



BOV INVESTMENT FUNDS

Interim Report and Unaudited Financial Statements 2019

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For the period ended 31 October 2019

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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 31 October 2019, the BOV Investment Funds consisted of three separate Funds, the BOV Balanced Portfolio Fund, the BOV Conservative Portfolio Fund and the BOV Growth Portfolio Fund (collectively the "Funds"). The BOV Investment Funds has no employees.

Changes to the Documents during the reporting period

There were no changes to the Prospectus and Offering Supplements of the BOV Investment Funds during the period under review.

Investment Manager's Report

During the second quarter of 2019, the S&P 500 set a new record high mostly brought about by continued dovishness from the Federal Reserve and investor confidence of progress in trade tensions by the end of June. Comments by President Trump about possible tariffs on Mexican imports, and an extension to the existing suite of Chinese goods that are taxed on import, led to a sharp market sell-off in May. The situation improved slightly in June as signs of progress in talks with China emerged and with Trump also suspending Mexican tariffs. Looking at US economic data, figures were mixed during the quarter. US annualized GDP came in at 3.1% for Q1, almost in line with expectations. Employment data remained encouraging despite a slight slowdown in June, with a stable unemployment rate at a 49-year low. Both consumer and business confidence indices weakened during the second quarter. The Fed kept away from cutting rates during its June meeting, however indications of easier monetary policies crept up. Cyclical sectors, including financials, materials and IT, were the best performers for Q2, whilst defensives made modest gains. Moving on to Q3, US equities made modest gains despite increasing concerns about the US-China trade deal and economic growth. Growth jitters were most pronounced during August. The Fed's message was overall dovish and as expected cut rates by 25 basis points in both July and September. Recession fears became a reality during the quarter as the US yield curve inverted, a phenomenon which often precedes recessions. In addition to the elusive US-China trade situation, increasing speculation over possible impeachment proceedings against President Trump added to the uncertainty. US economic data remained stable over the quarter. In contrast to the second quarter of the year, during Q3, the best performing sectors proved to be the less economically sensitive areas of the market, including utilities, real estate and consumer staples. Both energy and materials lagged the market as expectation of a more challenging demand environment increased.

Within the Eurozone, equities performed positively during the second quarter of the year, albeit a sharp drop during the month of May. The lack of further trade war escalation during June helped the market recover from the pull-back experienced in May. GDP data for the first quarter was confirmed at 0.4% quarter-on-quarter. Inflation for June stood stable at 1.2%, still far from the ECB's target of 2%. At this point, the European Central Bank's president, Mario Draghi affirmed that he was willing to increase monetary policy easing if inflation outlook fails to improve. Forward-looking economic survey results have been quite mixed. PMI reached a seven-month high of 52.1 in June, a number greater than 50 indicating improving economic conditions. One of the indicator's elements, manufacturing, however remained at contraction levels. Cyclical sectors proved to be the best performers for the quarter, including IT, consumer discretionary and industrials. As expected, areas directly impacted by the trade-war saga, such as semiconductors and autos were much more volatile as tensions persisted. During Q3, European equities performed positively albeit ongoing concerns over trade wars and global growth. Economic data remained subdued, with growth figures confirmed at just 0.2% for Q2. Inflation stood at 1.0% in August compared to 2.1% for the same month in the previous year. The quarter was dominated with chatter of more upcoming monetary easing by the ECB. In fact, as anticipated, Mario Draghi restarted quantitative easing in September, committing to buying more assets until the ECB's inflation target is achieved. Draghi's term as president of the ECB came to an end in October and was replaced by ex-IMF head Christina Lagarde. Defensive sectors, including utilities, real estate and consumer staples, were the best performers during Q3. The market saw a rotation in September with financials, being previously out of favour, leading to gains.

