A	Coverage: 0.00 Eligible Assets: 0.00	

Indicators applicable to investments in real estate assets

Adverse Sustainability Indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned, and targets set for the next reference period
Fossil fuels	17. Exposure to fossil fuels through real estate assets	Share of investments in real estate assets involved in the extraction, storage, transport, or manufacture of fossil fuels			Coverage: Eligible Assets:
Energy efficiency	18. Exposure to energy inefficient real estate assets	Share of investments in energy inefficient real estate assets			Coverage: Eligible Assets:

Other indicators for principal adverse impacts on sustainability factors

Indicators applicable to investments in investee companies

Adverse Sustainability Indicator	Metric	Impact 2023	Impact 2022	Explanation	Actions taken, and actions planned, and targets set for the next reference period	
Emissions	1. Investments in companies without carbon emission reduction initiatives	Share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris Agreement	1.780	5.560	Coverage: 85.00 Eligible Assets: 85.00	We aim to keep a share of investments in investee companies without carbon emission reduction initiatives aimed at aligning with the Paris agreement always below 10%.
Deforestation Policies	2. Exposure to companies without deforestation policies (% Invest.)	Share of investments in investee companies without a policy to address deforestation	73.600	77.000	Coverage: 85.00 Eligible Assets: 85.00	This metric is not relevant for all investee companies. However, Issuers for which the indicator is relevant and which are identified as outliers on the indicator, or which exhibit high adverse impact across several indicators may be subject to further analysis and potential actions.
Water Stress Areas	3. Exposure to areas of high-water stress (% Invest.)	Share of investments in investee companies with sites located in areas of high-water stress without a water management policy	3.1000	0.034	Coverage: 17.00 Eligible Assets: 85.00	Our first priority is to try to have an improved level of coverage in order to enable some target settings in a second stage.
Lack of a supplier code of conduct	4. Lack of supplier conduct code (% Invest.)	Share of investments in companies without disclosure any supplier code of conduct (against	29.700	31.200	Coverage: 76.00 Eligible Assets: 85.00	We aim to be on a downward trajectory in the share of investments in companies without disclosure any supplier code of conduct.

		unsafe working conditions, precarious work, child labour and forced labour)				
Human rights	5. Exposure to companies without disclosure of human rights policies (% Invest.)	Share of investments in entities without a human rights policy	4.560	5.410	Coverage: 70.00 Eligible Assets: 71.00	We aim to keep a share of investments in investee companies without a human rights policy below 5%.
Corruption and bribery matters	6. Exposure to companies with a lack of anti-corruption and anti-bribery policies (% Invest.)	Share of investments in entities without policies on anticorruption and anti-bribery consistent with the UN Convention against corruption	1.220	1.290	Coverage: 84.00 Eligible Assets: 71.00	We aim to keep a share of investments in investee companies with a lack of anti-corruption and anti-bribery policies below 5%.

Description of policies to identify and prioritise principal adverse impacts on sustainability factors

We refer to our Sustainable Investment Policy and the Pre-contractual disclosure document for more information.

Engagement policies

We refer to our Sustainable Investment Policy and the Pre-contractual disclosure document for more information.

References to international standards

We refer to our Sustainable Investment Policy and the Pre-contractual disclosure document for more information.

Historical Comparison

A historical comparison of the period reported on with the previous reported period will be made as of 2024.

NACE Sectors Description

NACE A:	Agriculture, Forestry and Fishing
NACE B:	Mining and Quarrying
NACE C:	Manufacturing
NACE D:	Electricity, Gas, Steam and Air Conditioning Supply
NACE E:	Water Supply, Sewerage, Waste Management and Remediation Activities
NACE F:	Construction
NACE G:	Wholesale and Retail Trade; repair of motor vehicles and motorcycles
NACE H:	Transporting and Storage
NACE L:	Real Estate Activities

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Sources of Data: Eurostream, MSCI.

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The Directors
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15th April 2024

Custodian's Report

As Custodian to *Best Strategies Fund* and *Raphael's Ethical Choice Fund* (the "Sub-funds"), Sub-funds of MFP 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 January 2023 until 31st December 2023* and confirm that during this period:

I.

- Best Strategies Fund

The Sub-Fund was managed in accordance with the limitations imposed on the investment and borrowing powers of the respective sub-fund by its constitutional documents and by the Malta Financial Services Authority;

- Raphael's Ethical Choice Fund

The Sub-Fund was managed in accordance with the limitations imposed on the investment and borrowing powers of the respective sub-fund by its constitutional documents and by the Malta Financial Services Authority;

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



Anna Mironova
Head of Securities & Custody
and Depository Services



Johannes Jaeger
Manager - Depository Services