

BOV INVESTMENT FUNDS

Annual Report and Audited Financial Statements 2018



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For the period ended
30 April 2018

TG Complex, Suite 2, Level 3, Triq il-Birrerija, L-Imrieħel, BKR 3000, Malta.
Telephone: (00356) 21 227311 Fax: (00356) 2275 5661
www.bovassetmanagement.com infoassetmanagement@bov.com

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Management and Administration

INVESTMENT MANAGER

BOV Asset Management Limited
58, Zachary Street, Valletta, VLT 1130, Malta
Licensed to conduct investment services business in Malta by the Malta Financial Services Authority

FUND ADMINISTRATOR

BOV Fund Services Limited
58, Zachary Street, Valletta, VLT 1130, Malta
Recognised to provide fund administration services by the Malta Financial Services Authority

CUSTODIAN AND BANKER

Bank of Valletta p.l.c.
58, Zachary Street, Valletta, VLT 1130, Malta
Licensed to conduct investment services business by the Malta Financial Services Authority

AUDITORS

PricewaterhouseCoopers
78, Mill Street, Qormi, QRM 3101, 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 2018, the BOV Investment Funds consisted of three separate Funds, the BOV Conservative Portfolio Fund, the BOV Balanced Portfolio Fund and the BOV Growth Portfolio Fund (collectively the "Funds"). The BOV Investment Funds has no employees.

Changes to the Documents during the reporting period

The Prospectus and Offering Supplements of the BOV Investment Funds were updated on 1 March 2018 to reflect the introduction of a new distributor share class in the BOV Balanced Portfolio Fund as well as a change in the minimum initial investments of all Funds.

Investment Manager's Report

Market Overview

Global capital markets wrapped up a year made up of incongruent realities that have split the year into two opposing halves. On one hand, the first half of the year showed unprecedented calmness in the market that led to the VIX Index (Measure of Volatility within the S&P 500 Index) diving into all-time lows. Taking a long term historical view of the risk numbers, it was clear that markets were not experiencing a normalised period of volatility. Risk and return relationships improved during the first six months of the year as returns in risky assets kept steaming ahead whilst volatility kept descending. Market turbulence remained at bay as tailwind events kept boosting economic prospects globally. Demand-driven macro expansion could be observed through the headline and core CPI numbers which showed a steady state of recovery amongst global players. Likewise, retail sales which proxies' broad economic demand also exhibited a jump in figures, whilst unemployment rates rolled downward sustained by strengthened fundamentals. One month into 2018 trading; and market risk came back to bite viciously investors. It saw the VIX index spike to 37.32 (February 2018) as concerns on higher than expected inflation trajectory tumbled returns for risky assets. This was the highest level recorded since August 2015 as back then global investors' harboured concerns about slowing global growth. In view of this, economic data became ever more important in spearheading the BOV Investment Fund's strategic allocation for opportunities sought after in various global regions.

Navigating each Fund's strategy through calm waters which later transformed into a storm made the year ever more challenging. The impact of which, varied amongst the three Funds. Naturally, the BOV Conservative Portfolio Fund is inherently biased towards fixed income as an asset class given the low risk cap for the Fund. This means that the fixed income market performance is systematically important for the ultimate performance of the Fund. The global mandate inherent for all BOV Investment Funds makes for investment exposures which were previously untapped for traditional investors. Specifically, the BOV Conservative Portfolio Fund undertook considerable positions in USD denominated fixed income securities and EUR denominated fixed income securities. As the year progressed, the Fund on-boarded a diversified basket of European debt securities. As Euro-area fixed income exhibited low yields with a stable backdrop, the accrued returns were minimal given the relatively flat performance. The monetary policy highlight for the European Central Bank came on December 2017 as it decided to reduce the asset purchase programme from €60 billion per month to €30 billion per month. This reassured market sentiment on the direction of the Eurozone economic fundamentals. However, the flip side was that investors had to reposition their portfolios in order to hedge against the progressive rising yield expectations. Accordingly, the Fund reduced its interest rate sensitivity by purchasing positive yielding European securities, as well as, locally listed corporate debt securities. The inclusion of locally listed debt stems from the low volatility base and the respective return. As noted, USD denominated debt securities play also a central role in relation to the ultimate Fund returns. Henceforth, inflationary and implied hike expectations within the US have a direct impact on the Fund's structure. The downside risk for 2018 within the US exposed itself at the end of January 2018, as global investors got spooked from the inflationary momentum within the US. This drove the US yield curve to shift upwards with downside repercussions on US bond investors. The Fund mitigated most of the negative shocks from the US debt market as interest rate sensitivity was actively reduced through the allocation towards short term paper and floating rate notes which neutralise interest rate risk. Studies show that lower quality investment grade bonds tend to outperform higher quality investment grade bonds in times of a strong economic cycle. This strategy was implemented throughout all Funds. The risk metrics for the Fund require a diversified base with the inclusion of equities and commodities. In the equity space, geo diversity reigned throughout the portfolio with the US remaining a core position. Commodity positions related primarily to Gold with a positive return contribution and a small oil position that has been a strong performer.

The BOV Balanced Portfolio Fund has implemented the same fixed income strategy as seen in the BOV Conservative Portfolio Fund. Intuitively, the nature of the Fund is geared to undertake greater risk which necessitates greater exposure to risky assets. As in the BOV Conservative Portfolio Fund, the fixed income allocation is spread through bonds denominated mainly in Euro, Sterling and Dollar currency. The Fund experienced the same downside from its fixed income allocation, however to a lesser extent when compared to the BOV Conservative Portfolio Fund. The reason stems from the fact that the BOV Balanced Portfolio Fund had a lower allocation towards this segment of global capital markets. Intrinsicly, the BOV Balanced Portfolio Fund is underpinned by assets that have greater capital at risk metrics. This means that when risky assets over-perform less risky assets, the BOV Balanced Portfolio Fund will outperform less risky portfolios. The equity composition throughout the year has undergone significant adjustments as greater global equity exposure was gradually tapped throughout the year as the Fund size grew larger. The major changes undertaken throughout the year was the reduction in local equity allocation in

favour of greater geographic spread which spanned throughout all major continents. The equity allocation is not exclusively dependent on macro models, but also the underlying sectors within developed markets. Indeed, the BOV Balanced Portfolio Fund was initially heavily allocated towards sectors that had value traits, however, as the year progressed and proprietary models provided quantitative reassurances, growth and cyclical sectors were chosen. The alternative segment of the Fund provided positive contributions as greater allocation towards WTI Crude Oil provided greater punch to the ultimate Fund returns. Overall Fund volatility throughout the year has been stable with no changes to the SRRI figure.