Within the fixed income space, the second quarter proved positive for both risky assets and government bonds alike, reflecting expectations of looser monetary policy and the possibility of a rate cut within the US. Dovish comments from both the ECB and Fed in mid-June cleared the way for further policy measures. The 10-year US Treasury yield fell over 40 basis points whilst the 10-year German Bund yield fell as much as 25 basis point to -0.33%. Corporate bond markets also traded upwards and outperformed government bonds. Investment grade debt outperformed high yield over the quarter as they tend to benefit more from dropping yields. During the third quarter, government bond yields continued declining in light of risk aversion brought about by the escalation in US-China trade tensions. In early-October, yields retraced slightly as US and China announced their intention to restart talks, leading to some optimism in the market. The ECB's announcement of a new round of stimulus in September helped market sentiment, however the Fed's rate cut disappointed the markets by downplaying the prospect of further easing. The US 10-year Treasury yield traded 30 basis points lower, ending the quarter at 1.67%, whilst in Europe, the 10-year German Bund yield fell 24 basis points to reach -0.57%. Once again, corporate bonds outperformed government bonds, benefiting from a drop in government yields and improved risk sentiment. As was the case in Q2, investment grade debt outperformed high yield during Q3.

Investment Manager's Report (continued)

In view of all the above discussed global factors and events, the BOV Investment Funds performed positively during the period under review. The BOV Conservative Portfolio Fund was the best performer for the period with a higher allocation to fixed income assets as mandated by its objective. The best contributor to performance for the fund was its allocation to US Investment Grade Debt and European Investment Grade debt respectively. The fund's moderate allocation to gold also provided a positive contribution over the period as precious metals delivered solid gains in both quarters, a flight to safe haven assets. During the review period, the asset allocation was shifted away from the cyclical equity sectors into defensive equities and fixed income assets in light of the heightened risk emanating from the US-China trade deal and global growth concerns. The shift in equity sector exposures provided positive performance contributions as the fund's exposure to real estate, utilities, health care and consumer staples fared better than contributions coming from cyclical sectors.

The BOV Balanced Portfolio Fund also performed positively during the period under review. The best contributor to performance for the fund was its allocation to US Investment Grade debt. Global equities were the second best contributor to performance for the fund. The shift toward defensive equities was also effected for the BOV Balanced Portfolio fund also with the intention to protect the fund from event headwinds. The only allocation within the fund which gave a negative contribution over the review period was the fund's moderate allocation to US energy stocks.

The BOV Growth Portfolio Fund returned a positive performance for the period, albeit its lower allocation to fixed income when compared to the other funds in the suite. During the period, the fund's allocation to US Investment Grade debt was the best contributor to performance. Allocations to defensive equity sectors ranked as best contributors to performance, following allocations to US dollar-denominated debt.

In terms of risk, fund risk levels remained unchanged and in line with the respective risk mandates over the review period albeit the increased level of market volatility stemming from geo-political tensions and conflicting economic data, as explained above. Stability in risk levels can only be ascertained through thorough diversification within the funds' asset allocations.

Objectives, Performance and Distribution

BOV Conservative Portfolio Fund

Investment Objective

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

Fund Performance - Accumulator Class of Units

During the period from 1 May 2019 to 31 October 2019, the unit price of the BOV Conservative Portfolio Fund accumulator class of units decreased by 2.99% from €1.004 to €1.034.

Fund Performance - Distributor Class of Shares

During the period from 1 May 2019 to 31 October 2019, the unit price of the BOV Conservative Portfolio Fund distributor class of units increased by 3.03% from €0.954 to €0.983.

Income Distribution

There were no dividends declared during the period ended 31 October 2019 in respect of the distributor class of units.

Investment Manager's Report (continued)

BOV Balanced Portfolio Fund

Investment Objective

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

Fund Performance - Accumulator Class of Units

During the period from 1 May 2019 to 31 October 2019, the unit price of the BOV Balanced Portfolio Fund accumulator class of shares increased by 2.24% from €1.025 to €1.048.

Fund Performance - Distributor Class of Units

During the period from 1 May 2019 to 31 October 2019, the unit price of the BOV Balanced Portfolio Fund accumulator class of shares increased by 2.31% from €0.997 to €1.020.

