

BOV INVESTMENT FUNDS

Annual Report and Audited Financial Statements 2022



BOV INVESTMENT FUNDS

Annual Report and Audited Financial Statements

For the year ended 30 April 2022

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Contents

Management and Administration	4
Description	5
Investment Manager's Report	6-8
Independent Auditor's Report	9-11
Report of the Custodian	12
Financial Statements	
Statements of Financial Position	13
Statements of Changes in Net Assets Attributable to Unitholders	14
Statements of Comprehensive Income	15
Statements of Cash Flows	16
Accounting Policies	17-20
Notes to the Financial Statements	21-38
Portfolio Statements	39-43
Statement of Changes in the Composition of the Portfolios	44
Information about the Funds	45-53

Management and Administration

INVESTMENT MANAGER	BOV Asset Management Limited 58, Zachary Street, Valletta, VLT 1130, Malta <i>Licensed to conduct investment services business in Malta by the Malta Financial Services Authority</i>
FUND ADMINISTRATOR	BOV Fund Services Limited 58, Zachary Street, Valletta, VLT 1130, Malta <i>Recognised to provide fund administration services by the Malta Financial Services Authority</i>
CUSTODIAN AND BANKER	Bank of Valletta p.l.c. 58, Zachary Street, Valletta, VLT 1130, Malta <i>Licensed to conduct investment services business by the Malta Financial Services Authority</i>
AUDITORS	PricewaterhouseCoopers 78, Mill Street, Central Business District, Qormi CBD 5090, Malta
LEGAL ADVISORS	Camilleri Preziosi Level 3, Valletta Buildings, South Street, Valletta VLT 1103, Malta

Description

The BOV Investment Funds is an open-ended UCITS umbrella contractual fund licensed by the Malta Financial Services Authority as a collective investment scheme pursuant to the Investment Services Act (Cap. 370, Laws of Malta and the UCITS Directive) as amended from time to time. The BOV Investment Funds were established by way of a Deed of Constitution under the Laws of Malta entered into by and between BOV Asset Management Limited and Bank of Valletta p.l.c. on 6 December 2016.

As at 30 April 2022, the BOV Investment Funds consists of three separate Funds, the BOV Balanced Portfolio Fund, the BOV Conservative Portfolio Fund and the BOV Growth Portfolio Fund (collectively the "Funds"). The BOV Investment Funds has no employees.

Investment Manager's Report

The second quarter of 2021 was strong for US equities, and indeed the S&P 500 reached a new all-time high in late June 2021. Almost all sectors made gains over the quarter. Overall, the economic picture remained rosy. Q1 2021 GDP grew at 6.4% (quarter-on-quarter, annualised), which was modestly lower than the consensus of 6.7%. Growth in consumption was especially strong. Industrial activity as measured by US composite purchasing managers' index (PMI) moved from 59.7 in March, to a (flash) composite reading of 63.9 in June. In late June 2021, President Joe Biden also secured a deal on an infrastructure package worth about \$1 trillion to upgrade roads, bridges and broadband networks over the next eight years. The agreement fell short of the \$2.3 trillion infrastructure spending plan announced in March and did not address the social safety-net spending proposed in April 2021. Eurozone shares gained in the quarter, supported by a strong corporate earnings season and an acceleration in the pace of vaccine roll-out in the region. Many European countries saw Covid-19 infections fall over the quarter and were able to loosen restrictions on social and economic activity. Rotations in the market between growth and value areas saw a mixed group of sectors lead the gains. The top performing sectors included defensive areas such as consumer staples and real estate, which had lagged in Q1 2021 as investors focused on more economically sensitive areas of the market. However, information technology was also among the top gainers in Q2 2021, while utilities and energy were laggards. Quarterly earnings for Q1 2021 were generally very robust across the board, except for the healthcare sector. The Federal Reserve's (Fed) rate-setting meeting brought no change to policy, but its projections indicated that interest rate rises could come in 2023. This seemed to wrong-foot some market participants, though subsequent comments by Fed officials sought to allay any worries overtightening monetary policy too quickly. European government bonds underperformed the US, amid growing optimism about the region's recovery and accelerating vaccination programme. Data points, particularly for manufacturing, were strong through the quarter. Investment grade credit was helped by falling yields, while high yield benefited from the economic recovery and positive fundamentals, including low expected default rates.

US equities notched up a small positive return in Q3 2021. Strong earnings had lifted US stocks in the run up to August, when the Federal Reserve (Fed) seemed to strike a dovish tone, confirming its hesitance to tighten policy too fast. However, growth and inflation concerns late in the quarter meant US equities retraced their steps in September. Eurozone equities were flat in Q3. The energy sector was one of the strongest performers, as was information technology with semiconductor-related stocks seeing a robust advance. Consumer discretionary stocks were among the weakest for the quarter, with luxury goods companies under pressure amid suggestions that China could seek greater wealth redistribution, which could hit demand. The quarter had started with gains amid a positive Q2 earnings season and ongoing economic recovery from the pandemic. The Delta variant of Covid-19 continued to spread but most large eurozone countries have now fully vaccinated around 75% of their population against the virus, enabling many restrictions on travel and other activities to be lifted. The Fed stated in September that tapering of quantitative easing (i.e. a slowdown in the pace of asset purchases) will be announced at the November meeting, as expected, and will finish by mid-2022. Meanwhile, the fed funds rate projections now show a faster rate hiking schedule than they did in June. The median rate expectation for 2023 moved up to three hikes from two in June, with three additional hikes in 2024. Fed officials were evenly split 9-9 on a rate hike in 2022. During the third quarter of 2021, high yield made positive returns, while investment grade credit was little changed. European investment grade outperformed government bonds, while the US market was in line with Treasuries.

US equities also rose in Q4 2021. Overall gains were robust despite a weaker November, during which fears over rising cases of the Omicron variant of Covid-19 and the speed of the Federal Reserve's asset tapering had weighed. By year-end, these worries had largely subsided, while data continue to indicate that the economy overall remains stable and corporate earnings are robust. US economic growth slowed sharply in the third quarter amid a flare-up in Covid-19 infections, but with activity since picking up, the economy remains on track to record its best performance since 1984. The technology sector was one of the strongest performers over the quarter, with chipmakers especially strong. Real estate also performed well, as investors expect e-commerce to continue to grow and drive further demand for industrial warehousing. Energy and financial names made more muted gains over the quarter. Eurozone shares made gains in Q4, as a focus on strong corporate profits and economic resilience offset worries over the new Omicron variant. A number of countries did introduce restrictions on sectors such as travel and hospitality in order to try and reduce the spread of the new variant. The flash composite purchasing managers' index hit a nine-month low of 53.4 for December, as the service sector was affected by rising Covid cases. However, equity markets drew support from early data indicating a lower risk of severe illness. The quarter was marked by volatile gas prices which contributed to higher inflation. The eurozone's annual inflation rate reached 4.9% in November, compared to -0.3% a year earlier. The European Central Bank said it would scale back bond purchases but ruled out interest rate rises in 2022. Markets were buffeted over the quarter by persistent, elevated inflation, hawkish central bank policy

Investment Manager's Report (continued)

shifts and the emergence of the OmicronCovid-19 variant. In bond markets, 10-year government yields were largely unchanged. Yields followed a downward trajectory for most of the quarter before reversing in the final weeks of the year as sentiment improved. Yield curves flattened, with shorter-dated bonds hit as central banks turned more hawkish. Most notably, US Federal Reserve (Fed) rhetoric turned increasingly hawkish in November. Chair Jay Powell and other members of the policy committee suggested tapering could be accelerated, which it was in December, and that they may stop referring to inflation as "transitory".

At the start of 2022, Russia's invasion of Ukraine in late February caused a global shock. The grave human implications fed through into markets, with equities declining and bond yields rising (meaning prices fell). Commodity prices soared given Russia is a key producer of several important commodities including oil, gas, and wheat. This contributed to a further surge in inflation as well as supply chain disruption. For this reason, US stocks declined in Q1 2022. Russia's invasion of Ukraine drew widespread condemnation and elicited a range of strict sanctions from the US and its allies. President Biden targeted what he termed "the main artery of Russia's economy" by banning Russian oil imports. Sanctions also struck at the Russian financial system. Assets of the Russian Central Bank were frozen, while coordinated steps were taken with numerous allies to seeking to deny Russia access to the global financial system. Some of Russia's wealthiest people have also been hit with asset freezes and seizures, while a slew of major international corporations have withdrawn from the country. Numerous other sanctions have been instated. Government bond yields rose sharply (bond prices and yields move in opposite directions). Central banks were surprisingly hawkish and markets priced in a faster pace of monetary normalisation. The extent of yield moves differed across markets. The US Treasury market is in the midst of one of its worst sell-offs on record, but moves were less pronounced in core Europe and the UK. The Federal Reserve (Fed) raised interest rates by 0.25%, with calls from within for more aggressive tightening. Further hikes are expected through the rest of 2022. The European Central Bank (ECB) unexpectedly pivoted to a more hawkish stance in February. Comments from President Lagarde indicated rate rises were no longer ruled out for 2022 and the ECB confirmed a faster reduction in asset purchases. Corporate bonds saw significantly negative returns and wider spreads, underperforming government bonds. High yield spreads widened more than investment grade, although they saw less negative total returns due to income.

Eurozone shares fell sharply in the quarter. The region has close economic ties with Ukraine and Russia, particularly when it comes to reliance on Russian oil and gas. The invasion led to a spike in energy prices and caused some fears about security of supply. Germany suspended the approval of the Nord Stream2 gas pipeline from Russia. However, in the meantime there are fears that the high energy prices will weigh on both business and consumer demand, hitting economic activity. Over the quarter, energy was the only sector to register a positive return. The steepest declines came from the consumer discretionary and information technology sectors. Worries over consumer spending led to declines for stocks such as retailers, while the war in Ukraine also exacerbated supply chain disruption, hitting the availability of parts for a wide range of products.

The Funds' overweight in the UK equity market was shifted at the start of 2022 from the FTSE 250 to the FTSE 100, a move which reduced overall regional risk by attaining higher exposures to large cap equities in the UK market. Equity exposures across the BOV Investment Funds was reduced by 20% upon the official news of invasion and set aside as cash until the situation was clearer as to what action would be taken to prevent escalation. Equity exposures were subsequently re-invested in tranches over the following weeks with a retention of 5% in cash (underweight equity) due to the prolonged actions of the invasion. From a sector exposure, the BOV Investment funds retained an overweight position in the energy sector during Q1 2022, funded by the reduction in overweight in the technology sector, which subsequently proved to be the top contributor to performance. Exposures to the Morgan Stanley Global Opportunity Fund within the Balanced and Growth Portfolio Funds were significantly reduced due to the fact that the manager retained an aggressive strategy with very high exposures to the technology sector even as the market downtrended during the early months of 2022. Preference was given to Vilhena Global Themed Fund with its blended strategy and its defensive play during turbulent market times. The Vilhena Global Themed Fund proved to be the best third-party fund manager as it outperformed the market and its peers significantly during 2022. The BOV Investment Funds also added exposures to High Dividend Low Volatility ETFs to help protect against further equity downside. Also, the Funds' exposure to gold helped hedge against negative market movements from the equity side, benefiting from a flight-to-safety during the period of the conflict.

On the fixed-income front, The BOV Investment Funds introduced exposures to both European Inflation linkers and TIPS (Treasury Inflation Protected Securities) to hedge against negative impacts from excessive levels of inflation in both markets. Also, duration was reduced overall to under 5 years in all the BOV Portfolio Funds to hedge against rising interest rate risk as central banks shifted focus on tighter monetary policies. From a credit perspective, the BOV Investment funds started the period with exposures to lower rated

Investment Manager's Report (continued)

Investment-grade bonds and high yield bonds. As the newer market developments emerged, credit exposure was scaled back, preferring higher credit investment-grade and lowering exposure to high yield fixed-income assets.

Objectives, Performance and Distribution

BOV Conservative Portfolio Fund

Investment Objective

The BOV Conservative Portfolio Fund aims to provide a combination of income and long-term capital growth by investing in a diversified portfolio with a low to medium risk investment strategy.

Fund Performance - Accumulator Class of Units

During the period from 1 May 2021 to 30 April 2022, the unit price of the BOV Conservative Portfolio Fund accumulator class of units decreased by 5.97% from €1.010 to €0.952.

Fund Performance - Distributor Class of Shares

During the period from 1 May 2021 to 30 April 2022, the unit price of the BOV Conservative Portfolio Fund accumulator class of units decreased by 5.97% from €0.921 to €0.852.