The BOV Growth Portfolio Fund sums up a story of risk-centred assets that aim to provide long term growth. Despite the fact that the Fund can achieve higher risk numbers, the Fund's underlying volatility remained largely stable with minimal increases observed in the final quarter of the year. This came on the back of unprecedented calm markets that filtered through the Fund's risk parameters. The Fund is more representative of the risk conviction held in various risky asset classes. In particular, the equity composition has been mostly exposed to the US and European equity market. Global markets were reassured by President Trump's fiscal boosts, as US investors took advantage of President Trump trade for 2017 by pricing in various fiscal boosts. This sense of visible 'concreteness' in economic performance translated into asset classes that inherently tended to benefit from this upsurge, i.e. equities. Specifically, constituents for the Euro Stoxx Index (broad European index) showed that strong earnings growth featured for most sectors and more importantly, earnings surprises were also positive. This showed that broadly speaking, companies have beaten market expectations which was a sign that tables have turned for Europe. A look through for the US showed that within the S&P 500 Index most sectors provided strong earnings growth, particularly Information Technology which was sustained by earnings surprises.

Each of the three sub-funds of the BOV Investment Funds had an exposure to Boost WTI Oil ETC, which in its offering documentation is described as a UCITS eligible ETC tracking the performance of the NASDAQ Commodity Crude Oil ER index. Following queries by the Custodian regarding the eligibility of the above captioned asset, a thorough review of the said asset was carried out. The analysis of this review was very subjective, and for this reason, BOV Asset Management Limited deems that it would be prudent to dispose of the said asset in view that the BOV Investment Funds were making a profit from such investment.

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 6 December 2016 to 30 April 2018, the unit price of the BOV Conservative Portfolio Fund accumulator class of units decreased by 1.06% from €1.00 to €0.9894.

Fund Performance - Distributor Class of Shares

During the period from 6 December 2016 to 30 April 2018, the unit price of the BOV Conservative Portfolio Fund distributor class of units decreased by 3.54% from €1.00 to €0.9646.

Income Distribution

The dividend declared during the period ended 30 April 2018 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 6 December 2016 to 30 April 2018, the share price of the BOV Balanced Portfolio Fund accumulator class of shares increased by 0.29% from €1.00 to €1.0029.

Fund Performance - Distributor Class of Units

During the period from 6 December 2016 to 30 April 2018, the share price of the BOV Balanced Portfolio Fund accumulator class of shares decreased by 0.38% from €1.00 to €0.9962.

Income Distribution

There were no dividends declared during the period ended 30 April 2018 in respect of the distributor class of units.

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 6 December 2016 to 30 April 2018, the unit price of the BOV Growth Portfolio Fund accumulator class of units decreased by 0.03% from €1.00 to €0.9997.

The Funds' performance figures listed above have been truncated to two 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: Central Bank of Malta, European Central Bank, BOV Asset Management Limited, Malta Stock Exchange, U.S. Federal Reserve)



Independent auditor's report

To the Unitholders of BOV Investment Funds

Report on the audit of the financial statements

Our opinion

In our opinion:

- the financial statements of BOV Investment Funds give a true and fair view of the Funds' financial position as at 30 April 2018, and of the Funds' financial performance and cash flows for the period then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU.

What we have audited

The financial statements of BOV Investment Funds set out on pages 13 to 36, comprise:

- the statements of financial position as at 30 April 2018;
- the statements of changes in net assets attributable to unitholders for the period then ended;
- the statements of comprehensive income for the period then ended;
- the statements of cash flows for the period then ended; and
- a summary of significant accounting policies and notes to the financial statements.

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 Ethics Standards Board for Accountants' Code of Ethics for Professional 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 the IESBA Code.



Independent auditor's report - continued

To the Unitholders of BOV Investment Funds

Other information

The management is responsible for the other information. The other information comprises of the management and administration, section, description, investment manager's report, portfolio statements 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.

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.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified material misstatements in the and other information that we obtained prior to the date of this auditor's report. We have nothing to report in this regard.

Responsibilities of the management for the financial statements

The 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 the 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, the 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 the management either intend 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Independent auditor's report - continued

To the Unitholders of BOV Investment Funds

Auditor's responsibilities for the audit of the financial statements - continued

- 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 the management.
- Conclude on the appropriateness of the 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 the 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.

PricewaterhouseCoopers

78, Mill Street
Qormi
Malta

Lucienne Pace Ross
Partner

30 August 2018

Report of the Custodian

30 August 2018

BOV Investment Funds

We, Bank of Valletta p.l.c., as Custodian to the BOV Investment Funds (“the Funds”) hereby confirm that having enquired into the conduct of the Manager during the period 6 December 2016 to 30 April 2018, 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 Funds by the constitutional documents and by the Malta Financial Services Authority, with the exception of

- The BOV Balanced Portfolio Fund had a material valuation error of 0.54% of its NAV as at 12th May 2017. All investor subscriptions and redemptions were dealt with the correct NAV price.
- The BOV Balanced Portfolio Fund had a material valuation error of 0.59% of its NAV as at 15th January 2018. All investor subscriptions and redemptions were dealt with the correct NAV price.
- All three Sub-Funds (Balanced, Conservative & Growth Fund) invested in Boost WTI Oil ETC – ISIN IE00BVFZGC04 . The Custodian deems such asset not to be UCITS eligible and consequently all Sub-Funds disposed of the said asset once further clarifications have been sought. The disposal of such asset held by each Sub Fund was done at a profit.

ii. otherwise in accordance with the provisions of the constitutional documents and the Funds’ license conditions.

Kevin Portelli
Head – Custody Services
Bank of Valletta p.l.c.

Financial Statements
STATEMENTS OF FINANCIAL POSITION
as at 30 April 2018

		BOV Conservative Portfolio Fund	BOV Balanced Portfolio Fund	BOV Growth Portfolio Fund
		30.04.2018	30.04.2018	30.04.2018
		€	€	€
Assets	Notes			
Financial assets at fair value through profit or loss	3	42,040,863	8,781,370	2,608,210
Accrued income	5	172,434	17,498	618
Other receivables and prepayments	4	1,539,521	242,231	7,131
Cash and cash equivalents	13	<u>780,545</u>	<u>457,917</u>	<u>69,452</u>
Total assets		<u>44,533,363</u>	<u>9,499,016</u>	<u>2,685,411</u>
Liabilities				
Financial liabilities at fair value through profit or loss	3	373,763	65,921	15,210
Accrued expenses	6	35,099	9,555	4,223
Other payables	6	536,073	-	-
Total liabilities		944,935	75,476	19,433
Net assets attributable to unitholders		<u>43,588,428</u>	<u>9,423,540</u>	<u>2,665,978</u>
Units in issue as at 30 April 2018				
Accumulator	7	22,610,038.83	9,178,328.32	2,681,546.43
Distributor	7	22,010,499.12	234,450.50	-
Net asset value per unit as at 30 April 2018				
Accumulator/Distributor		0.989/0.964	1.002/0.996	0.999