Income Distribution

There were no dividend declared during the period ended 31 October 2019 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 1 May 2019 to 31 October 2019, the unit price of the BOV Growth Portfolio Fund accumulator class of units increased by 1.36% from €1.031 to €1.045.

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)



To the Unitholders of BOV Investment Funds

Report on Review of Interim Financial Information

Introduction

We have reviewed the accompanying condensed interim statements of financial position of BOV Investment Funds (the 'Funds') on pages 11 to 24 as at 31 October 2019 and the related condensed interim statements of changes in net assets attributable to unitholders, comprehensive income, and cash flows for the six-month period then ended, and a summary of significant accounting policies and explanatory notes. The directors are responsible for the preparation and fair presentation of these interim financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU applicable to interim financial reporting (International Accounting Standard 34 'Interim Financial Reporting'). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements do not present fairly, in all material respects, the financial position of the Funds as at 31 October 2019, and of its financial performance and its cash flows for the six-month period then ended in accordance with International Accounting Standard 34 'Interim Financial Reporting'.

PricewaterhouseCoopers
78 Mill Street,
Qormi,
Malta

A handwritten signature in black ink, appearing to read 'L. Pace Ross', is written over the printed name.

Lucienne Pace Ross
Partner

18 December 2019

FINANCIAL STATEMENTS

UNAUDITED STATEMENTS OF FINANCIAL POSITION

	Note	BOV Conservative Portfolio 31.10.2019	BOV Conservative Portfolio 30.04.2019	BOV Balanced Portfolio 31.10.2019	BOV Balanced Portfolio 30.04.2019	BOV Growth Portfolio 31.10.2019	BOV Growth Portfolio 30.04.2019
		€	€	€	€	€	€
Assets							
Financial assets at fair value through profit or loss		50,539,627	50,423,459	11,791,787	11,612,274	5,804,437	4,999,049
Accrued income		129,200	151,865	13,112	14,213	882	1,137
Other receivables and prepayments		-	23,041	-	20,640	-	12,217
Cash and cash equivalents	6	393,816	259,350	122,346	16,130	130,433	96,902
Total assets		51,062,643	50,857,715	11,927,245	11,663,257	5,935,752	5,109,305
Liabilities							
Financial liabilities at fair value through profit or loss		82,866	317,904	10,654	63,983	-	15,687
Accrued expenses		60,896	43,110	18,904	11,631	10,933	6,731
Other payables		-	631,336	-	69,673	-	-
Total liabilities		143,762	992,350	29,558	145,287	10,933	22,418
Net assets attributable to unitholders		50,918,881	49,865,365	11,897,687	11,517,970	5,924,819	5,086,887
Units in issue							
Accumulator		24,408,845.16	24,800,014.41	10,143,736.10	10,109,064.72	5,676,584.35	4,941,745.02
Distributor		26,146,568.51	26,156,340.07	1,253,918.27	1,168,503.54	-	-
Net asset value per unit		1.034/0.983	1.004/0.954	1.048/1.020	1.025/0.997	1.045	1.031

The accounting policies

and notes on pages 15 to 24 are an integral part of the financial statements.

The financial statements on pages 11 to 24 were authorised for issue by BOV Asset Management Ltd on 18 December 2019 and were signed on its behalf by:

Director 

Director



BOV Asset Management Limited

BOV Asset Management Limited

FINANCIAL STATEMENTS (CONTINUED)

UNAUDITED STATEMENTS OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS

	BOV Conservative Portfolio	BOV Conservative Portfolio	BOV Balanced Portfolio	BOV Balanced Portfolio	BOV Growth Portfolio	BOV Growth Portfolio
	01.05.2019 - 31.10.2019	01.05.2018 - 31.10.2018	01.05.2019 - 31.10.2019	01.05.2018 - 31.10.2018	01.05.2019 - 31.10.2019	01.05.2018 - 31.10.2018
	€	€	€	€	€	€
Net assets at the beginning of the period	49,865,365	43,588,428	11,517,970	9,423,540	5,086,887	2,665,978
Issue of units during the period	2,999,881	11,089,589	1,115,003	3,263,581	1,108,769	1,884,764
Redemption of units during the period	(3,401,982)	(3,195,985)	(993,506)	(965,795)	(353,620)	(198,688)
Net equalisation	(1,211)	43,357	894	10,208	917	1,494
Net increase in net assets attributable to unitholders during the period	1,456,828	(1,218,756)	257,326	(415,398)	81,866	(178,701)
Net assets at the end of the period	50,918,881	50,306,633	11,897,687	11,316,136	5,924,819	4,174,847