Income Distribution

The dividend declared during the period ended 30 April 2022 in respect of the distributor class of units is listed under note 10 of the financial statements.

BOV Balanced Portfolio Fund

Investment Objective

The BOV Balanced Portfolio Fund aims to provide long-term capital growth by investing in a diversified portfolio with a medium risk investment strategy.

Fund Performance - Accumulator Class of Units

During the period from 1 May 2021 to 30 April 2022, the share price of the BOV Balanced Portfolio Fund accumulator class of shares decreased by 5.86% from €1.190 to €1.127.

Fund Performance - Distributor Class of Units

During the period from 1 May 2021 to 30 April 2022, the share price of the BOV Balanced Portfolio Fund accumulator class of shares decreased by 5.86% from €1.124 to €1.055.

Income Distribution

The dividend declared during the period ended 30 April 2022 in respect of the distributor class of units is listed under note 10 of the financial statements.

BOV Growth Portfolio Fund

Investment Objective

The BOV Growth Portfolio Fund aims to provide long-term capital growth by investing in a diversified portfolio with a medium to high-risk investment strategy.

Fund Performance

During the period from 1 May 2021 to 30 April 2022, the unit price of the BOV Growth Portfolio Fund accumulator class of units decreased by 5.42% from €1.256 to €1.201.

The Funds' performance figures listed above have been truncated to three decimal places. Furthermore, past performance is not necessarily indicative of future results. Some of the opinions expressed herein are of a forward-looking nature and should not be interpreted as investment advice. The Investment Manager has obtained the information contained in this document from sources believed to be reliable but has not independently verified the information contained herein and therefore its accuracy cannot be guaranteed. The Investment Manager makes no guarantees, representations or warranties and accept no responsibility or liability as to the accuracy or completeness of the information contained in this document. The Investment Manager has no obligation to update, modify or amend this article or to otherwise notify a reader thereof in the event that any matter stated therein, or any opinion, projection, forecast or estimate set for the herein changes or subsequently becomes inaccurate. (Sources: BOV Asset Management Limited, Bloomberg)



Independent auditor's report

To the Directors of BOV Asset Management Limited

Report on the audit of the financial statements

Our opinion

In our opinion:

- The financial statements give a true and fair view of the financial position of BOV Investment Funds (the Funds) as at 30 April 2022, and of the Funds' financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU.

What we have audited

BOV Investment Funds' financial statements, set out on pages 13 to 38, comprise:

- the statements of financial position as at 30 April 2022;
- the statements of changes in net assets attributable to unitholders;
- the statements of comprehensive income for the year then ended;
- the statements of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

Independence

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

Independent auditor's report - continued

To the Directors of BOV Asset Management Limited

Other information

Management is responsible for the other information. The other information comprises the management and administration, description, investment manager's report, portfolio statements, statement of changes in the composition of the portfolios, and the information about the Funds (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU, and for such internal control as management 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, management is responsible for assessing the 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 management either intends to liquidate the Funds or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Independent auditor's report - continued

To the Directors of BOV Asset Management Limited

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's 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 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 Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with management 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.

Other matter – use of this report

Our report, including the opinions, has been prepared for and only for the Directors of BOV Asset Management Limited as Manager of the BOV Investment Funds in accordance with Subsidiary Legislation 370.16 of the Investment Services Act and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

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



Lucienne Pace Ross
Partner
23 August 2022



Bank of Valletta

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12th August 2022

BOV Investment Funds

Report of the Custodian

We, Bank of Valletta p.l.c., as Custodian to the BOV Investment Funds (“the Fund”), hereby confirm that having enquired into the conduct of the Manager during the year ended 30th April 2022, it is our opinion that during this period, the Funds have been managed:

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

Kevin Portelli
Head – Custody Services
Bank of Valletta plc

Financial Statements

STATEMENTS OF FINANCIAL POSITION as at 30 April 2022



	Notes	BOV Conservative Portfolio 30.04.2022	BOV Conservative Portfolio 30.04.2021	BOV Balanced Portfolio 30.04.2022	BOV Balanced Portfolio 30.04.2021	BOV Growth Portfolio 30.04.2022	BOV Growth Portfolio 30.04.2021
		€	€	€	€	€	€
Assets							
Financial assets at fair value through profit or loss	3	46,016,362	45,597,890	17,209,332	14,515,088	7,397,006	7,248,556
Accrued income	5	241,033	120,221	33,161	7,038	4,995	443
Other receivables and prepayments	4	75	-	190,282	-	75	-
Margin accounts	14	-	-	545,000	-	178,000	-
Cash and cash equivalents	13	912,274	3,723,617	12,510	295,464	89,655	52,888
Total assets		47,169,744	49,441,728	17,990,285	14,817,590	7,669,731	7,301,887
Liabilities							
Financial liabilities at fair value through profit or loss	3	1,259,745	-	493,360	-	282,604	-
Accrued expenses	6	60,833	42,422	24,365	14,626	11,997	8,785
Other payables	6	529,767	463,400	99,716	25,103	-	10,353
Total liabilities		1,850,345	505,822	617,441	39,729	294,601	19,138
Net assets attributable to unitholders	7	45,319,399	48,935,906	17,372,844	14,777,861	7,375,130	7,282,749
Net assets attributable to unitholders:							
as at 30 April 2022		45,319,399		17,372,844		7,375,130	
as at 30 April 2021		48,935,906		14,777,861		7,282,749	
as at 30 April 2020		47,840,006		11,405,999		5,889,550	
Net asset value per unit - Accumulator/Distributor:							
as at 30 April 2022		0.952/0.852		1.127/1.055		1.201	
as at 30 April 2021		1.010/0.921		1.190/1.124		1.256	
as at 30 April 2020		0.996/0.925		1.012/0.969		0.983	

The accounting policies and notes on pages 17 to 38 are an integral part of the financial statements

The financial statements on pages 13 to 38 were authorised for issue by BOV Asset Management Limited on 23 August 2022 and were signed on its behalf by:

Simon Azzopardi
Director
BOV Asset Management Limited

Mario Grima
Director
BOV Asset Management Limited

Financial Statements

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS for the year ended 30 April 2022

	BOV Conservative Portfolio	BOV Conservative Portfolio	BOV Balanced Portfolio	BOV Balanced Portfolio	BOV Growth Portfolio	BOV Growth Portfolio
	01.05.2021 - 30.04.2022	01.05.2020 - 30.04.2021	01.05.2021 - 30.04.2022	01.05.2020 - 30.04.2021	01.05.2021 - 30.04.2022	01.05.2020 - 30.04.2021
	€	€	€	€	€	€
Net assets at the beginning of the year	48,935,906	47,840,006	14,777,861	11,405,999	7,282,749	5,889,550
Issue of units during the year	4,597,851	4,995,535	5,171,870	3,126,324	1,579,659	1,029,991
Redemption of units during the year	(4,972,461)	(4,114,237)	(1,531,754)	(1,799,058)	(1,128,674)	(1,248,311)
Net equalisation	(9,129)	12,554	16,099	11,203	4	(7)
Net (decrease)/increase in net assets attributable to unitholders during the year	(3,232,768)	202,048	(1,061,232)	2,033,393	(358,608)	1,611,526
Net assets at the end of the year	45,319,399	48,935,906	17,372,844	14,777,861	7,375,130	7,282,749

The accounting policies and notes on pages 17 to 38 are an integral part of the financial statements.

Assets
at 30.04.2022

Financial Statements

STATEMENTS OF COMPREHENSIVE INCOME for the year ended 30 April 2022

	BOV Conservative Portfolio	BOV Conservative Portfolio	BOV Balanced Portfolio	BOV Balanced Portfolio	BOV Growth Portfolio	BOV Growth Portfolio
	01.05.2021 - 30.04.2022	01.05.2020 - 30.04.2021	01.05.2021 - 30.04.2022	01.05.2020 - 30.04.2021	01.05.2021 - 30.04.2022	01.05.2020 - 30.04.2021
	€	€	€	€	€	€
Income						
Interest income from investments	402,678	363,454	5,985	13,142	1,188	1,346
Dividend income	486,896	536,573	154,240	166,852	32,025	40,747
Other income	956	882	341	207	126	119
Net fair value movements on financial instruments at fair value through profit or loss						
Total net (loss)/income	(3,345,116)	58,838	(1,053,817)	1,984,466	(311,556)	1,636,428
	(2,454,586)	959,747	(893,251)	2,164,667	(278,217)	1,678,640
Expenses						
Service fees	171,535	171,068	58,670	44,962	26,973	22,868
Custodian fees	30,865	19,494	20,758	13,458	17,783	12,733
Administration fees	44,105	44,099	16,733	12,845	11,000	11,000
Transaction costs	46,846	11,351	21,334	11,707	10,915	6,843
Other operating expenses	58,293	48,673	25,619	19,524	13,720	13,478
Total operating expenses	351,644	294,685	143,114	102,496	80,391	66,922
Operating (loss)/profit	(2,806,230)	665,062	(1,036,365)	2,062,171	(358,608)	1,611,718
Finance costs – distributions to unitholders	426,538	463,400	22,092	25,103	-	-
Withholding tax (refund)/expense	-	(386)	2,775	3,675	-	192
(Decrease)/increase in net assets attributable to unitholders	(3,232,768)	202,048	(1,061,232)	2,033,393	(358,608)	1,611,526

The accounting policies and notes on pages 17 to 38 are an integral part of the financial statements

Financial Statements

STATEMENTS OF CASH FLOWS for the year ended 30 April 2022

	BOV Conservative Portfolio	BOV Conservative Portfolio	BOV Balanced Portfolio	BOV Balanced Portfolio	BOV Growth Portfolio	BOV Growth Portfolio
	01.05.2021 - 30.04.2022	01.05.2020 - 30.04.2021	01.05.2021 - 30.04.2022	01.05.2020 - 30.04.2021	01.05.2021 - 30.04.2022	01.05.2020 - 30.04.2021
Note	€	€	€	€	€	€
Cash flows from operating activities						
Net interest and other income received	389,815	350,346	57,084	25,025	1,275	1,640
Dividend income received	380,004	536,573	77,462	164,949	27,512	44,373
Operating expenses paid	(286,563)	(277,584)	(112,219)	(81,787)	(66,339)	(57,188)
Tax (refunded)/paid	-	386	(2,775)	(3,675)	-	(192)
Collateral posted	-	-	(467,376)	-	(178,000)	-
Net purchases of financial assets and settlement of financial liabilities	(2,550,689)	(5,919,710)	(3,466,242)	(3,126,126)	(188,317)	(734,813)
Net cash flows (used in)/generated from operating activities	(2,067,433)	(5,309,989)	(3,914,066)	(3,021,614)	(403,869)	(746,180)
Cash flows from financing activities						
Proceeds from creation of units	4,597,851	5,021,944	5,187,969	3,141,158	1,579,663	1,030,225
Payments on redemption of units	(4,878,361)	(4,128,092)	(1,531,754)	(1,802,688)	(1,139,027)	(1,238,198)
Distributions paid	(463,400)	(570,925)	(25,103)	(20,032)	-	-
Net cash flows (used in)/generated from financing activities	(743,910)	322,927	3,631,112	1,318,438	440,636	(207,973)
Net (decrease)/increase in cash and cash equivalents	(2,811,343)	(4,987,062)	(282,954)	(1,703,176)	36,767	(954,153)
Cash and cash equivalents at beginning of the year	3,723,617	8,710,679	295,464	1,998,640	52,888	1,007,041
Cash and cash equivalents at end of the year	912,274	3,723,617	12,510	295,464	89,655	52,888

13

The accounting policies and notes on pages 17 to 38 are an integral part of the financial statements

Accounting Policies

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

1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union ("EU"). They have also been prepared in accordance with the requirements of the Investment Services Rules for Collective Investment Schemes of the Malta Financial Services Authority ("MFSA"). These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities held at fair value through profit or loss.

As at 30 April 2022, there are three sub-funds, the BOV Conservative Portfolio Fund, the BOV Balanced Portfolio Fund and the BOV Growth Portfolio Fund. Each unit that the Fund issue is allocated to a class representing the sub-fund. The BOV Investment Funds maintain a separate account for the sub-funds to which the proceeds are credited, and against which expenses are charged. Upon redemption, unitholders are entitled only to their proportion of the net assets held in the account relating to the sub-fund in which their units are designated.

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 and liabilities 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 to the Investment Manager's recommendations. All other assets and liabilities are expected to be realised within one year.

The preparation of financial statements in conformity with IFRS as adopted by the EU requires the use of certain accounting estimates. It also requires the Investment Manager to exercise their judgement in the process of applying its accounting policies.