The accounting policies and notes on pages 17 to 36 are an integral part of the financial statements.
The financial statements on pages 13 to 36 were authorised for issue by BOV Asset Management Ltd on 30 August 2018 and were signed on its behalf by:

John Cassar White
Director
BOV Asset Management Limited

Frances Mifsud
Director
BOV Asset Management Limited

STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

for the period ended 30 April 2018

	BOV Conservative Portfolio Fund	BOV Balanced Portfolio Fund	BOV Growth Portfolio Fund
	06.12.2016- 30.04.2018	06.12.2016- 30.04.2018	06.12.2016- 30.04.2018
	€	€	€
Net assets at the beginning of the period	-	-	-
Issue of units during the period	46,390,574	9,848,401	2,798,782
Redemption of units during the period	(2,294,356)	(424,385)	(127,609)
Net equalisation	507,758	32,482	609
Decrease in net assets attributable to unitholders during the period	(1,015,548)	(32,958)	(5,804)
Net assets at the end of the period	<u>43,588,428</u>	<u>9,423,540</u>	<u>2,665,978</u>

The accounting policies and notes on pages 17 to 36 are an integral part of the financial statements.

STATEMENTS OF COMPREHENSIVE INCOME

for the period ended 30 April 2018

		BOV Conservative Portfolio Fund	BOV Balanced Portfolio Fund	BOV Growth Portfolio Fund
		06.12.2016- 30.04.2018	06.12.2016- 30.04.2018	06.12.2016- 30.04.2018
		€	€	€
	Notes			
Income				
Dividend income		274,603	61,336	21,533
Other income		1,734	1,112	98
Net fair value movements on financial instruments at fair value through profit or loss		(530,913)	(14,556)	21,673
		<u>(254,576)</u>	<u>47,892</u>	<u>43,304</u>
Expenses				
Service fees	9	99,399	24,529	7,630
Custodian fees	9	15,254	9,502	8,248
Administration fees	9	25,961	6,672	2,086
Transaction costs		33,047	9,625	4,972
Audit fees	9	10,113	2,238	649
Formation expenses		18,766	18,766	18,766
Other operating expenses		20,446	9,518	6,757
		<u>222,986</u>	<u>80,850</u>	<u>49,108</u>
Operating loss		(477,562)	(32,958)	(5,804)
Finance costs - distributions to unitholders	10	(537,986)	-	-
Decrease in net assets attributable to unitholders		<u><u>(1,015,548)</u></u>	<u><u>(32,958)</u></u>	<u><u>(5,804)</u></u>

The accounting policies and notes on pages 17 to 36 are an integral part of the financial statements.

STATEMENTS OF CASH FLOWS

for the period ended 30 April 2018

	BOV Conservative Portfolio Fund	BOV Balanced Portfolio Fund	BOV Growth Portfolio Fund
	06.12.2016- 30.04.2018	06.12.2016- 30.04.2018	06.12.2016- 30.04.2018
	€	€	€
Note			
Cash flows from operating activities			
Net interest and other income received	141,727	25,136	2,565
Dividend income received	275,556	61,336	21,533
Operating expenses paid	(155,369)	(63,012)	(42,225)
Taxation paid	(953)	-	-
Net purchases of financial assets and settlement of financial liabilities	(42,543,684)	(8,781,200)	(2,579,394)
Net cash flows used in operating activities	<u>(42,282,723)</u>	<u>(8,757,740)</u>	<u>(2,597,521)</u>
Cash flows from financing activities			
Proceeds from creation of units	45,359,896	9,640,045	2,794,649
Payment on redemptions of units	(2,294,715)	(424,388)	(127,676)
Distributions paid	(1,913)	-	-
Net cash flows from financing activities	<u>43,063,268</u>	<u>9,215,657</u>	<u>2,666,973</u>
Net increase in cash and cash equivalents	780,545	457,917	69,452
Cash and cash equivalents at beginning of the period	-	-	-
Cash and cash equivalents at end of the period	<u>13</u> <u>780,545</u>	<u>457,917</u>	<u>69,452</u>

The accounting policies and notes on pages 17 to 36 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 for use in 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.

The BOV Investment Funds were established on 6 December 2016. Accordingly, these financial statements have been prepared for the period from 6 December 2016 to 30 April 2018. No comparative figures are presented for the Funds.

As at 30 April 2018, there were 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 maintains 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.

Standards and amendments to existing standards effective during the period

A number of new standards are effective for annual periods beginning after 1 January 2017 and earlier application is permitted; however, the Funds have not early applied these new or amended standards in preparing these financial statements. The one new standard potentially relevant to the Funds is IFRS 9 Financial Instruments, which is discussed below.

IFRS 9 Financial Instruments

The Funds are required to adopt IFRS 9 Financial Instruments from 1 January 2018. IFRS 9 replaces IAS 39 Financial Instruments: Recognition and Measurement. It includes revised guidance on the classification and measurement of financial instruments, a new expected credit loss model for calculating impairment on financial assets and new general hedge accounting requirements. It also carries forward the guidance on recognition and derecognition of financial instruments from IAS 39.

Classification of financial assets and financial liabilities

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets are managed and their cash flow characteristics.

The standard includes three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and FVTPL. It eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale.

1. BASIS OF PREPARATION - continued

Standards and amendments to existing standards effective during the period - continued

IFRS 9 Financial Instruments - continued

Classification of financial assets and financial liabilities - continued

Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never bifurcated. Instead, the whole hybrid instrument is assessed for classification.

IFRS 9 largely retains the existing requirements in IAS 39 for the classification of financial liabilities. However, although under IAS 39 all fair value changes of liabilities designated as at FVTPL are recognised in profit or loss, under IFRS 9 these fair value changes are generally presented as follows:

- the amount of change in the fair value that is attributable to changes in the credit risk of the liability is presented in OCI; and
- the remaining amount of change in the fair value is presented in profit or loss.

Based on the Funds' assessment, this standard does not have a material impact on the classification of financial assets and financial liabilities of the Funds. This is because:

- the financial instruments classified as held-for-trading under IAS 39 will continue to be classified as such under IFRS 9;
- financial instruments currently measured at FVTPL under IAS 39 are designated into this category because they are managed on a fair value basis in accordance with a documented investment strategy. Accordingly, these financial instruments will be mandatorily measured at FVTPL under IFRS 9; and
- financial instruments currently measured at amortised cost are accrued income, other receivables, cash and cash equivalents and other payables. These instruments meet the solely payments of principal and interest (SPPI) criterion and are held in a held-to-collect business model. Accordingly, they will continue to be measured at amortised cost under IFRS 9.