The accounting policies and notes on pages 15 to 24 are an integral part of the financial statements.

FINANCIAL STATEMENTS (CONTINUED)

UNAUDITED STATEMENTS OF COMPREHENSIVE INCOME

	BOV Conservative Portfolio	BOV Conservative Portfolio	BOV Balanced Portfolio	BOV Balanced Portfolio	BOV Growth Portfolio
	01.05.2019 - 31.10.2019	01.05.2018 - 31.10.2018	01.05.2019 - 31.10.2019	01.05.2018 - 31.10.2018	01.05.2018 - 31.10.2018
	€	€	€	€	€
Income					
Dividend income	343,383	238,734	67,181	50,065	17,712
Other income	611	544	221	196	110
Net fair value movements on financial instruments at fair value through profit or loss	1,284,205	(1,308,677)	240,418	(424,357)	(174,049)
	1,628,199	(1,069,399)	307,820	(374,096)	(156,227)
Expenses					
	(171,371)	(149,357)	(50,494)	(41,302)	(22,474)
Increase/(decrease) in net assets attributable to unitholders	1,456,828	(1,218,756)	257,326	(415,398)	(178,701)

The accounting policies and notes on pages 15 to 24 are an integral part of the financial statements.

FINANCIAL STATEMENTS (CONTINUED)

UNAUDITED STATEMENTS OF CASH FLOWS

for the period ended 31 October 2019

	BOV Conservative Portfolio	BOV Conservative Portfolio	BOV Balanced Portfolio	BOV Balanced Portfolio	BOV Growth Portfolio	BOV Growth Portfolio
	01.05.2019 - 31.10.2019	01.05.2018 - 31.10.2018	01.05.2019 - 31.10.2019	01.05.2018 - 31.10.2018	01.05.2019 - 31.10.2019	01.05.2018 - 31.10.2018
	€	€	€	€	€	€
<i>Net cash generated from / (used in) operating activities</i>	1,169,114	(8,137,049)	53,498	(2,399,629)	(722,535)	(1,194,160)
<i>Net cash (used in) / generated from financing activities</i>	(1,034,648)	8,939,683	52,718	2,548,835	756,066	1,692,379
Net increase in cash and cash equivalents	134,466	802,634	106,216	149,206	33,531	496,219
Cash and cash equivalents at beginning of the period	259,350	780,545	16,130	457,917	96,902	69,452
Cash and cash equivalents at end of the period	393,816	1,583,179	122,346	607,123	130,433	565,671
	6					

Note

The accounting policies and notes on pages 15 to 24 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 unaudited condensed interim financial statements have been prepared in accordance with International Accounting Standard (“IAS”) 34 ‘Interim Financial Reporting’ and should be read in conjunction with the annual audited financial statements for the year ended 30 April 2019, which have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as adopted for use in the European Union (“EU”). They do not include all of the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Funds’ financial position and performance since the last annual financial statements.

These unaudited condensed interim financial statements 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”). They have been prepared under the historical cost convention, as modified by the revaluation of financial assets and liabilities held at fair value through profit or loss.

As at 31 October 2019, 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 maintain a separate account for the sub-funds to which the proceeds are credited, and against which expenses are charged. Upon redemption, unitholders are entitled only to their proportion of the net assets held in the account relating to the sub-fund in which their units are designated.

The Statements of Financial Position present assets and liabilities in increasing order of liquidity and do not distinguish between current and non-current items. Financial assets and liabilities at fair value through profit or loss are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or in accordance to the Investment Manager’s recommendations. All other assets and liabilities are expected to be realised within one year.