2. FOREIGN EXCHANGE TRANSLATION

a) Functional and presentation currency

The Funds' functional currency is the currency of denomination of the Funds as stipulated in the Prospectus. The Euro (€) is the functional currency of all the three Funds, which is the presentation currency used for the statements.

b) Transactions and balances

Transactions carried out in currencies other than the functional currency of each Fund, 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 Funds' year-end. Foreign exchange gains and losses arising from translation are included in the statement of comprehensive income.

Translation differences on financial assets and liabilities held at fair value through profit or loss are presented in the statement of comprehensive income within 'net fair value movements on financial instruments at fair value through profit or loss'.

Accounting Policies *(continued)*

3. FINANCIAL ASSETS AND LIABILITIES

(a) Classification

(i) Assets

The Funds classify its investments based on both the Fund's business model for managing those financial assets and the contractual cash flow characteristics of the financial assets. The portfolio of financial assets is managed and performance is evaluated on a fair value basis. The Funds are primarily focused on fair value information and uses that information to assess the assets' performance and to make decisions. The Fund has not taken the option to irrevocably designate any equity securities as fair value through other comprehensive income. The contractual cash flows of the Funds' debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the Funds' business model's objective. Consequently, all investments are measured at fair value through profit or loss.

(ii) Liabilities

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

(b) Recognition, derecognition and measurement

Regular purchases and sales of investments are recognised on the trade date – the date on which the Funds commit to purchase or sell the investment. Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the statement of comprehensive income.

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

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within other net changes in fair value of financial instruments at fair value through profit or loss in the period in which they arise.

(c) Fair value estimation

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial instruments listed or dealt on a regulated market, is based on the latest available price, appearing to the Investment Manager. In the case of financial instruments which are quoted, listed or normally dealt in or under the rules of a regulated market but in respect of which, for any reason, prices on that regulated market may not be available at any relevant time, the value thereof is determined by reference to prices sought from dealers, brokers or pricing service providers. The fair values of unquoted investments are established by using valuation techniques. These include reference to recent financial statements and similar financial instruments as well as option pricing models.

(d) Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

Accounting Policies (continued)

4. OTHER RECEIVABLES AND PAYABLES

Other receivables and payables represent amounts receivable and payable respectively, for transactions contracted for but not yet delivered by the end of the period. These amounts are initially recognised at fair value and subsequently measured at amortised cost less any provision for impairment (in the case of other receivables).

At each reporting date, the Funds shall measure the loss allowance on other receivables at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Funds shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the counterparty, probability that the counterparty will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

5. REDEEMABLE UNITS

The Funds issue redeemable units, which are redeemable at the unitholder's option and are classified as a financial liability. Redeemable units can be put back to the respective Fund at any time for cash equal to a proportionate share of that Fund's net asset value ("NAV"). The redeemable units are carried at redemption amount that is payable at year-end if the unitholders exercise the right to put the shares back to the respective Fund.

The NAV per unit is calculated by dividing the net assets attributable to the holders of redeemable units with the total number of outstanding redeemable units. In accordance with the Prospectus, investment positions are valued based on the last traded market price for the purpose of determining the NAV per share for subscriptions and redemptions.

6. INCOME RECOGNITION

Dividend income from income financial assets at fair value through profit or loss is recognised in the Statements of Comprehensive Income within dividend income when the Funds' right to receive payments is established, it is probable that the economic benefits associated with the dividend will flow to the Fund, and the amount of the dividend can be measured reliably. Interest on debt securities at fair value through profit or loss is recognised in the Statements of Comprehensive Income.

7. EXPENSES

Expenses are accounted for on an accrual basis and are expensed as incurred.

Accounting Policies *(continued)*

8. DISTRIBUTION POLICY

In the absence of unforeseen circumstances, subject to the availability of distributable profits and in the absence of exceptional market conditions, the Investment Manager expects to distribute to unitholders, on a yearly basis, part or all of the net income available for distribution by the BOV Conservative Portfolio Fund's and by the BOV Balanced Portfolio Fund's distributor class of units. For the purpose of calculating profits available for distribution, expenses are capitalised in accordance with the MFSA Investment Services Rules for Retail Collective Investment Schemes. However, for the purpose of the Statements of Comprehensive Income, these expenses would still be deducted from income. Any undistributed income will be reflected in the net asset value per share of the respective Fund. Distributions are classified as finance costs in the Statements of Comprehensive Income and are recognised in the accounting period in which they become due.

9. EQUALISATION

In the case of distributor units, the Funds operate an equalisation account to ensure that the amount distributed in respect of each unit will be the same for all shares notwithstanding different dates of issue of those shares. Accordingly, a sum equal to that part of the issue/redemption price of a share, which reflects income (if any) accrued up to the date of issue/redemption, will be deemed to be an equalisation payment/charge and credited (in the case of share issues)/debited (in the case of share redemptions) by the Investment Manager to the equalisation account. Part of the first distribution to unitholders in respect of which equalisation payments are made, will be paid out of the equalisation account.

10. CASH AND CASH EQUIVALENTS

Cash and cash equivalents comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments, that are readily convertible to known amounts of cash, and which are subject to insignificant changes in value and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

11. COLLATERAL

Cash collateral provided by the Funds is identified in the Statements of Financial Position as margin accounts and is not included as a component of cash and cash equivalents.

12. TAXATION

The Funds currently incur withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the Statements of Comprehensive Income. Withholding taxes are shown as a separate line item in the Statements of Comprehensive Income.

Notes to the Financial Statements

1. GENERAL

The BOV Investment Funds is an open-ended UCITS umbrella contractual fund licensed by the Malta Financial Services Authority as a collective investment scheme pursuant to the Investment Services Act (Cap. 370, Laws of Malta and the UCITS Directive) as amended from time to time. The BOV Investment Funds has been established by way of a Deed of Constitution under the Laws of Malta entered into by and between BOV Asset Management Limited and Bank of Valletta p.l.c. on 6 December 2016.

As at 30 April 2022, the BOV Investment Funds consists of three separate Funds, the BOV Conservative Portfolio Fund, the BOV Balanced Portfolio Fund and the BOV Growth Portfolio Fund (collectively the "Funds").

2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and based on experience and other factors including expectations of future events that are believed to be reasonable under the circumstances.

In the opinion of the Investment Manager, 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.

3. FINANCIAL ASSETS / LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

BOV Conservative Portfolio Fund

	Fair value 2022	% of net assets 2022	Fair value 2021	% of net assets 2021
	€		€	
<i>Financial assets at fair value through profit or loss</i>				
Quoted local corporate bonds	1,823,376	4.02	1,348,829	2.76
Quoted foreign corporate bonds	7,276,351	16.06	8,074,264	16.50
Collective investment schemes	12,272,119	27.08	15,055,711	30.77
Exchange traded funds	24,634,688	54.36	21,084,470	43.09
Forward foreign exchange contracts	9,828	0.02	34,616	0.07
	<u>46,016,362</u>	<u>101.54</u>	<u>45,597,890</u>	<u>93.19</u>
<i>Financial liabilities at fair value through profit or loss (derivatives)</i>				
Forward foreign exchange contracts	<u>(1,259,745)</u>	<u>(2.78)</u>	-	-

Notes to the Financial Statements (continued)

3. FINANCIAL ASSETS / LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS (continued)

BOV Balanced Portfolio Fund	Fair value	% of net	Fair value	% of net
	2022	assets	2021	assets
	€	2022	€	2021
<i>Financial assets at fair value through profit or loss</i>				
Quoted local equities	121,696	0.70	132,399	0.90
Quoted local corporate bonds	207,800	1.20	66,584	0.45
Collective investment schemes	3,293,862	18.96	2,744,289	18.57
Exchange traded funds	13,583,328	78.19	11,562,450	78.24
Forward foreign exchange contracts	2,646	0.02	9,366	0.06
	17,209,332	99.07	14,515,088	98.22
<i>Financial liabilities at fair value through profit or loss (derivatives)</i>				
Forward foreign exchange contracts	(493,360)	(2.84)	-	-
BOV Growth Portfolio Fund				
	Fair value	% of net	Fair value	% of net
	2022	Assets	2021	Assets
	€	2022	€	2021
<i>Financial assets at fair value through profit or loss</i>				
Quoted local equities	24,640	0.33	30,677	0.42
Quoted local corporate bonds	29,670	0.40	30,146	0.41
Collective investment schemes	1,906,437	25.85	1,572,869	21.60
Exchange traded funds	5,435,414	73.70	5,610,700	77.04
Forward foreign exchange contracts	845	0.01	4,164	0.06
	7,397,006	100.29	7,248,556	99.53
<i>Financial liabilities at fair value through profit or loss (derivatives)</i>				
Forward foreign exchange contracts	(282,604)	(3.83)	-	-

4. OTHER RECEIVABLES AND PREPAYMENTS

Other receivables and prepayments represent prepaid expenses and sales for future settlement.

5. ACCRUED INCOME

Accrued income represents accrued interest from bonds and accrued dividend as at year-end.

Notes to the Financial Statements (continued)

6. ACCRUED EXPENSES AND OTHER PAYABLES

	BOV Conservative Portfolio Fund 2022 €	BOV Balanced Portfolio Fund 2022 €	BOV Growth Portfolio Fund 2022 €
<i>Accrued expenses</i>			
Service fees	16,159	6,151	2,627
Administration fees	4,207	1,767	1,085
Custodian fees	2,440	1,843	1,635
Other expenses	38,027	14,604	6,650
	60,833	24,365	11,997
<i>Other payables</i>			
Redemptions payable	103,229	-	-
Distribution payable	426,538	22,092	-
Due to custodian	-	77,624	-
	529,767	99,716	-
	2021	2021	2021
	€	€	€
<i>Accrued expenses</i>			
Service fees	16,454	4,835	2,397
Administration fees	4,242	1,380	1,055
Custodian fees	2,439	1,730	1,584
Other expenses	19,287	6,681	3,749
	42,422	14,626	8,785
<i>Other payables</i>			
Redemptions payable	-	-	10,353
Distribution payable	463,400	25,013	-
Due to custodian	-	-	-
	463,400	25,013	10,353

7. REDEEMABLE UNITS

The outstanding redeemable units represent the capital of the Funds. Each redeemable unit has no par value, and the value of each redeemable unit is its NAV. The redeemable units may be issued and redeemed at the NAV per unit of the respective class of unit of the Funds.

Holders of distributor class of units are entitled to distributions in accordance with the distribution policy. The determination of the net asset value per accumulator and distributor unit is explained in note 8.

Notes to the Financial Statements (continued)

7. REDEEMABLE UNITS (continued)

	BOV Conservative Portfolio Fund 2022	BOV Balanced Portfolio Fund 2022	BOV Growth Portfolio Fund 2022
Accumulator units in issue at beginning of year	24,069,862.698	10,819,795.161	5,799,712.986
Distributor units in issue at beginning of year	26,741,302.122	1,696,863.695	
Creation of Accumulator units	2,515,442.731	3,773,870.116	1,222,651.934
Creation of Distributor units	2,248,966.980	542,049.882	-
Redemption of Accumulator units	(2,788,759.612)	(1,146,811.736)	(879,684.673)
Redemption of Distributor units	(2,399,739.573)	(137,962.269)	-
Accumulator units in issue at end of year	23,796,545.817	13,446,853.541	6,142,680.247
Distributor units in issue at end of year	26,590,529.529	2,100,951.308	-
	2021	2021	2021
Accumulator units in issue at beginning of year	23,916,254.525	10,082,080.662	5,994,905.384
Distributor units in issue at beginning of year	25,957,040.613	1,242,687.460	-
Creation of Accumulator units	2,847,074.368	2,255,941.870	919,201.539
Creation of Distributor units	2,270,656.775	569,916.455	-
Redemption of Accumulator units	(2,693,466.195)	(1,518,227.371)	(1,114,393.937)
Redemption of Distributor units	(1,486,395.266)	(115,740.220)	-
Accumulator units in issue at end of year	24,069,862.698	10,819,795.161	5,799,712.986
Distributor units in issue at end of year	26,741,302.122	1,696,863.695	-

Capital risk management

The amount of net assets attributable to holders of redeemable units can change significantly on a fortnightly basis, as most of the sub-funds are subject to fortnightly subscriptions and redemptions at the discretion of unitholders. The Funds' objective when managing capital is to safeguard their ability to continue as a going concern in order to provide returns for unitholders, provide benefits for other stakeholders and maintain a strong capital base to support the development of the investment activities of the Funds.