Impairment of financial assets

IFRS 9 replaces the 'incurred loss' model in IAS 39 with a forward-looking 'expected credit loss' (ECL) model. This will require considerable judgement about how changes in economic factors affect ECLs, which will be determined on a probability-weighted basis.

The new impairment model will apply to financial assets measured at amortised cost or FVOCI, except for investments in equity instruments.

Under IFRS 9, loss allowances will be measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from possible default events within the 12 months after the reporting date; and
- lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

Based on the Funds' assessment, changes to the impairment model are not expected to have a material impact on the financial assets of the Funds. This is because:

- the majority of the financial assets are measured at FVTPL and the impairment requirements do not apply to such instruments; and
- the financial assets at amortised cost are of a relatively short-term nature and of high credit quality. Accordingly, the ECLs on such assets are expected to be small.

Hedge accounting

The Funds do not apply hedge accounting; therefore, IFRS 9 hedge accounting-related changes do not have an impact on the financial statements of the Funds.

1. BASIS OF PREPARATION - continued

Standards and amendments to existing standards effective during the period - continued

IFRS 9 Financial Instruments - continued

Disclosures

IFRS 9 will require extensive new disclosures, in particular about credit risk and ECLs. The Funds shall carry out an analysis to identify data gaps against current processes and design systems and control changes that it believes will be necessary to capture the required data.

Transition

Changes in accounting policies resulting from the adoption of IFRS 9 will generally be applied retrospectively, except as described below.

- The Funds will take advantage of the exemption allowing it not to restate comparative information for prior periods with respect to classification and measurement (including impairment) changes. Differences in the carrying amounts of financial assets and financial liabilities resulting from the adoption of IFRS 9 will be recognised in retained earnings and reserves as at 1 May 2018.
- Assessments have to be made by the Funds on the basis of the facts and circumstances that exist at the date of initial application.
- The determination of the business model within which a financial asset is held.

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' period-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 assets and liabilities at fair value through profit or loss'.

3. FINANCIAL ASSETS AND LIABILITIES

(a) Classification

The Funds classify their financial assets and liabilities into two categories being financial assets and liabilities designated at fair value through profit or loss, and loans and receivables. The classification is dependent on the purpose for which the investments were acquired. The Investment Manager determines the appropriate classification of investments at the time of purchase and re-evaluate such designation at the reporting date.

The category 'financial assets and liabilities at fair value through profit or loss' has two sub-categories being those designated at inception and those held for trading.

- Financial assets and liabilities designated at fair value through profit or loss at inception are those that are managed and their performance evaluated on a fair value basis in accordance with the BOV Investment Funds' documented investment strategy and/or to eliminate or significantly reduce an accounting mismatch.

3. FINANCIAL ASSETS AND LIABILITIES - continued

(a) Classification - continued

- Financial assets and liabilities held for trading are those that are acquired or incurred principally for the purpose of selling or repurchasing in the near term or if on initial recognition, it is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are also categorised as held for trading. The BOV Investment Funds do not classify any derivatives as hedges in a hedging relationship.

'Loans and receivables' are non-derivative financial assets with fixed and determinable payments that are not quoted in an active market. Loans and receivables consist of accrued income, other receivables and cash and cash equivalents.

(b) Recognition, de-recognition and measurement

Purchases and sales of investments are recognised on trade date, the date on which the Funds commit to purchase or sell the asset. Investments are initially recognised at fair value, and transaction costs for all financial assets and liabilities carried at fair value through profit or loss are expensed as incurred. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the Funds have transferred substantially all risks and rewards of ownership. Financial assets and liabilities at fair value through profit or loss are subsequently re-measured at fair value. Realised and unrealised gains and losses arising from changes in the 'fair value of the financial assets and liabilities at fair value through profit or loss' category are included in the Statements of Comprehensive Income in the period in which they arise. Loans and receivables are carried at amortised cost using the effective interest method less any provision for impairment. Amortised cost is the initial measurement amount adjusted for the amortisation of any difference between the initial and maturity amounts using the effective interest method. All derivatives are carried as assets when fair value is positive and as liabilities when fair value is negative.

Fair value estimation

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial 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.

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). A provision for impairment of other receivables is established when there is objective evidence that the Funds will not be able to collect all amounts due. These are recognised within the Statements of Comprehensive Income.

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 period-end if the unitholders exercises 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

All distributions from financial assets included in the Statements of Comprehensive Income are recognised on the date on which the stock is quoted ex-dividend. Interest income from financial assets not classified at 'fair value through profit or loss' is recognised using the effective interest method. Other gains or losses, arising from changes in the fair value of the financial assets and liabilities at fair value through profit or loss category are presented in the Statements of Comprehensive Income within net gain on financial assets at fair value through income in the period in which they arise.

7. EXPENSES

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

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. 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 2018, the BOV Investment Funds consisted 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 2018 €	% of net assets 2018
<i>Financial assets designated at fair value through profit or loss at inception</i>		
Quoted local corporate bonds	1,605,731	3.68
Quoted foreign corporate bonds	15,279,940	35.06
Collective investment schemes	19,454,513	44.63
Exchange traded funds	5,700,679	13.08
	<u>42,040,863</u>	<u>96.45</u>
 <i>Financial liabilities held for trading (derivatives)</i>		
Forward foreign exchange contracts	<u>373,763</u>	<u>0.86</u>

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

BOV Balanced Portfolio Fund	Fair value 2018 €	% of net assets 2018
<i>Financial assets designated at fair value through profit or loss at inception</i>		
Quoted local corporate bonds	76,340	0.81
Quoted foreign corporate bonds	1,868,887	19.83
Collective investment schemes	3,535,115	37.51
Exchange traded funds	3,301,028	35.03
	<u>8,781,370</u>	<u>93.18</u>
 <i>Financial liabilities held for trading (derivatives)</i>		
Forward foreign exchange contracts	<u>65,921</u>	<u>0.70</u>
 BOV Growth Portfolio Fund		
	Fair value 2018 €	% of net assets 2018
<i>Financial assets designated at fair value through profit or loss at inception</i>		
Quoted foreign corporate bonds	137,069	5.14
Collective investment schemes	784,165	29.41
Exchange traded funds	1,686,976	63.28
	<u>2,608,210</u>	<u>97.83</u>
 <i>Financial liabilities held for trading (derivatives)</i>		
Forward foreign exchange contracts	<u>15,210</u>	<u>0.57</u>