In preparing these unaudited condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Funds’ accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited financial statements as at and for the year ended 30 April 2019.

The comparative amounts reflect the position of the Funds as included in the audited financial statements for the year ended 30 April 2019 and the unaudited results for the six-month period ended 31 October 2018.

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.

2. FOREIGN EXCHANGE TRANSLATION (CONTINUED)

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

(i) Assets

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

(ii) Liabilities

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

(b) Recognition, derecognition and measurement

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

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

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

3. FINANCIAL ASSETS AND LIABILITIES (CONTINUED)

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

4. OTHER RECEIVABLES AND PAYABLES

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

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

5. REDEEMABLE UNITS

The Funds issue redeemable units, which are redeemable at the unit holder'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 unit holders 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 unit holders, 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 unit holders 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.

10. 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 and disclosed within 'Expenses' 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 31 October 2019, the BOV Investment Funds consisted of three separate Funds, the BOV Balanced Portfolio Fund, the BOV Conservative Portfolio Fund and the BOV Growth Portfolio Fund (collectively the "Funds").

2. FORMAT OF THE UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS

The Unaudited Statements of Financial Position present assets and liabilities in increasing order of liquidity and do not distinguish between current and non-current items. Financial assets at fair value through profit or loss are intended to be held for an indefinite period of time and may be sold in response to needs for liquidity or in accordance to the Investment Manager's recommendations.

3. 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 as at 31 October 2019 is presented below:

	BOV Conservative Portfolio Fund 30.10.2019 €	BOV Balanced Portfolio Fund 30.10.2019 €	BOV Growth Portfolio Fund 30.10.2019 €
Net assets attributable to holders of redeemable units (<i>at trading value</i>)	50,927,423	11,906,229	5,933,361
Adjustment for organisation costs	(8,542)	(8,542)	(8,542)
Net assets attributable to holders of redeemable units (<i>as per IFRS</i>)	<u>50,918,881</u>	<u>11,897,687</u>	<u>5,924,819</u>

Notes to the Financial Statements (continued)

3. NET ASSET VALUE (CONTINUED)

	BOV Conservative Portfolio Fund 30.04.2019 €	BOV Balanced Portfolio Fund 30.04.2019 €	BOV Growth Portfolio Fund 30.04.2019 €
Net assets attributable to holders of redeemable units (at trading value)	49,875,714	11,528,319	5,097,236
Adjustment for organisation costs	(10,349)	(10,349)	(10,349)
Net assets attributable to holders of redeemable units (as per IFRS)	49,865,365	11,517,970	5,086,887

4. DISTRIBUTIONS TO UNITHOLDERS

There were no distributions to unitholders during the six-month period ended 31 October 2019 and 2018.

5. 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. The fees, disclosed within 'Expenses' in the Unaudited Statements of Comprehensive Income, are as follows:

	31.10.2019 €	31.10.2018 €
BOV Conservative Portfolio Fund	88,842	86,643
BOV Balanced Portfolio Fund	20,530	19,348
BOV Growth Portfolio Fund	9,586	6,049

(ii) Bank of Valletta p.l.c. provides custody services. The fees, disclosed within 'Expenses' in the Unaudited Statements of Comprehensive Income, are as follows:

	31.10.2019 €	31.10.2018 €
BOV Conservative Portfolio Fund	12,692	10,065
BOV Balanced Portfolio Fund	6,843	5,794
BOV Growth Portfolio Fund	6,476	5,164

As at 31 October 2019, the following bank balances are held with Bank of Valletta p.l.c.:

	31.10.2019 €	30.04.2019 €
BOV Conservative Portfolio Fund	393,816	259,350
BOV Balanced Portfolio Fund	122,346	16,130
BOV Growth Portfolio Fund	130,433	96,902

As at 31 October 2019, and 30 April 2019, the BOV Conservative Portfolio Fund held bonds issued by Bank of Valletta p.l.c amounting to nil and €163,545 respectively.