In order to maintain or adjust the capital structure, the Funds' policy is to redeem and issue new units in accordance with the constitutional documents of the Funds, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

The Investment Manager monitors capital on the basis of the value of net assets attributable to holders of redeemable units.

If the Investment Manager determines that satisfying all or a portion of a redemption request would not be possible, the Investment Manager, with the approval of the Custodian, may elect to exercise its power of deferral and power to suspend redemption of shares. In such an event, the Investment Manager reduces all valid redemption instructions pro-rata to the number of units requested to be redeemed. The balance of such shares will be redeemed on the next dealing day until the original redemption instructions have been satisfied. In accordance with the objectives outlined in the prospectus and the risk management policies in note 15, the Funds endeavour to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions; such liquidity being augmented by short-term borrowing or disposal of listed securities where necessary.

Notes to the Financial Statements (continued)

8. NET ASSET VALUE

The BOV Conservative Portfolio Fund and the BOV Balanced Portfolio Fund have two classes of units, being the accumulator class and the distributor class. The net asset value per unit of each respective class is calculated by apportioning the net asset attributable to holders of redeemable units in accordance to their respective capital contributions. The BOV Growth Portfolio Fund has only one class of unit, being the accumulator class.

Differences exist in recognition of formation expenses between net assets calculated in accordance with the International Financial Reporting Standards (IFRS) and net assets calculated for purposes of pricing. These relate to the initial set-up fees charged by the Investment Manager which were fully expensed in the net assets calculated in accordance with the IFRS but amortised over five years for purposes of pricing in accordance to the BOV Investment Funds' Prospectus. As the resulting difference is not material, the net asset value as per IFRS was used by the Funds as the measurement basis of the liability arising from the redeemable units as at year end and presented in the Statements of Financial Position.

As at 30 April 2022, the net assets attributable to holders of redeemable units at trading value were equal to the net assets as per IFRS.

A reconciliation of the net assets attributable to holders of redeemable units at trading value and the net assets as per IFRS as at 30 April 2021 is presented below:

	BOV Conservative Portfolio Fund 2021 €	BOV Balanced Portfolio Fund 2021 €	BOV Growth Portfolio Fund 2021 €
Net assets attributable to holders of redeemable units (<i>at trading value</i>)	48,938,617	14,780,572	7,285,460
Adjustment for organisation costs	(2,711)	(2,711)	(2,711)
Net assets attributable to holders of redeemable units (<i>as per statement of financial position</i>)	48,935,906	14,777,861	7,282,749

9. FEES

a) Service fees

The Investment Manager, BOV Asset Management Limited, receives a service fee of 0.35% per annum of the net asset value of each sub-fund. The Investment Manager will be reimbursed for all properly incurred and approved out of pocket expenses.

Fees incurred during the years ended 30 April 2022 and 2021 are disclosed in the Statements of Comprehensive Income. The outstanding balance as at year-end is disclosed in note 6.

b) Administration fees

BOV Fund Services Limited provides administration services to the BOV Investment Funds. The Administrator receives an administration fee of up to 0.1% of the aggregate NAV of the sub-funds. A minimum fee of €11,000 per annum per sub-fund is applicable.

Fees incurred during the years ended 30 April 2022 and 2021 are disclosed in the Statements of Comprehensive Income. The outstanding balance as at year-end is disclosed in note 6.

Notes to the Financial Statements (continued)

9. FEES (continued)

c) Custodian fees

Effective 1 January 2021, Bank of Valletta p.l.c. is entitled to receive custody fees of 0.05% (previously 0.03%) per annum of the aggregate NAV of the sub-funds, subject to a minimum fee of €60,000 (previously €10,000) per annum for the three sub-funds.

Fees incurred during the years ended 30 April 2022 and 2021 are disclosed in the Statements of Comprehensive Income. The outstanding balances as at year-end are disclosed in note 6.

d) Auditor's remuneration

Fees charged by the auditor (exclusive of VAT) for services rendered to the Funds during the financial years ended 30 April 2022 and 2021 relate to:

	2022	2021
	€	€
Annual statutory audit	15,750	15,000
Other assurance services	4,000	4,000
Tax and compliance services	1,500	1,500
	<u>21,250</u>	<u>20,500</u>

10. DISTRIBUTIONS TO UNITHOLDERS

Distributions reflected in the relative Statements of Comprehensive Income for year ended 30 April 2022 and 2021:

	Ex-dividend date	Rate per share	Amount
BOV Conservative Portfolio Fund	27 April 2022	0.016041	426,538
BOV Balanced Portfolio Fund	27 April 2022	0.010515	22,092
BOV Conservative Portfolio Fund	28 April 2021	0.017329	463,400
BOV Balanced Portfolio Fund	28 April 2021	0.014794	25,103

All income attributable to the distributor units has been declared and the distribution payable as at 30 April 2022 and 2021 are disclosed in note 6.

11. TAX EXPENSE ON INCOME

The Maltese tax regime for collective investment schemes 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. A non-prescribed fund is a fund which does not qualify as a prescribed fund.

On the basis that the Funds are currently classified as a non-prescribed funds for Maltese income tax purposes, then the Funds should not be subject to Maltese income tax in respect of the income or gains derived by such fund other than on any income (if any) from immovable property situated in Malta.

Notes to the Financial Statements *(continued)*

11. TAX EXPENSE ON INCOME *(continued)*

However, Maltese resident investors therein may be subject to a 15% final withholding tax on capital gains realised on redemption, liquidation, or cancellation of units. Nevertheless, the Maltese resident investor may request the Funds not to affect the deduction of the said 15% final withholding tax, in which case the said investor would be required to declare the gains in his/her Maltese 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 fund by investors who are not resident in Malta should not be chargeable to Maltese income tax, subject to the satisfaction of applicable statutory conditions.

In respect of the distributions from the Funds to the unitholders, dividends paid from Malta source taxed profits or profits received by the Funds from the foreign income account of another Maltese entity should not be subject to further tax in the hands of the unitholders.

In the case of distributions from the Funds' Final Tax Account (if any) the unitholders should not be subject to further tax on such dividend but should not be entitled to claim a credit or refund of any tax directly or indirectly paid on such profits.

Distributions from the Funds' foreign source profits allocated to the Untaxed Account or distributions of any Malta source profits which are not subject to tax and which are allocated to the Untaxed Account, to a Maltese resident person (other than a company) or to a non-resident individual in specific circumstances should be subject to a withholding tax of 15%.

Distributions from the Funds' equalisation reserve are treated as dividends for income tax purposes and should be subject to a withholding tax of 15% when paid to a Maltese resident person (other than a company) or to a non-resident individual in certain circumstances.

In the case of the Funds' 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 Fund or by its unitholders under Maltese domestic tax law.

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

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) BOV Asset Management Limited is the Investment Manager. It provides management services for fees as specified in note 9(a). The fees due for the reporting year are disclosed in the Statements of Comprehensive Income and the outstanding service fees at year end are detailed in note 6.
- (ii) Bank of Valletta p.l.c. provides custody services for a fee as specified in note 9(c). The fees due for the reporting year are disclosed in the Statements of Comprehensive Income and the outstanding custodian fees at year end are detailed in note 6.
- (iii) As at 30 April 2022, a director of BOV Asset Management Limited held 1,703 shares (2021: nil) jointly in BOV Balanced Portfolio Fund and 3,962 shares (2021: nil) in BOV Growth Portfolio Fund

Notes to the Financial Statements (continued)**12. RELATED PARTIES (continued)**

As at year end, the following bank balances and margin accounts are held with Bank of Valletta p.l.c.:

	30.04.2022	30.04.2021
	€	€
BOV Conservative Portfolio Fund	912,274	3,723,617
BOV Balanced Portfolio Fund	557,510	295,464
BOV Growth Portfolio Fund	267,655	52,888

As at 30 April 2022, BOV Balanced Portfolio Fund has a payable to the Custodian as disclosed in note 6.

As at 30 April 2022, the Funds held shares in the following sub-funds under the Vilhena Funds SICAV p.l.c. which is also managed by BOV Asset Management Limited:

	BOV Conservative Portfolio Fund 30.04.2022 Number of shares	BOV Balanced Portfolio Fund 30.04.2022 Number of shares	BOV Growth Portfolio Fund 30.04.2022 Number of shares
Euro Income Fund B1 - Accumulator	-	-	34,754.288
Euro Income Fund B2 - Monthly Distributor	1,548,524.123	192,458.893	-
Global Themed Fund - USD Class	1,425,739.917	664,782.373	384,083.873
High Yield Fund - EUR Class	-	-	106,652.870
Malta Bond Fund - Distributor	3,308.677	-	-
Malta Fund - Distributor	1,147.328	-	-
Sterling Income Fund	1,592,393.028	206,495.969	-

	BOV Conservative Portfolio Fund 30.04.2021 Number of shares	BOV Balanced Portfolio Fund 30.04.2021 Number of shares	BOV Growth Portfolio Fund 30.04.2021 Number of shares
Euro Income Fund B1 - Accumulator	-	-	34,754.288
Euro Income Fund B2 - Monthly Distributor	1,537,725.205	191,116.753	-
Global Themed Fund - USD Class	-	176,667.095	156,577.235
High Yield Fund - EUR Class	-	-	101,479.110
Malta Bond Fund - Distributor	16,452.985	-	-
Malta Fund - Distributor	1,131.135	-	-
Sterling Income Fund	1,547,037.812	200,614.470	-

- (iii) The Investment Manager appointed BOV Fund Services Limited, a subsidiary of Bank of Valletta p.l.c., as administrator to the BOV Investment Funds. The fees due for the reporting year are disclosed in the Statements of Comprehensive Income and the outstanding administration fees at year end are detailed in note 6.

Notes to the Financial Statements *(continued)*

13. CASH AND CASH EQUIVALENTS

For the purpose of the Statements of Cash Flows, the year-end cash and cash equivalents comprise bank balances held at call as follows:

	30.04.2022 €	% of net assets	30.04.2021 €	% of net assets
BOV Conservative Portfolio Fund	912,274	2.01	3,723,617	7.61
BOV Balanced Portfolio Fund	12,510	0.07	295,464	2.00
BOV Growth Portfolio Fund	89,655	1.22	52,888	0.73

14. MARGIN ACCOUNTS

Margin accounts represent margin deposits held in respect of open forward foreign exchange contracts.

The Funds have a commitment facility with the Custodian intended as a margin account to enable the Funds to enter into forward contracts as described further in note 15. As at 30 April 2022 and 2021, the Funds have the following commitment facility limits:

	30.04.2022 €	30.04.2021 €
BOV Conservative Portfolio Fund	2,100,000	2,100,000
BOV Balanced Portfolio Fund	540,000	540,000
BOV Growth Portfolio Fund	175,000	175,000

If the net fair value loss on the open derivative contracts exceeded the above limits, the Custodian will make a margin call to cover the fair value of the derivative contracts. The margin balance at year end is disclosed in the Statement of Financial Position.

15. FINANCIAL RISK MANAGEMENT

The 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

(a) Price risk

The Funds trade in equity, debt securities and financial derivative instruments. All securities present a risk of loss of capital. The Investment Manager moderates this risk through a careful selection of securities within specified limits.

The Funds' equity and debt securities and derivative financial instruments are susceptible to market price risk arising from uncertainties about future prices of securities. The Funds are exposed to equity price risk either through their direct investment in equity securities or indirectly through the assets held by the respective underlying collective investment schemes.

Notes to the Financial Statements (continued)

15. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

(a) Price risk (continued)

The table below summarises the Funds' principal exposures to equity price risk. Sensitivity to equity price risk is included in the overall VaR measure presented below.

	30.04.2022	30.04.2021
	% of net assets	% of net assets
BOV Conservative Portfolio Fund	81.44	73.86
BOV Balanced Portfolio Fund	97.85	97.71
BOV Growth Portfolio Fund	99.88	99.06

(b) Currency risk

Market risk includes currency risk, whereby currency fluctuations between the functional currency of the Funds and other currencies that the Funds may be exposed to, may adversely affect the Funds. In all the Funds, foreign exchange fluctuations are partially hedged through forward foreign exchange contracts. The funds match the notional amounts of the contracts to the market value of the individual foreign exposure to be hedged as reflected in the table below.

The table below summarises the Funds' principal exposures to different currencies including the notional amounts of the forward foreign currency contracts. Sensitivity to currency risk is included in the overall VaR measure presented in the next page.