4. OTHER RECEIVABLES AND PREPAYMENTS

	BOV Conservative Portfolio Fund	BOV Balanced Portfolio Fund	BOV Growth Portfolio Fund
	2018	2018	2018
	€	€	€
Amounts receivable for creation of shares	1,538,795	240,841	4,809
Other receivables and prepayments	726	1,390	2,322
	<u>1,539,521</u>	<u>242,231</u>	<u>7,131</u>

5. ACCRUED INCOME

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

6. ACCRUED EXPENSES AND OTHER PAYABLES

	BOV Conservative Portfolio Fund	BOV Balanced Portfolio Fund	BOV Growth Portfolio Fund
	2018	2018	2018
	€	€	€
<i>Accrued expenses</i>			
Service fees	13,582	2,935	847
Administration fees	3,287	816	237
Custodian fees	1,117	326	326
Other expenses	17,113	5,478	2,813
	<u>35,099</u>	<u>9,555</u>	<u>4,223</u>
<i>Other payables</i>			
Distribution payable	<u>536,073</u>	<u>-</u>	<u>-</u>

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.

	BOV Conservative Portfolio Fund	BOV Balanced Portfolio Fund	BOV Growth Portfolio Fund
	2018	2018	2018
	€	€	€
Creation of Accumulator units	23,805,521.644	9,599,344.214	2,809,357.771
Creation of Distributor units	23,111,949.276	234,450.497	-
Redemption of Accumulator units	(1,195,482.811)	(421,015.891)	(127,811.338)
Redemption of Distributor units	(1,101,450.160)	-	-
Accumulator units in issue at end of period	22,610,038.834	9,178,328.322	2,681,546.433
Distributor units in issue at end of period	22,010,499.116	234,450.497	-

Capital risk management

The amount of net asset 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 the sub-funds' 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 14, 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.

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 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 period end, and presented in the Statements of Financial Position.

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

	BOV Conservative Portfolio Fund	BOV Balanced Portfolio Fund	BOV Growth Portfolio Fund
	€	€	€
Net assets attributable to holders of redeemable units (at trading value)	43,603,450	9,438,562	2,681,000
Adjustment for organisation costs	(15,022)	(15,022)	(15,022)
Net assets attributable to holders of redeemable units (as per IFRS)	43,588,428	9,423,540	2,665,978

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 period ended 30 April 2018 are disclosed in the Statements of Comprehensive Income. The outstanding balance as at period-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 NAV of the sub-funds. A minimum fee of €11,000 per annum is applicable. The minimum fee for the first 15 months is waived.

Fees incurred during the period ended 30 April 2018 are disclosed in the Statements of Comprehensive Income. The outstanding balance as at period-end is disclosed in note 6.

c) Custodian fees

Bank of Valletta p.l.c. is entitled to receive custody fees of 0.03% of the NAV of the sub-funds, subject to a minimum fee of €10,000 per annum (the minimum fee for the first year is €3,500 and for the second year is €7,000).

Fees incurred during the period ended 30 April 2018 are disclosed in the Statements of Comprehensive Income. The outstanding balances as at period-end are disclosed in note 6.

9. FEES - continued

d) Auditor's remuneration

Fees charged by the auditor (exclusive of VAT) for services rendered during the financial period ended 30 April 2018 relate to:

	BOV Conservative Portfolio Fund 2018 €	BOV Balanced Portfolio Fund 2018 €	BOV Growth Portfolio Fund 2018 €
Annual statutory audit	<u>10,113</u>	<u>2,238</u>	<u>649</u>

10. DISTRIBUTIONS TO UNITHOLDERS

Distributions reflected in the relative Statements of Comprehensive Income for period ended 30 April 2018:

	Ex-dividend date	Rate per share	Amount
BOV Conservative Portfolio Fund	27 April 2017	0.000379	2,251
BOV Conservative Portfolio Fund	27 April 2018	0.024340	535,735

All income attributable to the distributor units has been declared and the distribution payable as at 30 April 2018 is disclosed in note 6.

11. TAX EXPENSE ON INCOME

The tax regime for collective investment schemes in Malta is based on the classification of funds into prescribed or non-prescribed funds in terms of the conditions set out in the Collective Investment Schemes (Investment Income) Regulations, 2001, as amended. In general, a prescribed fund is defined as a resident fund, which has declared that the value of its assets situated in Malta amount to at least 85% of the value of the total assets of the fund. A non-prescribed fund is a fund which does not qualify as a prescribed fund.

Any fund which is classified as a prescribed fund for Maltese income tax purposes would be subject to Maltese income tax on its investment income as defined in the Maltese Income Tax Act at a rate of 10% or 15% depending on the nature of the income. Gains derived by Maltese resident investors on the transfer of units in a prescribed fund are in principle subject to income tax. However, a tax exemption applies in respect of transfers of securities by Maltese resident investors in prescribed funds listed on the Malta Stock Exchange where those units are held as capital assets.

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

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 effect 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 personal income tax return and will be subject to tax at the normal rates of tax.

11. TAX EXPENSE ON INCOME - continued

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

In respect of any distributions by the Funds to the unitholders, dividends paid from Malta source taxed profits, Malta source profits which are exempt from tax up to the level of the ultimate shareholder, 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 (income allocated to such an account would typically include inter alia "investment income" as defined in the Maltese Income Tax Act received by a prescribed fund), 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 its Untaxed Account or distributions of any Malta source profits which are not subject to tax and which are allocated to its 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.

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 period are disclosed in the Statements of Comprehensive Income and the outstanding service fees at period 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 period are disclosed in the Statements of Comprehensive Income and the outstanding custodian fees at period end are detailed in note 6.

As at 30 April 2018, the following bank balances are held with Bank of Valletta p.l.c.:

	30.04.2018
	€
BOV Conservative Portfolio Fund	780,545
BOV Balanced Portfolio Fund	457,917
BOV Growth Portfolio Fund	69,452

As at 30 April 2018, BOV Conservative Portfolio Fund held bonds issued by Bank of Valletta p.l.c amounting to €413,023.

12. RELATED PARTIES - continued

As at 30 April 2018, 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	BOV Balanced Portfolio Fund	BOV Growth Portfolio Fund
	30.04.2018	30.04.2018	30.04.2018
	Number of shares	Number of shares	Number of shares
Euro Income Fund B1 - Accumulator	-	-	63,942.855
Euro Income Fund B2 - Monthly Distributor	3,044,159.965	540,119.503	-
Far East Opportunities Fund	-	51,122.885	25,662.435
Global Themed Fund - USD Class	3,764,832.750	1,352,089.024	411,370.227
High Yield Fund - EUR Class	4,188.233	179,446.646	34,053.206
Malta Bond Fund - Distributor	7,387.942	-	-
Malta Fund - Distributor	5,485.571	-	-
Malta Government Bond Fund - Distributor	19.855	-	-
Maltese Equity Focus Fund - Distributor	-	30,327.739	-
Sterling Income Fund	1,408,260.088	182,618.257	-

(iii) The Investment Manager appointed BOV Fund Services Limited as administrator to the BOV Investment Funds. The fees due for the reporting period are disclosed in the Statements of Comprehensive Income and the outstanding administration fees at period end are detailed in note 6.