Notes to the Financial Statements (continued)

5. RELATED PARTIES (CONTINUED)

As at 31 October 2019 and 30 April 2019, 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 31.10.2019 Number of shares	BOV Balanced Portfolio Fund 31.10.2019 Number of shares	BOV Growth Portfolio Fund 31.10.2019 Number of shares
Euro Income Fund B1 - Accumulator	-	-	79,057.908
Euro Income Fund B2 - Monthly Distributor	2,618,567.042	376,243.009	-
Far East Opportunities Fund	-	-	-
Global Themed Fund - USD Class	1,659,251.697	384,411.013	314,203.944
High Yield Fund - EUR Class	713,198.451	167,065.601	94,121.462
Malta Bond Fund - Distributor	17,002.660	-	-
Malta Fund - Distributor	1,112.999	-	-
Sterling Income Fund	1,480,605.201	191,999.720	-

	BOV Conservative Portfolio Fund 30.04.2019 Number of shares	BOV Balanced Portfolio Fund 30.04.2019 Number of shares	BOV Growth Portfolio Fund 30.04.2019 Number of shares
Euro Income Fund B1 - Accumulator	-	-	54,000.307
Euro Income Fund B2 - Monthly Distributor	2,468,444.347	483,300.597	-
Far East Opportunities Fund	-	139,393.472	69,657.200
Global Themed Fund - USD Class	3,250,868.898	1,771,715.855	721,567.499
High Yield Fund - EUR Class	-	2,691.743	510.808
Malta Bond Fund - Distributor	18,976.561	-	-
Malta Fund - Distributor	2,469.825	-	-
Sterling Income Fund	1,456,119.939	188,824.549	-

(iii) The Investment Manager appointed BOV Fund Services Limited as administrator to the BOV Investment Funds. The fees, disclosed within 'Expenses' in the Unaudited Statements of Comprehensive Income, are as follows:

	31.10.2019	31.10.2018
	€	€
BOV Conservative Portfolio Fund	22,773	22,288
BOV Balanced Portfolio Fund	5,864	5,663
BOV Growth Portfolio Fund	5,545	5,545

Notes to the Financial Statements (continued)

6. 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:

	31.10.2019	% of net assets	31.04.2019	% of net assets
	€		€	
BOV Conservative Portfolio Fund	393,816	0.77	259,350	0.52
BOV Balanced Portfolio Fund	122,346	1.03	16,130	0.14
BOV Growth Portfolio Fund	130,433	2.20	96,902	1.90

7. FAIR VALUE ESTIMATION

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

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

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

The fair value of over-the-counter foreign currency forward derivative contracts is determined using quoted spot and forward exchange rates at the measurement date and present value calculations based on high credit quality yield curves in the respective currencies (Level 2). The following tables analyse the fair value hierarchy within the Funds' financial assets at fair value through profit or loss:

BOV Conservative Portfolio Fund	Level 1	Level 2	Total
	€	€	€
As at 31 October 2019			
Assets			
<i>Fair value through profit or loss</i>			
Quoted local corporate bonds	-	232,422	232,422
Quoted foreign corporate bonds	9,768,261	-	9,768,261
Collective investment schemes	20,446,317	-	20,446,317
Exchange traded funds	19,970,758	-	19,970,758
Foreign exchange contracts	-	121,869	121,869
	<u>50,185,336</u>	<u>354,291</u>	<u>50,539,627</u>
Liabilities			
<i>Fair value through profit or loss</i>			
Foreign exchange contracts	-	(82,866)	(82,686)
	<u>-</u>	<u>(82,866)</u>	<u>(82,686)</u>

Notes to the Financial Statements (continued)