Notes to the Financial Statements (continued)

15. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

(b) Currency risk (continued)

		GBP	USD
	Functional	% of net	% of net
	currency	assets	assets
	€		
30 April 2022			
BOV Conservative Portfolio Fund			
Total financial assets		3.86	55.38
Financial derivative instruments (FX forwards)		(3.75)	(54.90)
Net exposure		0.11	0.48
30 April 2021			
Total financial assets		3.77	50.71
Financial derivative instruments (FX forwards)		(2.94)	(49.20)
Net exposure		0.83	1.51
30 April 2022			
BOV Balanced Portfolio Fund			
Total financial assets		2.78	54.08
Financial derivative instruments (FX forwards)		(2.63)	(56.09)
Net exposure		0.15	(2.01)
30 April 2021			
Total financial assets		3.28	63.29
Financial derivative instruments (FX forwards)		(2.33)	(44.95)
Net exposure		0.95	18.34
30 April 2022			
BOV Growth Portfolio Fund			
Total financial assets		2.15	77.59
Financial derivative instruments (FX forwards)		(1.98)	(75.68)
Net exposure		0.17	1.91
30 April 2021			
Total financial assets		2.09	73.63
Financial derivative instruments (FX forwards)		(0.95)	(44.46)
Net exposure		1.14	29.17

Notes to the Financial Statements (continued)

15. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

(c) Interest rate risk

Market risk includes interest rate risk, arising through directly holding interest-bearing financial assets or indirectly through interest-bearing financial assets held by the respective underlying collective investment schemes. Assets earning interest at variable rates expose the Funds to cash flow interest rate risk, whereas assets earning interest at fixed rates expose the Funds to fair value interest rate risk. The Funds' exposure to direct interest rate risk is summarised in the table below. Sensitivity to interest rate risk is included in the overall VaR measure presented in the next page.

	Assets held at fixed rates	Assets held at variable rates
	30.04.2022 % of NAV	30.04.2022 % of NAV
BOV Conservative Portfolio Fund	20.08	2.01
BOV Balanced Portfolio Fund	1.20	2.76
BOV Growth Portfolio Fund	0.40	3.63
	30.04.2021 % of NAV	30.04.2021 % of NAV
BOV Conservative Portfolio Fund	19.26	7.61
BOV Balanced Portfolio Fund	0.45	2.00
BOV Growth Portfolio Fund	0.41	0.73

The direct exposure in interest rate risk is managed through investment in debt securities with different maturity dates over the time bands as illustrated in the tables below. In addition, investment limits in interest bearing securities are prescribed in the Prospectus. The Investment Manager monitors such exposure against these limits on a regular basis.

Maturities of debt securities as at 30 April 2022:

	up to 1 year	1 to 5 years	More than 5 years
	€	€	€
BOV Conservative Portfolio Fund	1,716,696	5,783,876	1,599,155
BOV Balanced Portfolio Fund	-	65,534	142,266
BOV Growth Portfolio Fund	-	29,670	-

Maturities of debt securities as at 30 April 2021:

	up to 1 year	1 to 5 years	More than 5 years
	€	€	€
BOV Conservative Portfolio Fund	985,449	7,103,836	1,333,808
BOV Balanced Portfolio Fund	-	-	66,584
BOV Growth Portfolio Fund	-	-	30,146

Notes to the Financial Statements (continued)

15. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

(d) Market risk measurement

The Funds' overall market positions are monitored on a regular basis by the Investment Manager. The Investment Manager uses Value at Risk (VaR) as a risk measure in order to gauge market risk. VaR is an estimated monetary (and % of portfolio market value) amount the portfolio stands to lose over a specified period (time horizon or holding period) from an adverse market movement within a specified probability (confidence level).

The VaR model used by the Funds is based on a 99% confidence level and assumes a one-month holding period.

The VaR model used is non-parametric and based on historical simulation. Taking into account market data from the previous one or two years and observed relationships between different markets and prices, the model generates a wide range of plausible future scenarios for market price movements. Assets having less than the required pricing history are extended by reference to a proxy that replicates similar characteristics in terms of market or industry, while illiquid assets are assigned a risk-alias by the Investment Manager.

Although VaR is an important tool for measuring market risk, the assumptions on which the model is based give rise to some limitations, including the following:

- A one-month holding period assumes that it is possible to hedge or dispose of positions within that period. This may not be the case for certain illiquid assets or in situations in which there is severe general market illiquidity.
- A 99% confidence level does not reflect losses that may occur beyond this level, meaning that within the model used there is a 1% probability that losses could exceed the VaR.
- The use of historical data as a basis for determining the possible range of future outcomes may not always cover all possible scenarios, especially those of an exceptional nature.
- The VaR measure is dependent on the Funds' position and the volatility of market prices.
- The VaR of an unchanged position reduces if market price volatility declines, and vice versa.

The Investment Manager uses VaR thresholds for overall market risk to each Fund to monitor market risk. VaR is measured monthly, with quarterly summary reports submitted to the Board of Directors and Risk Committee of the Investment Manager. The below table provides the overall VaR calculations for each Fund.

Fund	Value at Risk (1 Month) – 99% Conf. Level as at 30 April 2022
BOV Conservative Portfolio Fund	3.680
BOV Balanced Portfolio Fund	6.020
BOV Growth Portfolio Fund	9.050

Fund	Value at Risk (1 Month) – 99% Conf. Level as at 30 April 2021
BOV Conservative Portfolio Fund	3.064
BOV Balanced Portfolio Fund	9.987
BOV Growth Portfolio Fund	16.270

Notes to the Financial Statements (continued)

15. FINANCIAL RISK MANAGEMENT (continued)

Market risk (continued)

(d) Market risk measurement (continued)

The limitations of the VaR methodology are recognised by supplementing VaR thresholds with other position and sensitivity limit structures, including limits to address potential concentration risks and illiquidity risks. In addition, the Investment Manager grades and monitors the level to which unsystematic risk is diversified away, and carries out parametric stress tests to model the financial impact of hypothetical or historical exceptional market scenarios, such as international financial crises, on the Funds' overall positions.

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 with the Funds. Financial instruments, which potentially subject the Funds to credit risk, consist principally of debt securities, derivative instruments, margin accounts, and cash balances.

Credit quality, collateral and other credit enhancements

The following tables provide information regarding the Funds' aggregated credit risk exposure relating to debt securities with external credit ratings as a percentage of NAV. The credit rating analysis below takes into account the rating of the respective financial instrument and is categorised by Standard & Poor's ("S&P") Rating or equivalent when not available from S&P.

	BOV Conservative Portfolio Fund €	BOV Balanced Portfolio Fund €	BOV Growth Portfolio Fund €
2022			
Debt securities	9,099,727	207,800	29,670
A+ to A-	1.24%	-	-
BBB+ to BBB-	14.32%	-	-
BB+	0.50%	-	-
Not Rated	4.02%	1.20%	0.40%
	BOV Conservative Portfolio Fund €	BOV Balanced Portfolio Fund €	BOV Growth Portfolio Fund €
2021			
Debt securities	9,423,093	66,584	30,146
A+ to A-	1.06%	-	-
BBB+ to BBB-	15.00%	-	-
BB+	0.44%	-	-
Not Rated	2.76%	0.45%	0.41%

The Funds do not hold any collateral as security.

All transactions in listed debt securities are settled for upon delivery through clearing houses. The risk of default is considered minimal, as delivery of securities sold is only made once the clearing house has received payment. Payment is made on a purchase once the securities have been received by the clearing house. The trade will fail if either party fails to meet its obligation.

Notes to the Financial Statements *(continued)*

15. FINANCIAL RISK MANAGEMENT *(continued)*

Credit risk (continued)

Other receivables mainly constitute receivables on creation of shares, receivables on sale of investments and accrued income. These receivables are all short term. Accordingly, the Funds have no significant credit risk in respect of other receivables.

The Funds have policies that limit the amount of credit exposure to any single issuer. Such policies are in line with the UCITS Directive and the investment limits laid down in the said Directive. Accordingly, the Investment Manager monitors the Funds' credit position on a regular basis.

All bank balances (note 13), margin accounts (note 14), and forward exchange contracts (disclosed under currency risk) are held and transacted with BOV, which is rated BBB-.

The derivative transactions are entered into under International Swaps and Derivatives Association (ISDA) master netting agreements, according to which in certain circumstances - e.g., when a credit event such as a default occurs - all outstanding transactions under the agreement are terminated, the termination value is assessed and only a single net amount is payable in settlement of all transactions. The Funds execute a credit support annex for variation margin in conjunction with the ISDA agreement, which requires the Funds and the counterparty to post collateral to mitigate counterparty credit risk. Collateral is posted daily subject to thresholds, minimum transfer amounts and rounding. The margin accounts balance as at 30 April 2022 are disclosed in the Statements of Financial Position and note 14.

The Funds measure credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward looking information in determining any expected credit loss. At 30 April 2022 and 2021, accrued income, other receivables, margin accounts and bank balances are held with counterparties with a credit rating of BBB- or higher and/or are due to be settled within a short period of time. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Funds.

Liquidity risk

The Funds are exposed to fortnightly cash redemptions of redeemable units.

The Investment Manager monitors the Funds' liquidity position on a regular basis. Redeemable units are redeemed on demand at the holder's option and settled by the respective Fund within 14 business days from the redemption date. In accordance with the constitutional documents of the respective Funds, the Investment Manager has the ability to restrict redemptions (refer to note 7) and/or gate a Fund to avoid a run on the particular Fund should redemption requests be on the high side.

All derivative liabilities have maturity dates falling within less than 3 months, while all other liabilities are due within less than one year.

The Funds' quoted securities are considered to be readily realisable as the majority are quoted on active markets. In respect of securities listed on the Malta Stock Exchange, despite the fact that such securities are listed, the market in such securities may be illiquid due to limited trading volumes. The Investment Manager monitors trading on a regular basis and has in place the necessary policies and procedures to mitigate this risk. The Funds have the ability to borrow on a temporary basis to meet redemption requests. Furthermore, cash buffers are held in the Funds in order for the Investment Manager to be in a position to meet daily redemption requests.

Notes to the Financial Statements (continued)

15. FINANCIAL RISK MANAGEMENT (continued)

Fair value hierarchy

IFRS 7 requires the Funds to classify fair value measurements using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

The fair value of financial assets of listed equity securities and quoted debt securities are based on quoted market prices at the close of trading on the reporting date (Level 1 for active markets, Level 2 for inactive markets).

The fair value of over-the-counter foreign currency forward derivative contracts is determined using quoted spot and forward exchange rates at the measurement date and present value calculations based on high credit quality yield curves in the respective currencies (Level 2).

The following tables analyse the fair value hierarchy within the Funds' financial assets at fair value through profit or loss:

BOV Conservative Portfolio Fund	Level 1	Level 2	Total
	€	€	€
As at 30 April 2022			
Assets			
<i>Fair value through profit or loss</i>			
Quoted local corporate bonds	513,905	1,309,471	1,823,376
Quoted foreign corporate bonds	7,276,351	-	7,276,351
Collective investment schemes	12,272,119	-	12,272,119
Exchange traded funds	24,634,688	-	24,634,688
Foreign exchange contracts	-	9,828	9,828
	44,697,063	1,319,299	46,016,362
Liabilities			
<i>Fair value through profit or loss</i>			
Foreign exchange contracts	-	(1,259,745)	(1,259,745)
As at 30 April 2021			
Assets			
<i>Fair value through profit or loss</i>			
Quoted local corporate bonds	1,142,379	206,450	1,348,829
Quoted foreign corporate bonds	8,074,264	-	8,074,264
Collective investment schemes	15,055,711	-	15,055,711
Exchange traded funds	21,084,470	-	21,084,470
Foreign exchange contracts	-	34,416	34,416
	45,356,824	240,866	45,597,690

Notes to the Financial Statements (continued)

15. FINANCIAL RISK MANAGEMENT (continued)

Fair value hierarchy (continued)

BOV Balanced Portfolio Fund	Level 1	Level 2	Total
As at 30 April 2022	€	€	€
Assets			
<i>Fair value through profit or loss</i>			
Quoted local equities	-	121,696	121,696
Quoted local corporate bonds	142,266	65,534	207,800
Collective investment schemes	3,293,862	-	3,293,862
Exchange traded funds	13,583,328	-	13,583,328
Foreign exchange contracts	-	2,646	2,646
	17,019,456	189,876	17,209,332

Liabilities

Fair value through profit or loss

Foreign exchange contracts	-	(493,360)	(493,360)
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As at 30 April 2021

Quoted local equities	104,232	28,167	132,399
Quoted local corporate bonds	-	66,584	66,584
Collective investment schemes	2,744,289	-	2,744,289
Exchange traded funds	11,562,450	-	11,562,450
Foreign exchange contracts	-	9,366	9,366
	14,410,971	104,117	14,515,088

BOV Growth Portfolio Fund

As at 30 April 2022

Assets

Fair value through profit or loss

Quoted local equities	-	24,640	24,640
Quoted local corporate bonds	-	29,670	29,670
Collective investment schemes	1,906,437	-	1,906,437
Exchange traded funds	5,435,414	-	5,435,414
Foreign exchange contracts	-	845	845
	7,341,851	55,155	7,397,006

Liabilities

Fair value through profit or loss

Foreign exchange contracts	-	(282,604)	(282,604)
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Notes to the Financial Statements (continued)

15. FINANCIAL RISK MANAGEMENT (continued)

Fair value hierarchy (continued)

BOV Growth Portfolio Fund	Level 1	Level 2	Total
As at 30 April 2021	€	€	€
Assets			
<i>Fair value through profit or loss</i>			
Quoted local equities	-	30,677	30,677
Quoted local corporate bonds	-	30,146	30,146
Collective investment schemes	1,572,869	-	1,572,869
Exchange traded funds	5,610,700	-	5,610,700
Foreign exchange contracts	-	4,164	4,164
	7,183,569	64,987	7,248,556

The following table presents the transfers between levels for the year ended 30 April 2022:

	Level 1	Level 2
	€	€
BOV Conservative Portfolio Fund		
<i>Transfers between Levels 1 and 2</i>		
Quoted local corporate bonds	(1,106,150)	1,106,150
BOV Balanced Portfolio Fund		
<i>Transfers between Levels 1 and 2</i>		
Quoted local equities	(99,072)	99,072

There were no transfers between levels for the year ended 30 April 2021.