13. CASH AND CASH EQUIVALENTS

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

	30.04.2018	% of net
	€	assets
BOV Conservative Portfolio Fund	780,545	1.79
BOV Balanced Portfolio Fund	457,917	4.86
BOV Growth Portfolio Fund	69,452	2.61

14. 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.

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 April 2018 % of net assets
BOV Conservative Portfolio Fund	72.54
BOV Balanced Portfolio Fund	57.71
BOV Growth Portfolio Fund	92.69

(b) Currency Risk

Market risk includes currency risk, whereby currency fluctuations between the functional currencies 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. Sensitivity to currency risk is included in the overall VaR measure presented below.

BOV Conservative Portfolio Fund 30 April 2018

	Functional currency €	GBP % of net assets	USD % of net assets
Total financial assets		3.77	49.29
Financial derivative instruments (FX forwards)		(3.62)	(43.57)
Net exposure		0.15	5.72

14. FINANCIAL RISK MANAGEMENT - continued

Market Risk - continued

(b) Currency Risk - continued

BOV Balanced Portfolio Fund

30 April 2018

	Functional currency €	GBP % of net assets	USD % of net assets
Total financial assets		2.26	50.17
Financial derivative instruments (FX forwards)		(2.17)	(35.36)
Net exposure		<u>0.09</u>	<u>14.81</u>

BOV Growth Portfolio Fund

30 April 2018

	Functional currency €	USD % of net assets
Total financial assets		52.82
Financial derivative instruments (FX forwards)		29.04
Net exposure		<u>23.78</u>

(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 below.

	Assets held at fixed rates 30.04.2018 % of NAV	Assets held at variable rates 30.04.2018 % of NAV
BOV Conservative Portfolio Fund	30.34	10.19
BOV Balanced Portfolio Fund	14.94	10.56
BOV Growth Portfolio Fund	-	7.75

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.

14. FINANCIAL RISK MANAGEMENT - continued

Market Risk - continued

(c) Interest Rate Risk - continued

Maturities of debt securities as at 30 April 2018

	up to 1 year	1 to 5 years	5 to 15 years
	€	€	€
BOV Conservative Portfolio Fund	112,991	9,185,092	7,587,588
BOV Balanced Portfolio Fund	-	1,043,042	902,185
BOV Growth Portfolio Fund	-	69,610	67,459

(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 2018

BOV Conservative Portfolio Fund	2.085
BOV Balanced Portfolio Fund	3.733
BOV Growth Portfolio Fund	5.647

14. FINANCIAL RISK MANAGEMENT - continued

Market Risk - continued

(c) Interest Rate Risk - 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 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. 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
2018	€	€	€
Debt securities	16,885,671	1,945,227	137,069
AA	1.60%	1.79%	-
A	11.79%	7.80%	2.53%
BBB	22.59%	10.23%	2.61%
Not Rated	2.75%	0.81%	-

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.

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) and forward exchange contracts (disclosed under currency risk) are held and transacted with BOV, which is rated BBB.

14. FINANCIAL RISK MANAGEMENT - continued

Credit Risk - continued

The derivative transactions are entered into under International Derivatives Swaps and Dealers 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. As at 30 April 2018, no variation margin had been posted or received by the Funds.

Liquidity Risk

The Funds are exposed to daily 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.

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).

14. FINANCIAL RISK MANAGEMENT - continued

Liquidity Risk - continued

Fair value hierarchy - continued

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

BOV Conservative Portfolio Fund

As at 30 April 2018

Assets

	Level 1	Level 2	Total
	€	€	€
<i>Fair value through profit or loss</i>			
Quoted local corporate bonds	-	1,605,731	1,605,731
Quoted foreign corporate bonds	15,279,940	-	15,279,940
Collective investment schemes	19,454,513	-	19,454,513
Exchange traded funds	5,700,679	-	5,700,679
	<u>40,435,132</u>	<u>1,605,731</u>	<u>42,040,863</u>

Liabilities

Fair value through profit or loss

Foreign exchange contracts	-	(373,763)	(373,763)
	<u>-</u>	<u>(373,763)</u>	<u>(373,763)</u>

BOV Balanced Portfolio Fund

As at 30 April 2018

Assets

	Level 1	Level 2	Total
	€	€	€
<i>Financial value through profit or loss</i>			
Quoted local corporate bonds	-	76,340	76,340
Quoted foreign corporate bonds	1,868,887	-	1,868,887
Collective investment schemes	3,535,115	-	3,535,115
Exchange traded funds	3,301,028	-	3,301,028
	<u>8,705,030</u>	<u>76,340</u>	<u>8,781,370</u>

14. FINANCIAL RISK MANAGEMENT - continued

Liquidity Risk - continued

Fair value hierarchy - continued

As at 30 April 2018

Liabilities

Financial value through profit or loss

Foreign exchange contracts	-	(65,921)	(65,921)
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BOV Growth Portfolio Fund

As at 30 April 2018

Assets

	Level 1	Level 2	Total
	€	€	€
<i>Fair value through profit or loss</i>			
Quoted foreign corporate bonds	137,069	-	137,069
Collective investment schemes	784,165	-	784,165
Exchange traded funds	1,686,976	-	1,686,976
	<u>2,608,210</u>	<u>-</u>	<u>2,608,210</u>

Liabilities

Fair value through profit or loss

Foreign exchange contracts	-	(15,210)	(15,210)
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15. SUBSEQUENT EVENTS

There are no subsequent events which impact the financial statements as at 30 April 2018.