7. FAIR VALUE ESTIMATION (CONTINUED)

BOV Balanced Portfolio Fund	Level 1	Level 2	Total
	€	€	€
As at 31 October 2019			
<i>Financial value through profit or loss</i>			
Quoted local equities	109,392	33,936	143,328
Quoted local corporate bonds	-	66,584	66,584
Quoted foreign corporate bonds	1,095,270	-	1,095,270
Collective investment schemes	2,755,769	-	2,755,769
Exchange traded funds	7,703,803	-	7,703,803
Foreign exchange contracts	-	27,033	27,033
	<u>11,664,234</u>	<u>127,553</u>	<u>11,791,787</u>

BOV Balanced Portfolio Fund	Level 1	Level 2	Total
Liabilities			
<i>Financial value through profit or loss</i>			
Foreign exchange contracts	-	(10,654)	(10,654)

BOV Growth Portfolio Fund	Level 1	Level 2	Total
	€	€	€
As at 31 October 2019			
Assets			
<i>Fair value through profit or loss</i>			
Quoted local equities	96,078	39,120	135,198
Quoted local corporate bonds	-	36,540	36,540
Collective investment schemes	1,457,856	-	1,457,856
Exchange traded funds	4,165,980	-	4,165,980
Foreign exchange contracts	-	8,863	8,863
	<u>5,719,914</u>	<u>84,523</u>	<u>5,804,437</u>

BOV Conservative Portfolio Fund	Level 1	Level 2	Total
	€	€	€
As at 30 April 2019			
Assets			
<i>Fair value through profit or loss</i>			
Quoted local corporate bonds	-	460,309	460,309
Quoted foreign corporate bonds	12,926,286	-	12,926,286
Quoted foreign government bonds	1,090,409	-	1,090,409
Collective investment schemes	23,764,745	-	23,764,745
Exchange traded funds	12,181,080	-	12,181,080
	<u>49,962,520</u>	<u>460,309</u>	<u>50,423,459</u>

Liabilities			
<i>Fair value through profit or loss</i>			
Foreign exchange contracts	-	(317,904)	(317,904)

Notes to the Financial Statements (continued)

7. FAIR VALUE ESTIMATION (CONTINUED)

BOV Balanced Portfolio Fund	Level 1	Level 2	Total
	€	€	€
As at 30 April 2019			
Assets			
<i>Financial value through profit or loss</i>			
Quoted local equities	132,939	35,633	168,572
Quoted local corporate bonds	-	66,650	66,650
Quoted foreign corporate bonds	1,248,781	-	1,248,781
Quoted foreign government bonds	246,570	-	246,570
Collective investment schemes	4,746,253	-	4,746,253
Exchange traded funds	5,135,448	-	5,135,448
	<u>11,509,991</u>	<u>102,883</u>	<u>11,612,274</u>

BOV Balanced Portfolio Fund	Level 1	Level 2	Total
Liabilities			
<i>Financial value through profit or loss</i>			
Foreign exchange contracts	-	(63,983)	(63,983)
	<u>-</u>	<u>(63,983)</u>	<u>(63,983)</u>

BOV Growth Portfolio Fund	Level 1	Level 2	Total
	€	€	€
As at 30 April 2019			
Assets			
<i>Fair value through profit or loss</i>			
Quoted local equities	120,098	41,076	161,174
Quoted local corporate bond	-	36,992	36,992
Quoted foreign corporate bonds	68,765	-	68,765
Collective investment schemes	1,751,353	-	1,751,353
Exchange traded funds	2,980,765	-	2,980,765
	<u>4,920,981</u>	<u>78,068</u>	<u>4,999,049</u>

Liabilities			
<i>Fair value through profit or loss</i>			
Foreign exchange contracts	-	(15,687)	(15,687)
	<u>-</u>	<u>(15,687)</u>	<u>(15,687)</u>