16. SUBSEQUENT EVENTS

There are no subsequent events which impact the financial statements as at 30 April 2022.

Portfolio Statements

30 April 2022

	Market value 30.04.2022 €	% of net assets
BOV Conservative Portfolio Fund		
Exchange Traded Funds		
<i>Germany</i>		
iShares Core MSCI World UCITS ETF EUR HGD (Dist)	2,440,884	5.38
iShares Edge MSCI Wld Min Vol UCITS ETF EUR Hgd A	666,312	1.47
iShares Global Corp Bond EUR H	4,970,583	10.97
SPDR Bloomberg Barclays 3-10 Y	2,794,862	6.17
Xtrackers MSCI World Consumer	360,700	0.80
Xtrackers MSCI World Consumer Staple	30,311	0.07
<i>Netherlands</i>		
iShares MSCI World Energy Sector UCITS ETF USD Dis	99,745	0.22
SPDR MSCI World Financials UCITS	217,933	0.48
SPDR MSCI World Health Care	200,125	0.44
SPDR MSCI World Industrials UCITS	212,207	0.47
SPDR MSCI World Materials UCITS ETF	212,753	0.47
SPDR MSCI World Technology UCITS	253,264	0.56
SPDR MSCI World Utilities UCITS ETF	163,327	0.36
<i>United Kingdom</i>		
iShares \$ Short Duration Corp Bd UCITS ETF USD Dist	2,530,059	5.58
iShares \$ TIPS 0-5 UCITS ETF USD Dist	3,335,605	7.36
iShares Corp Bond Large Cap UCITS ETF EUR (Dist)	1,318,585	2.91
iShares EURO Infl-Lkd Govt	553,576	1.22
iShares Physical Gold ETC	2,546,807	5.62
iShares USD Treasury 1-3Y	1,046,766	2.31
Vanguard FTSE All-World High Dividend Yield UCITS ETF USD Dis	680,284	1.50
Quoted Local Corporate Bonds		
3.25% APS Bank p.l.c. 2025-2030	501,250	1.10
3.50% GO PLC 2031	173,405	0.38
3.65% Mizzi Organisation Finance 2028-2031	340,500	0.75
4.00% Cablenet Communications Systems p.l.c. 2030	584,000	1.29
4.00% International Hotel Investments 2026	188,411	0.42
4.35% SD Finance p.l.c. 2027	20,900	0.05
5.75% International Hotel Investments 2025	8,446	0.02
6.00% International Hotel Investments 2024	6,464	0.01
Quoted Foreign Corporate Bonds		
4.25% Gen Motors Fin 2023	793,017	1.75
4.25% Goldman Sachs GP 2025	1,331,294	2.95
4.25% Nordea Bank AB 2022	566,651	1.24
4.375% Barclays p.l.c. 2024	226,778	0.50
4.75% Abn Amro Bank NV 2025	563,185	1.24
4.875% General Motors 2023	430,375	0.95
4.875% Morgan Stanley 2022	1,150,045	2.55
5.00% Morgan Stanley 2025	1,006,770	2.22
5.00% Societe Generale 2024	1,208,236	2.66

Portfolio Statements

30 April 2022

	Market value 30.04.2022 €	% of net assets
Collective Investment Schemes		
Cohen & Steers SICAV Global Real Estate Securities UCITS Fund	120,515	0.27
Fidelity Funds - Euro Corporate Bond Y-QDIST-EUR	2,674,693	5.90
Vilhena Euro Income Fund	3,743,247	8.26
Vilhena Global Themed Fund	2,423,332	5.35
Vilhena Malta Bond Fund	1,035,325	2.28
Vilhena Malta Fund	538,909	1.19
Vilhena Sterling Income Fund	1,736,098	3.83
	Fair value	Notional amount
Derivatives – Forward Foreign Exchange Contracts		
Sale of Sterling against Euro maturing on 8 Jun 2022	9,828	1,430,000
Sale of United States Dollar against Euro maturing on 8 Jun 2022	(1,259,745)	26,300,000
		0.02 (2.78)
BOV Balanced Portfolio Fund		
Exchange Traded Funds		
<i>France</i>		
Amundi ETF MSCI UK UCITS ETF C/D	246,945	1.42
Lyxor EURO STOXX Banks (DR) UCITS ETF - Acc	82,943	0.49
Lyxor Stoxx Europe 600 Constr&Materials UCITS ETF	112,328	0.65
Lyxor STOXX Europe 600 Insurance UCITS ETF - Acc	236,225	1.36
<i>Germany</i>		
iShares Edge MSCI Wld Min Vol UCITS ETF EUR Hgd A	589,648	3.40
iShares Global Corp Bond EUR H	1,847,562	10.63
iShares S&P US Banks UCITS ETF USD Acc	268,005	1.54
iShares STOXX Europe 600 Automobiles & Parts (DE)	178,416	1.03
SPDR Bloomberg Barclays 3-10 Y	288,771	1.66
Xtrackers MSCI Wld Communic Services UCITS ETF 1C	83,023	0.48
Xtrackers MSCI World Consumer	313,295	1.80
Xtrackers MSCI World Consumer Staple	455,392	2.62
<i>Netherlands</i>		
iShares MSCI World Energy Sector UCITS ETF USD Dis	378,277	2.18
SPDR MSCI World Financials UCITS	141,521	0.81
SPDR MSCI World Health Care	688,766	3.96
SPDR MSCI World Industrials UCITS	256,926	1.48
SPDR MSCI World Materials UCITS ETF	344,232	1.98
SPDR MSCI World Technology UCITS	382,873	2.20
SPDR MSCI World Utilities UCITS ETF	93,997	0.54

Portfolio Statements

30 April 2022

	Market value 30.04.2022 €	% of net assets
Exchange Traded Funds		
<i>Netherlands</i>		
iShares \$ Short Duration Corp Bd UCITS ETF USD Dist	185,611	1.07
iShares \$ TIPS 0-5 UCITS ETF USD Dist	1,271,133	7.32
iShares Corp Bond Large Cap UCITS ETF EUR (Dist)	171,238	0.99
iShares EURO Corp Bond 1-5 yr UCITS ETF EUR (Dist)	863,704	4.97
iShares EURO High Yield Corp Bd UCITS ETF EUR Dist	177,819	1.02
iShares EURO Infl-Lkd Govt	409,343	2.36
iShares MSCI World EUR Hedged UCITS ETF - Acc	1,644,260	9.46
iShares Physical Gold ETC	145,491	0.84
iShares USD Corp Bond UCITS ETF	577,787	3.33
Vanguard FTSE All-World High Dividend Yield UCITS ETF USD Dis	601,563	3.46
Vanguard USD Corporate Bond UCITS ETF USD Dis	546,234	3.14
Quoted Local Equities		
BMIT Technologies p.l.c.	99,072	0.57
Main Street Complex p.l.c.	22,624	0.13
Quoted Local Corporate Bonds		
3.5% GO PLC 2031	52,666	0.30
4.00% International Hotel Investments 2026	65,534	0.38
3.65% Mizzi Organisation Finance p.l.c. Unsecured € 2028-2031	89,600	0.52
Collective Investment Schemes		
Fidelity Funds - Euro Corporate Bond Y-QDIST-EUR	229,734	1.32
Vilhena Euro Income Fund	465,231	2.68
Vilhena Global Themed Fund	1,129,932	6.50
Vilhena Sterling Income Fund	225,131	1.30
Cohen & Steers SICAV Global Real Estate Securities UCITS Fund	159,972	0.92
Mirova FDS - Mirova Global Sustainable Equity UCITS	623,912	3.59
Mirabaud - Sustainable Convertibles Global UCITS Fund- N USD	459,950	2.65
	Fair value	Notional amount
Derivatives – Forward Foreign Exchange Contracts		
Sale of Sterling against Euro maturing on 8 Jun 2022	2,646	3,850,000
Sale of United States Dollar against Euro maturing on 8 Jun 2022	(493,360)	10,300,000
		0.02 (2.84)

Portfolio Statements

30 April 2022

	Market value 30.04.2022 €	% of net assets
BOV Growth Portfolio Fund		
Exchange Traded Funds		
<i>France</i>		
Amundi ETF MSCI UK UCITS ETF C/D	151,105	2.05
Lyxor EURO STOXX Banks (DR) UCITS ETF - Acc	99,118	1.34
Lyxor STOXX Europe 600 Insurance UCITS ETF - Acc	174,807	2.37
<i>Germany</i>		
iShares Global Corp Bond EUR H	303,068	4.11
iShares S&P US Banks UCITS ETF USD Acc	163,966	2.22
iShares STOXX Europe 600 Automobiles & Parts (DE)	147,727	2.00
Xtrackers MSCI Wld Communic Services UCITS ETF 1C	101,200	1.37
Xtrackers MSCI World Consumer	260,841	3.54
Xtrackers MSCI World Consumer Staple	366,965	4.98
<i>Netherlands</i>		
iShares MSCI World Energy Sector UCITS ETF USD Dis	300,149	4.07
SPDR MSCI World Financials UCITS	283,850	3.85
SPDR MSCI World Health Care	573,832	7.78
SPDR MSCI World Industrials UCITS	438,959	5.95
SPDR MSCI World Materials UCITS ETF	297,687	4.04
SPDR MSCI World Technology UCITS	556,010	7.54
SPDR MSCI World Utilities UCITS ETF	69,013	0.94
<i>United Kingdom</i>		
iShares \$ TIPS 0-5 UCITS ETF USD Dist	329,646	4.47
iShares EURO Infl-Lkd Govt	133,157	1.81
iShares MSCI World EUR Hedged UCITS ETF - Acc	429,382	5.82
iShares Physical Gold ETC	129,529	1.76
WisdomTree Cloud Computing UCITS ETF USD Acc	125,403	1.69
Quoted Local Equities		
Main Street Complex p.l.c.	24,640	0.33
Quoted Local Corporate Bonds		
4.00% International Hotel Investments 2026	29,670	0.40
Collective Investment Schemes		
Cohen & Steers SICAV Global Real Estate Securities UCITS Fund	122,981	1.67
Mirabaud - Sustainable Convertibles Global UCITS Fund- N USD	301,058	4.09
Mirova FDS - Mirova Global Sustainable Equity UCITS	438,347	5.94
Morgan Stanley Investment Fund	206,034	2.79
Vilhena Euro Income Fund	117,497	1.59
Vilhena Global Themed Fund	652,827	8.85
Vilhena High Yield Fund	67,693	0.92

Portfolio Statements

30 April 2022

		Market value 30.04.2022 €	% of net assets
	<i>Fair value</i>	<i>Notional amount</i>	
Derivatives – Forward Foreign Exchange Contracts			
Sale of Sterling against Euro maturing on 8 June 2022	845	123,000	0.01
Sale of United States Dollar against Euro maturing on 8 June 2022	(282,604)	5,900,000	(3.83)

Statement of Changes in the Composition of the Portfolios

The composition of the portfolios, detailed in the Portfolio Statements on pages 39 to 43, in comparison with the Portfolio Statements as at 30 April 2022 and 2021 stood as follows:

	% of net assets 30.04.2022	% of net assets 30.04.2021
BOV Conservative Portfolio		
Exchange Traded Funds	54.36	43.09
Quoted Local Corporate Bonds	4.02	2.76
Quoted Foreign Corporate Bonds	16.06	16.50
Collective Investment Schemes	27.08	30.77
Forward Foreign Exchange Contracts	(2.76)	0.07
BOV Balanced Portfolio		
Exchange Traded Funds	78.19	78.24
Quoted Local Corporate Bonds	1.20	0.45
Quoted Local Equities	0.70	0.90
Collective Investment Schemes	18.96	18.57
Forward Foreign Exchange Contracts	(2.82)	0.06
BOV Growth Portfolio		
Exchange Traded Funds	73.70	77.04
Quoted Local Corporate Bonds	0.40	0.41
Quoted Local Equities	0.33	0.42
Collective Investment Schemes	25.85	21.60
Forward Foreign Exchange Contracts	(3.82)	0.06

Information about the Funds

1. AUTHORISATION

The BOV Investment Funds is an open-ended UCITS umbrella contractual fund licensed by the Malta Financial Services Authority as a collective investment scheme pursuant to the Investment Services Act (Cap. 370, Laws of Malta and the UCITS Directive) as amended from time to time.