Portfolio Statements

30 April 2018

BOV Conservative Portfolio Fund	Market value €	% of net Assets
Exchange Traded Funds		
<i>France</i>		
Amundi ETF MSCI Europe Industr	85,176	
Lyxor STOXX Europe 600 Automob	124,397	0.20
		0.29
<i>Germany</i>		
iShares EURO STOXX Banks 30-15	561,236	
iShares EURO STOXX Select Divi	725,125	1.29
UBS Irl ETF Plc - Factor MSCI	67,202	1.66
Xtrackers MSCI World Consumer	449,029	0.15
		1.03
<i>Ireland</i>		
iShares Global Corp Bond EUR H	516,575	
iShares MSCI Japan EUR Hedged	74,409	1.19
iShares Physical Gold ETC	844,327	0.17
UBS ETF-MSCI Canada UCITS ETF	170,945	1.94
		0.39
<i>Italy</i>		
Boost WTI Oil ETC	130,478	
		0.30
<i>Luxembourg</i>		
Xtrackers CAC 40 UCITS ETF	263,583	
Xtrackers DAX Income UCITS ETF	122,224	0.60
		0.28
<i>Netherlands</i>		
SPDR MSCI World Industrials UC	84,437	
		0.19
<i>United Kingdom</i>		
iShares Edge MSCI USA Quality	65,135	
iShares EUR Corp Bond BBB-BB U	1,269,714	0.15
Lyxor Russell 1000 Value UCITS	63,592	2.91
Robo Global Robotics and Autom	83,094	0.15
		0.19
Quoted Local Corporate Bonds		
6.00% AX Investments 2024	37,146	
3.75% Bortex Group Finance p.l.c. 2027	86,932	0.09
4.25% Bank of Valletta p.l.c. 2019	165,242	0.20
4.80% Bank of Valletta p.l.c. 2018	108,991	0.38
4.80% Bank of Valletta p.l.c. 2020	134,718	0.25
5.35% Bank of Valletta p.l.c. 2019	4,072	0.31
4.25% GAP Secured Bonds 2023	213,616	0.01
4.50% Grand Harbour Marina 2027	109,097	0.49
5.90% HSBC Bank Malta p.l.c. 2018	4,000	0.25
		0.01

Portfolio Statements - continued

30 April 2018

BOV Conservative Portfolio Fund - continued

Quoted Local Corporate Bonds - continued

5.75% International Hotel Investments 2025 5.80%		
International Hotel Investments 2021 6.00% Island	40,313	0.09
Hotels Group Holdings 2024	45,134	0.10
	6,976	0.02
5.50% Pendergardens Dev p.l.c. 2020	3,708	0.01
4.35% SD Finance p.l.c. 2027	90,393	0.21
4.00% Stivala Gr Finance p.l.c. 2027	198,673	0.46
3.75% Tumas Investments 2027	356,720	0.82

Quoted Foreign Corporate Bonds

4.75% Abn Amro Bank Nv 2025	314,600	0.72
4.38% Barclays Plc 2024	423,494	0.97
5.20% Barclays Plc 2026	248,302	0.57
Bank Of America Corp Frn 2026	1,072,028	2.46
2.95% Bnp Paribas 2022	180,855	0.41
5.95% Cimic Finance Usa Pty Lt 2022	43,336	0.10
Citigroup Inc Frn 2021	832,770	1.91
8.125% Commerzbank Ag 2023	738,822	1.69
3.38% Credit Agricole London 2022	286,043	0.66
Deutsche Bank Ny Frn 2023	799,622	1.83
8.75% Deutsche Telekom Int Fin 2030	547,205	1.26
2.75% Enel Finance Intl Nv 2023	158,492	0.36
3.22% Ford Motor Credit Co Llc 2022	680,450	1.56
4.25% Ford Motor Credit Co Llc 2022	437,902	1.00
4.25% General Motors Finl Co 2023	460,120	1.06
General Motors Finl Co Frn 2022	956,151	2.19
4.88% General Motors Co 2023	379,679	0.87
4.13% Glencore Funding Llc 2023	61,959	0.14
4.25% Glencore Finance Canada 2022	83,802	0.19
4.25% Goldman Sachs Group Inc 2025	368,533	0.85
2.75% Heineken Nv 2023	360,015	0.83
4.25% Hsbc Holdings Plc 2024	197,947	0.45
3.10% Hyundai Capital America 2022	100,685	0.23
3.00% Hyundai Capital Services 2022	158,987	0.36
5.80% Ing Bank Nv 2023	177,305	0.41
3.15% Ing Groep Nv 2022	468,921	1.08
3.00% Lloyds Banking Group Plc 2022	283,441	0.65
2.75% Morgan Stanley 2022	76,203	0.17
4.88% Morgan Stanley 2022	991,139	2.27
5.00% Morgan Stanley 2025	445,362	1.02
4.25% Nordea Bank Ab 2022	696,798	1.60
3.50% Petroleos Mexicanos 2023	54,592	0.13
4.63% Petroleos Mexicanos 2023	57,168	0.13
4.88% Petroleos Mexicanos 2024	57,619	0.13
3.875% Royal Bk Scotlnd Grp Plc 2023	346,221	0.79
5.00% Santander Uk Plc 2023	170,194	0.39
3.25% Societe Generale 2022	945,696	2.17
5.00% Societe Generale 2024	381,164	0.87

Portfolio Statements - continued
30 April 2018
BOV Conservative Portfolio Fund - continued

	Market value 30.04.18 €	% of net Assets
2.65% Ubs Group Funding Switze 2022	159,320	0.37
3.45% Wells Fargo & Company 2023	76,998	0.18

Collective Investment Schemes

Vilhena Euro Income Fund	7,963,523	18.27
Vilhena Global Themed Fund	4,480,593	10.28
Vilhena High Yield Fund	3,106	0.01
Vilhena Malta Bond Fund	2,504,254	5.75
Vilhena Malta Fund	2,851,855	6.54
Vilhena Malta Government Bond Fund	6,268	0.01
Vilhena Sterling Income Fund	1,644,915	3.77

**Derivatives – Forward Foreign Exchange
Contracts**

	Fair Value	Notional Amount €	% of net Assets
Sale of Sterling against Euro maturing on 21 June 2018	(100)	1,386,000	0.00
Sale of United States Dollar against Euro maturing on 21 June 2018	(373,663)	23,037,500	(0.86)

BOV Balanced Portfolio Fund
Exchange Traded Funds

	Market value 30.04.18 €	% of net Assets
<i>France</i>		
Amundi ETF MSCI Europe Industr		
Lyxor EURO STOXX Banks DR UCIT	36,808	0.39
Lyxor STOXX Europe 600 Automob	186,501	1.98
	164,804	1.75
<i>Germany</i>		
iShares EURO STOXX Banks 30-15		
UBS Irl ETF Plc - Factor MSCI	69,027	0.73
Xtrackers MSCI World Consumer	130,126	1.38
	157,592	1.67
<i>Ireland</i>		
iShares Euro Total Market Valu		
iShares Global Corp Bond EUR H	321,132	3.41
iShares MSCI Japan EUR Hedged	464,968	4.93
iShares Physical Gold ETC	46,410	0.49
UBS ETF-MSCI Canada UCITS ETF	123,285	1.31
Xtrackers S&P 500 UCITS ETF	158,187	1.68
	150,862	1.60
<i>Italy</i>		
Boost WTI Oil ETC		
	38,528	0.41
<i>Luxembourg</i>		
Xtrackers CAC 40 UCITS ETF	194,267	2.06
Xtrackers DAX Income UCITS ETF	89,167	0.95