2. STANDARD LICENCE CONDITIONS AND REGULATORY SANCTIONS

During the year ended 30 April 2022, there were no breaches of the standard license conditions and no other breaches of regulatory requirements which were subject to an administrative penalty or regulatory sanctions.

3. UP-FRONT FEES, EXIT & OTHER FEES

Fund	Upfront Fees	Exit Fees	Service Fee*	Administration Fee	Custody Fee
BOV Conservative Portfolio Fund	1.5%	0	0.35%	0.10%	0.05% pa of the aggregate NAV of the 3 funds, subject to an aggregate minimum fee of Euro 60,000 pa. The resultant applicable custody fee will be apportioned between the funds in the following manner: (1) Euro 15,000 pa each fund, plus (2) an apportionment on a pro-rata basis of the remaining custody fee based on the respective NAV size of each fund.
BOV Balanced Portfolio Fund	1.5%	0	0.35%	0.10%	
BOV Growth Portfolio Fund	1.5%	0	0.35%	0.10%	

* Effective 2 May 2022, the service fee rates of BOV Balanced Portfolio Fund and BOV Growth Portfolio Fund are 0.50% and 0.65% per annum, respectively.

4. ONGOING CHARGES

The 'Ongoing Charges' are payments deducted from the assets of a Fund where such deductions are required or permitted by national law and regulation, the Fund rules or instrument of incorporation of the Fund, or its prospectus.

The Ongoing Charges figure includes all types of cost borne by the Funds, whether they represent expenses necessarily incurred in its operations, or the remuneration of any party connected with it or providing services to it. This figure may vary from year to year. It excludes portfolio transaction costs except in the case of any entry or exit charge paid by the Fund when buying or selling shares/units in another fund.

	Ongoing Charge
BOV Conservative Portfolio Fund	1.08%
BOV Balanced Portfolio Fund	1.21%
BOV Growth Portfolio Fund	1.47%

5. NOTIONAL EXPOSURES

As at 30 April 2022, all three Funds had commitments through the use of forward foreign exchange contracts. There was no significant exposure after netting for all the above-mentioned Funds.

Information about the Funds *(continued)*

6. RISK FACTORS

General

Investment in the BOV Investment Funds should be regarded as a long-term investment. There can be no guarantee that the investment objective of the Funds will be achieved. The Funds' investments are subject to normal market fluctuations and the risks inherent in all investments and there are no assurances that capital appreciation will occur. The value of investments and the income deriving therefrom (if any) can, from time to time, go down as well as up and investors may not realise the amount of their initial investment. In particular, deduction of the initial charge and the exit fee (where applicable) means that if an investor withdraws from the investment in the short-term he may not get back the amount he invested.

Risk factors may occur simultaneously and/or may compound each other resulting in an unpredictable effect on the value of units in the Funds. No assurance can be given as to the effect that any combination of risk factors may have on the value of units in the Funds.

Insufficient Risk Recognition

An investment in the units in a particular 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. Some of these risk factors are briefly discussed below.

Investors should understand the risks associated with an investment in the units in a particular Fund and should only reach an investment decision after careful consideration with their legal, tax, accounting, financial and other advisors of (i) the suitability of an investment in the units in the light of their own particular financial, fiscal and other circumstances, (ii) the information set out in the Prospectus, (iii) the risks associated with the use by the -Fund of derivative techniques (if applicable), (iv) the nature of the Fund's assets, and (v) information set out in the relevant Offering Supplement. Investors in the units in a particular Fund should recognise that the units may decline in value and should be prepared to sustain a substantial loss of their investment.

Suspension Risk

Investors are reminded that in certain circumstances their right to have their units redeemed may be suspended.

Risks Relating to Fund of Funds

Where the Funds invest all or a portion their capital in units of other Collective Investment Schemes ("CISs"), the performance of such Funds will be dependent on the performance of the funds selected for investment by the Investment Manager and will depend on the Investment Manager's ability to effectively allocate and reallocate the Sub-Fund's assets amongst such funds. If the underlying funds in which the Funds invest register a negative performance, the value of the units will be negatively affected.

Contractual Funds

The BOV Investment Funds has certain features which differentiate it from other types of CISs. For instance, the BOV Investment Funds does not have legal personality and unitholder meetings will not be held (unless requisitioned by unitholders holding not less than fifty percent of the units in issue or unless determined by the Investment Manager). Further, save as specified in the BOV Investment Funds' Prospectus, units do not carry voting rights.

Investments on the Malta Stock Exchange

The Funds may at any one time invest a substantial portion of their capital in securities which are quoted on the Malta Stock Exchange. Despite the fact that such securities are listed, the market in such securities may be illiquid. The trading volumes on emerging stock exchanges such as the Malta Stock Exchange are substantially less than the world's leading stock markets. Accordingly, the buying and selling of securities may need to be effected at unfavourable prices. Although it is not envisaged that this should create any difficulty in valuing the Fund's investments, reduced secondary market liquidity may have an adverse effect on the market price of such securities and the Manager's ability to dispose of particular securities to meet its liquidity requirements.

Information about the Funds *(continued)*

6. RISK FACTORS *(continued)*

Interest Rates

Investors in the units in a particular Fund should be aware that an investment in such units might involve interest rate risk in that there may be fluctuations in the currency of denomination of the Fund's assets and/or the units in that Fund.

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 units in a particular Fund. Fluctuations in interest rates of the currency in which the units in a particular Fund are denominated and/or fluctuations in interest rates of the currency or currencies in which the Fund's assets are denominated may affect the value of the units in that Sub-Fund.

Hedging

The Investment Manager, in respect of the Funds, may employ various techniques in respect of the Funds to attempt to reduce a portion of the risks inherent in their respective investment strategies. The ability to achieve the desired effect through a particular technique is dependent upon many factors, including the liquidity of the market at the desired time of execution. Thus substantial risk remains so that such techniques cannot always be implemented or effective in reducing losses. Hedging transactions, including the use of Financial Derivative Instruments ("FDIs"), which may be used by the Investment Manager have risks associated with them, including possible default by the other party to the transaction, illiquidity and, to the extent that the view of the Investment Manager as to certain market movements is incorrect, the risk that the use of hedging transactions could result in losses greater than if they had not been used.

Use of FDIs

While the prudent use of FDIs can be beneficial, FDIs also involve risks which are different from, and in certain cases, greater than, the risk presented by more traditional investments.

OTC FDIs, in particular, are typically structured derivative transactions. Structured derivative transactions are complex and may involve a high degree of loss.

The Investment Manager will (on behalf of the Funds) only use FDIs (including OTC FDIs) for the purpose of efficient portfolio management and hedging purposes, and as such, FDIs will not be used for speculative purposes.

Derivative contracts can be highly volatile, and the amount of initial margin is generally small relative to the size of the contract so that transactions may be leveraged in terms of market exposure. A relatively small market movement may have a potentially larger impact on derivatives than on standard bonds or equities. Leveraged derivative positions can therefore increase volatility in the performance of the Funds.

The FDIs that the Investment Manager may (on behalf of the Funds) transact in include, without limitation, forward foreign exchange contracts (including non-deliverable forwards), options (including foreign exchange options and exchange traded options on futures), futures, swaps (including, exchange rate swaps, interest rate swaps, inflation rate swaps and credit default swaps) and swap options. Should the need arise, when transacting in FDIs, the Investment Manager may (on behalf of the Funds) be required to collateralize the Funds' assets, whether by way of outright collateral transfers or by way of security interests thereon, in order to secure the obligations undertaken.

FDIs are highly specialised instruments that require investment techniques and risk analyses different from those associated with equity and debt securities. There can be no guarantee or assurance that the use of FDIs will meet or assist in meeting the investment objectives of a Fund.

FDIs do not always perfectly or even highly correlate or track the value of the securities, rates or indices they are designed to track. Consequently, the use of FDIs may not always be an effective means of, and sometimes could be counter-productive to, the relevant Fund's investment objective.

Information about the Funds *(continued)*

6. RISK FACTORS *(continued)*

The prices of FDIs, including futures and options, are highly volatile. Payments made pursuant to swap agreements may also be highly volatile. Price movements of futures and options contracts and payments pursuant to swap agreements are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies.

In the case of listed put or call options, the Investment Manager's ability (on behalf of the Funds) to close out its position as a purchaser or seller of a listed put or call option is dependent, in part, upon the liquidity of the option market.

Where the Investment Manager, on behalf of a Fund, enters into swap arrangements or a forward foreign exchange contract, the Fund will be exposed to the risk that the counterparty may default on its obligations to perform under the relevant contract. In the event of a bankruptcy or insolvency of a counterparty, the Fund could experience delays in liquidating the position and may incur significant losses. There is also a possibility that ongoing derivative transactions will be terminated unexpectedly as a result of events outside the control of the Investment Manager, for instance, bankruptcy, supervening illegality or a change in the tax or accounting laws relative to those transactions at the time the agreement was originated.

Credit default swaps also carry specific risks, including the possibility that premiums are paid for credit default swaps which expire worthless, wide bid/offer spreads and documentation risks. In addition, there can be no assurance that the counterparty to a credit default swap will be able to fulfil its obligations to the Investment Manager (in respect of the Funds) if a credit event occurs in respect of the reference entity. Further, the counterparty to a credit default swap may seek to avoid payment following an alleged credit event by claiming that there is a lack of clarity in, or an alternative meaning of, language used in the contract, most notably the language specifying what would amount to a credit event.

Exchange Rate Fluctuations

Currency fluctuations between the currency of denomination of a class of units of a Fund and the investor's currency of reference and the currency of the underlying investments of a Fund, may adversely affect the value of investments and the income derived therefrom.

Market Volatility

Market volatility reflects the degree of instability and expected instability of the performance of the 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.

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 Fund and may therefore prevent the calculation of the Net Asset Value per unit and/ or the raising of cash to meet redemptions of units in the Fund concerned.

Specific Restrictions in Connection with the Subscription and Redemption of units

Investors should note that there may be restrictions in connection with the subscription, holding and repurchase of and trading in the units in a particular Fund. Such restrictions may have the effect of preventing the investor from freely subscribing, holding, trading and/or repurchasing the unit. In addition to the features described below, such restrictions may also be caused by specific requirements such as the minimum amount that may be held or invested in any particular class of units.

Information about the Funds *(continued)*

6. RISK FACTORS *(continued)*

Additionally, the Investment Manager will have the option to limit the number of units in any Fund repurchased on any dealing day (other than at the specified maturity date, where applicable) to a stated percentage of the total Net Asset Value of that Fund on that dealing day and, in conjunction with such limitation, to pro rata limit the number of units repurchased by any unitholder on such dealing day so that all unitholders wishing to have units in that Fund repurchased on that dealing day realise the same proportion of such units. In the event the Investment Manager elects to limit the number of units repurchased on such date, a unitholder may not be able to repurchase on such dealing day all the units that it desires to repurchase.

Illiquidity of Units

There will be no secondary market for the units, and consequently, unitholders can normally dispose of the units only by means of redemption on a dealing day. There is no assurance that the Investment Manager will be able to liquidate the portfolio securities attributable to the units being redeemed without losses. These losses might have an adverse effect on the Net Asset Value of that Fund and thus on the redemption proceeds that will be received by the outgoing investor. In the event of unsettled market conditions, or if for any reason the Investment Manager is unable to liquidate its investments or if it is obliged to suspend dealings in its units, the Investment Manager may be unable to redeem such units.

Substantial Redemptions

Substantial redemption/repurchase of units in a particular Fund could require the Investment Manager to liquidate positions more rapidly than would otherwise be desirable, which could adversely affect the value of the units in that Fund. In these circumstances, the Investment Manager may defer redemptions/repurchases. Illiquidity in certain markets could also make it difficult for any Fund to liquidate positions on favourable terms, thereby resulting in a decrease in the value of the assets. In these circumstances, the non-redeeming unitholders will bear a disproportionate risk of any decline in the value of a Fund's assets subsequent to the redemptions.

Temporary Suspension in Redemptions and Suspension in the determination of Net Asset Value

The Investment Manager reserves the right to suspend the determination of the Net Asset Value of a Fund and the right of any unitholder to require redemption of any units and the issue of units. In such cases a unitholder may be unable to redeem his units in a Fund within the normal timeframes described in this Prospectus.

Conflicts of Interest

Conflicts of interest may arise from time to time between the interests of the Investment Manager, the Custodian and the Administrator in connection with fees, commissions and other revenues derived from the Fund, in particular, because certain Directors may also be acting as directors or senior officers of the Custodian and the Administrator. Prospective investors should also note that a conflict may arise as the Funds may invest in CISs which are managed by the Investment Manager. In the event that such a conflict arises, the Directors will endeavour to ensure that it is resolved in a fair manner.

Fee Arrangements

In instances, one or more Funds may invest predominantly in CISs managed by the Investment Manager (the "Target CISs"). As a result, the Investment Manager will receive any management fees charged to the Target CISs as well as service fees from the Funds (details of such fees are contained in the Offering Supplements of the Funds). Prospective investors should note that the payment of the foregoing fees to the Investment Manager will reduce the Net Asset Value per unit.

Risk relating to Omnibus Accounts

Prospective investors should note that assets of the BOV Investment Funds may be co-mingled, in an omnibus account, with assets of other persons held at a sub-custodian (or any delegate of the sub-custodian (the "Sub-Delegate") or any clearing system, settlement system, dematerialised book entry system, central securities depository or similar system (the "Securities System") with which the Custodian may, directly or indirectly, transfer, settle, clear, deposit or maintain assets of the Funds.

Information about the Funds *(continued)*

6. RISK FACTORS *(continued)*

In the holding assets on a co-mingled basis at sub-Custodians, Sub-Delegates or through a Securities System, prospective investors should note that the Investment Manager (on behalf of the Fund) may only be entitled, in common with those other persons, to its proportionate share of the assets so held in such omnibus account. Prospective investors should also note that omnibus accounts (where certain assets of the Funds are to be held) may have specific risks related to settlement cycles for certain assets which may operate both on an intra-day and inter-day basis, including the following: (i) the total amount of instruments

recorded in such omnibus accounts may be unavailable at a given time during any intra-day or inter-day settlement cycle; (ii) a decrease in the total amount of instruments in such omnibus accounts may lead to potential shortfalls of instruments in absolute terms; (iii) a shortfall of instruments in absolute terms in omnibus accounts means that the Fund's entitlement to such instruments may be reduced in order to facilitate the purchase, sale or exchange of instruments of other persons within the omnibus account until such time as subsequent settlement cycles reconcile such shortfall. Further, if there is a failure of the Custodian, a sub-custodian, Sub-Delegate or Securities System, during a period of any shortfall of instruments, the Investment Manager (on behalf of the Funds) may only have a right to its proportion of the total amount of instruments in the relevant omnibus account.

Taxation

Investors in the units in a particular Fund should be aware that they may be required to pay income tax, withholding tax, capital gains tax, wealth tax, stamp taxes or any other kind of tax on distributions or deemed distributions of the Funds, capital gains within the Funds, whether or not realised, income received or accrued or deemed received within the Fund etc., and this will be according to the laws and practices of the country where the units are purchased, sold, held or redeemed and in the country of residence or nationality of the unitholder.

Investors should be aware of the fact that they might have to pay taxes on income or deemed income received by or accrued within a Fund. Taxes might be calculated based on income received and/or deemed to be received and/or accrued in the Fund in relation to the Fund asset, whereas the performance of the Fund, and subsequently the return investors receive after redemption of the units, might partially or fully depend on the performance of the underlying. This can have the effect that the investor has to pay taxes for income and/or performance which he does not, or does not fully, receive. Investors who are in any doubt as to their tax position should consult their own independent tax advisors. In addition, investors should be aware that tax regulations and their application or interpretation by the relevant taxation authorities change from time to time. Accordingly, it is not possible to predict the precise tax treatment, which will apply at any given time.

Foreign Account Tax Compliance Act Risks

FATCA imposes a new reporting regime and, potentially, a 30% withholding tax with respect to: (i) certain payments from sources within the US; (ii) so-called 'foreign pass-thru payments' made to certain non-US financial institutions that do not comply with this new reporting regime; and (iii) payments to certain investors that do not provide identification information with respect to interests issued by a participating non-US financial institution.

The BOV Investment Funds and its Funds may be classified as a non-US financial institution for these purposes.

In order to avoid being subject to US withholding tax, investors are likely to be required to provide information regarding themselves. In this regard, the Maltese and US Governments have signed an intergovernmental agreement with respect to the implementation of FATCA. Although the Investment Manager will (on behalf of the BOV Investment Funds) attempt to satisfy any obligations imposed on it to avoid the imposition of this withholding tax, no assurance can be given that the Investment Manager (on behalf of the BOV Investment Funds) will be able to satisfy these obligations. If a Fund becomes subject to a withholding tax as a result of FATCA, the return of all unitholders may be materially affected. To the extent a Fund suffers US withholding tax on its investments as a result of FATCA, the Investment Manager may (on behalf of a Fund) take any action in relation to an investor's investment in the Fund to ensure

Information about the Funds *(continued)*

6. RISK FACTORS *(continued)*

that such withholding is economically borne by the relevant investor whose failure to provide the necessary information or to become a participating FFI (i.e., foreign financial institution) gave rise to the withholding.

The Investment Manager may (on behalf of the Fund) mandatorily redeem the units of any unitholders that fail to cooperate with the Investment Manager's efforts to comply with FATCA.

Common Reporting Standard Risks

The Organisation for Economic Co-operation and Development (OECD) has developed a new global standard for the automatic exchange of financial information between tax authorities (the "Common Reporting Standard"), which is similar to FATCA (see risk factor above). Malta is a signatory jurisdiction to the Common Reporting Standard and intends to conduct its first exchange of information with tax authorities of other signatory jurisdictions in late 2017. The detailed requirements for complying with the Common Reporting Standard, when finalised, may impose additional burdens and costs on the Investment Manager (in respect of the BOV Investment Funds, the Funds and/or unitholders). Although the Investment Manager (in respect of the BOV Investment Funds or each Fund) will attempt to satisfy any obligations imposed upon it by the Common Reporting Standard, no assurance can be given that it will be able to satisfy such obligations. Implementation of the Common Reporting Standard may require the Investment Manager (in respect of the BOV Investment Funds or each Fund) to conduct additional due diligence and report upon accounts held with it by unitholders who are reportable persons in other participating jurisdictions. The Investment Manager (in respect of the BOV Investment Funds or each Fund) may require certain additional financial information from unitholders and financial intermediaries acting on behalf of unitholders to comply with its diligence and reporting obligations under the Common Reporting Standard.

If the Investment Manager (in respect of the BOV Investment Funds or each Fund) is unable to obtain the necessary information from unitholders, it may take any steps necessary to avoid resulting sanctions, which may include (but are not limited to) compulsorily redeeming the units of the relevant unitholder.

Change of Law

The Investment Manager must comply with regulatory constraints, such as a change in the laws affecting the investment restrictions of one or more Funds, which might require a change in the investment policy and objectives followed by a Fund.

Political and Regulatory Risk

The performance of the units in a particular Fund or the possibility to purchase, sell, or repurchase may be affected by changes in general economic conditions and uncertainties such as political developments, changes in government policies, laws or regulations (including regarding taxation), the imposition of restrictions on the transfer of capital and changes in regulatory requirements in Malta or in countries where a Fund is invested. The legal infrastructure, accounting, auditing and reporting standards in certain jurisdictions in which the capital of a Fund may be invested may not offer the same degree of investor protection or information as is normally expected in major securities markets.

Importance of the Investment Manager

The Funds' success depends, to a large extent, upon the Investment Manager's ability to determine appropriate investments. In addition, if any of the officers of the Investment Manager cease to participate in the operation of the Investment Manager to the extent they relate to the operations of the Fund, the objectives, activities and performance of one or more classes of units may be adversely affected.

Borrowing Risks

The Investment Manager in respect of a Fund may not be able to repay borrowings or may be forced to sell investments at a disadvantageous time in order to repay borrowings. The Investment Manager in respect of a Fund might elect to sell its more liquid assets to repay borrowings, or to meet redemptions, thus increasing its concentration in less liquid securities.

Information about the Funds *(continued)*

6. RISK FACTORS *(continued)*

Credit Risk

The Fund may invest (either directly or through collective investment schemes) in debt securities which may expose the Fund to the risk that an issuer may default on the payment of principal and/or interest.

In the event that any issuer of bonds or other debt securities experiences financial or economic difficulties, this may affect the value of the relevant securities which may in turn affect the Net Asset Value per unit.

Equity Investment Risk

Equity investments are subject to greater fluctuations in market value than other asset classes as a result of factors such as a company's business performance, investor perceptions, stock market trends and general economic conditions. Prospective investors should note that this could have an impact on the Fund's Net Asset Value.

Depository Receipts

The Fund may invest (either directly or through collective investment schemes) in American depository receipts, global depository receipts, and European depository receipts (collectively, "Depository Receipts"). Depository Receipts generally evidence an ownership interest in a corresponding foreign security on deposit with a financial institution. Because the value of Depository Receipts will be dependent upon the market price of an underlying equity security, such Depository Receipts are subject to most of the risks associated with investing in equities. For further details see the risk factor headed 'Equity Investment Risk' above.

7. INVESTMENT RISK MANAGEMENT PROCESS

The Investment Manager employs a Risk Management Process, which enables it to monitor, and measure and manage at any time as frequently as appropriate, the risks of the Funds' derivatives positions and their contribution to the overall risk profile of the Funds. The Investment Manager will, on the request of unitholders provide supplementary information relating to the quantitative limits that apply in the risk management of the UCITS, the methods chosen to this end and to the recent evolution of the main instrument categories' risks and yields.

8. REMUNERATION POLICY

Remuneration Policy of the BOV Investment Funds

The money laundering officer fees are compensated through a fixed amount payable to the Administrator. There are no Board of Directors nor compliance officer fees given that the BOV Investment Funds are not structured as a company but as a common contractual fund.

Details of the management fees paid by the BOV Investment Funds 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

The Investment Manager's remuneration policy sets out the basis upon which the relevant identified staff thereof are remunerated. In terms of such policy, identified staff are entitled to a fixed base salary, and a yearly annual performance bonus. The quantum of such performance bonus is assessed against the backdrop of the individual performance of identified staff (including the successful completion of individual tasks assigned thereto) and their contribution to the performance of the Investment Manager. The base salary of the identified staff represents a very significant portion of the total remuneration package of identified staff.

Responsibility for the amount of remuneration awarded to identified staff vests in the Board.

Information about the Funds *(continued)*

8. REMUNERATION POLICY *(continued)*

Details of the up-to-date remuneration policy of the Investment Manager, including, amongst others, a description of how remuneration and benefits are calculated and the identity of persons responsible for awarding the remuneration and benefits are available on the Investment Manager's website on www.bovassetmanagement.com and paper copies will be made available to investors free of charge upon request.

9. SCHEME PARTICULARS

The above details are extracted from the latest BOV Investment Funds Prospectus, Offering Supplements and Key Investor Information Document as of the date of this Annual Report, which is available upon request from the Investment Manager, and were current at the date of publishing of this Annual Report. Persons wishing to invest in any of the Funds should do so on the basis of the full information contained in the most recent Prospectus, Funds' respective Offering Supplement and Key Investor Information Document.

10. INVESTMENT MANAGER'S STATEMENT

In the opinion of the Investment Manager, this Annual Report contains all the information necessary to enable investors to make an informed judgment of the results and activities of the BOV Investment Funds for the year ended 30 April 2022 and does not omit any matter or development of significance.