Portfolio Statements - continued
30 April 2018

BOV Balanced Portfolio Fund - continued

	Market value 30.04.18 €	% of net Assets
Exchange Traded Funds - continued		
<i>Netherlands</i>		
SPDR MSCI World Industrials UC	36,453	0.39
<i>United Kingdom</i>		
iShares Edge MSCI USA Quality	149,901	1.59
iShares EUR Corp Bond BBB-BB U	125,171	1.33
Lyxor Russell 1000 Value UCITS	261,074	2.77
Robo Global Robotics and Autom	35,861	0.38
Vanguard FTSE Developed World	360,902	3.83
Quoted Local Corporate Bonds		
5.10% 6Pm Holdings p.l.c. 2025	1,791	0.02
3.75% Bortex Group Finance p.l.c. 2027	34,773	0.37
4.00% Stivala Gr Finance p.l.c. 2027	39,776	0.42
Quoted Foreign Corporate Bonds		
Bank Of America Corp Frn 2026	204,815	2.17
Citigroup Inc Frn 2021	125,637	1.33
8.13% Commerzbank Ag 2023	190,664	2.02
8.75% Deutsche Telekom Int Fin 2030	51,300	0.54
4.25% General Motors Finl Co 2023	62,516	0.66
4.88% General Motors Co 2023	59,725	0.63
General Motors Finl Co Frn2022	207,010	2.20
4.25% Glencore Finance Canada 2022	41,901	0.44
4.25% Goldman Sachs Group Inc 2025	57,327	0.61
2.75% Heineken Nv 2023	60,002	0.64
3.10% Hyundai Capital America 2022	28,192	0.30
2.75% Morgan Stanley 2022	140,374	1.49
4.88% Morgan Stanley 2022	129,167	1.37
5.00% Morgan Stanley 2025	30,092	0.32
4.25% Nordea Bank Ab 2022	168,921	1.79
5.00% Societe Generale 2024	169,406	1.80
3.45% Wells Fargo & Company 2023	141,838	1.51
Collective Investment Schemes		
Vilhena Euro Income Fund	1,412,953	14.99
Vilhena Far East Opportunities Fund	84,656	0.90
Vilhena Global Themed Fund	1,609,147	17.08
Vilhena High Yield Fund	133,078	1.41
Vilhena Maltese Equity Focus Fund	81,976	0.87
Vilhena Sterling Income Fund	213,307	2.26
Derivatives – Forward Foreign Exchange Contracts		
Sale of Sterling against Euro maturing on 21 June 2018	(13)	0.00
Sale of United States Dollar against Euro maturing on 21 June 2018	(65,908)	(0.70)

Portfolio Statements - continued
30 April 2018

BOV Growth Portfolio Fund
Exchange Traded Funds
France

	Market value 30.04.18 €	% of net Assets
Amundi ETF MSCI Europe Industr	9,430	0.35
Lyxor EURO STOXX Banks DR UCIT	109,726	4.12
Lyxor STOXX Europe 600 Automob	73,131	2.74

Germany

SPDR Bloomberg Barclays 3-10 Y	150,567	5.65
UBS Irl ETF Plc - Factor MSCI	97,472	3.66
Xtrackers MSCI World Consumer	72,766	2.73

Ireland

iShares Euro Total Market Valu	290,127	10.88
iShares MSCI Japan EUR Hedged	27,795	1.04
iShares Physical Gold ETC	21,963	0.82
UBS ETF-MSCI Canada UCITS ETF	65,112	2.44
Xtrackers S&P 500 UCITS ETF	95,411	3.58

Italy

Boost WTI Oil ETC	48,292	1.81
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Luxembourg

Xtrackers CAC 40 UCITS ETF	94,465	3.54
Xtrackers DAX Income UCITS ETF	85,578	3.21

Netherlands

SPDR MSCI World Industrials UC	9,473	0.36
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United Kingdom

iShares Edge MSCI USA Quality	56,298	2.11
Lyxor Russell 1000 Value UCITS	159,036	5.97
Robo Global Robotics and Autom	31,817	1.19
Vanguard FTSE Developed World	188,516	7.07

Quoted Corporate Bonds

Bank Of America Corp FRN 2016	67,459	2.53
Citigroup Inc FRN 2021	69,610	2.61

Collective Investment Schemes

Vilhena Euro Income Fund	226,837	8.51
Vilhena Far East Opportunities Fund	42,495	1.59
Vilhena Global Themed Fund	489,580	18.36
Vilhena High Yield Fund	25,254	0.95

Derivatives – Forward Foreign Exchange Contracts

	Fair Value	Notional Amount	
Sale of United States Dollar against Euro maturing on 21 June 2018	(15,210)	939,000	(0.57)

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 period ended 30 April 2018, 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 AND OTHER FEES

	BOV Conservative Portfolio Fund	BOV Balanced Portfolio Fund	BOV Growth Portfolio Fund
Upfront Fees	0%	0%	0%
Exit Fees	0%	0%	0%
Service Fee	0.35%	0.35%	0.35%
Administration Fee	0.10%	0.10%	0.10%
Custody Fee	0.03%	0.03%	0.03%

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	1.16%
BOV Balanced Portfolio Fund	1.35%
BOV Growth Portfolio Fund	1.66%

5. NOTIONAL EXPOSURES

As at 30 April 2018, 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.

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 realize 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.

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.

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.

6. RISK FACTORS - continued

Use of FDIs - 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.

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.

6. RISK FACTORS - continued

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.

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.

6. RISK FACTORS - continued

Risk relating to Omnibus Accounts - continued

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 thirty per cent (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 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 fails 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).

6. RISK FACTORS - continued

Common Reporting Standard Risks - continued

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 Unit Holder.

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.

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.

6. RISK FACTORS - continued

Common Reporting Standard Risks - continued

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 members of identified staff and other employees of the Investment Manager are compensated through a fixed salary which is paid in cash. None of the members of the staff are entitled to performance based or variable components of remuneration; hence the rules relating to variable remuneration are not applicable. There is also no separate remuneration committee. This remuneration structure is justifiable and proportionate on the basis of an assessment of size, internal organisation as well as the nature, scope and complexity of the activities the Investment Manager carries out.

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 period ended 30 April 2018, and does not omit any matter or development of significance.



TG Complex, Suite 2, Level 3, Triq il-Birrerija, L-Imrieħel, BKR 3000, Malta.
Telephone: (00356) 21 227311 Fax: (00356) 2275 5661
www.bovassetmanagement.com infoassetmanagement@bov.com