8. SUBSEQUENT EVENTS

Unaudited Supplementary Disclosures

Portfolio Statements

31 October 2019

	Market value €	% of net assets
BOV Growth Portfolio Fund		
Exchange Traded Funds		
<i>France</i>		
Amundi ETF MSCI Europe Industrials UCITS ETF (C/D)	52,272	0.88
Lyxor Euro STOXX Banks (DR) UCITS ETF- Acc	124,304	2.10
<i>Germany</i>		
iShares Core MSCI EM IMI UCITS ETF USD Dist	115,355	1.95
iShares Global Corp Bond EUR Hgd UCITS ETF(Dist)	293,760	4.96
iShares STOXX Europe 600 Oil & Gas UCITS ETF (DE)	35,528	0.60
SPDR Bloomberg Barclays 1-10YUS CB UCITS ETF	151,715	2.56
SPDR Bloomberg Barclays US Treasury Bond UCITS ETF	94,311	1.59
SPDR Dow Jones Global Real Estate UCITS ETF	189,654	3.20
SPDR S&P 500 UCITS ETF	248,890	4.20
Xtrackers MSCI World Consumer Staples UCITS ETF 1C	316,729	5.35
Xtrackers MSCI World UCITS ETF	554,103	9.35
Xtrackers MSCI Wrld Cons Discretionary UCITS ETF 1C	67,995	1.15
<i>Netherlands</i>		
SPDR MSCI World Health Care UCITS ETF	348,679	5.89
SPDR MSCI World Industrials UCITS ETF	164,284	2.77
SPDR MSCI World Technology UCITS ETF	113,280	1.91
SPDR MSCI World Utilities UCITS ETF	163,141	2.75
<i>Switzerland</i>		
iShares NASDAQ 100 UCITS ETF USD (Acc)	109,437	1.85
UBS ETF - MSCI Canada UCITS ETF (hedged to EUR) Aa	46,101	0.78
<i>United Kingdom</i>		
Invesco Morningstar US Engy Infra MLP ETF Dist	116,307	1.96
iShares \$ Corp Bond UCITS ETF USD (Dist)	139,427	2.35
iShares EdgeMSCIEurMomentumFactorUCITS ETF EUR Acc	215,485	3.64
iShares MSCI Japan EUR Hedged UCITS ETF (Acc)	26,452	0.45
Vanguard FTSE Developed World UCITS ETF USD	478,771	8.08
Quoted Local Corporate Bonds		
4.00% International Hotel Investments Unsecured Bonds 2026	36,540	0.62
Quoted Equities		
BMIT Technologies p.l.c.	96,078	0.66
Main Street Complex p.l.c.	39,120	1.62

Unaudited Supplementary Disclosures (continued)

Portfolio Statements (continued)

31 October 2019

Collective Investment Schemes

Morgan Stanley Global Opportunities	691,933	11.68
Vilhena Euro Income Fund	291,613	4.92
Vilhena Global Themed Fund	406,787	6.87
Vilhena High Yield Fund	67,523	1.14

Derivatives – Forward Forex Contracts

	<i>Fair Value</i>	Notional Amount	
Sale of United States Dollar against Euro maturing on 2 December 2019	8,863	2,000,000	0.15

BOV Balanced Portfolio Fund

€

Exchange Traded Funds

France

Lyxor Euro STOXX Banks (DR) UCITS ETF- Acc	94,859	0.80
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Germany

iShares Core MSCI EM IMI UCITS ETF USD Dist	111,898	0.94
iShares Global Corp Bond EUR Hgd UCITS ETF(Dist)	1,106,992	9.30
SPDR Bloomberg Barclays 1-10YUS CB UCITS ETF	404,043	3.40
SPDR Bloomberg Barclays US Treasury Bond UCITS ETF	529,865	4.45
SPDR Dow Jones Global Real Estate UCITS ETF	195,859	1.65
SPDR S&P 500 UCITS ETF	540,167	4.54
Xtrackers MSCI World Consumer Staples UCITS ETF 1C	246,341	2.07
Xtrackers MSCI World UCITS ETF	1,215,020	10.21
Xtrackers MSCI Wrd Cons Discretionary UCITS ETF 1C	59,354	0.50

Netherlands

SPDR MSCI World Health Care UCITS ETF	343,966	2.89
SPDR MSCI World Industrials UCITS ETF	41,993	0.35
SPDR MSCI World Technology UCITS ETF	61,764	0.52
SPDR MSCI World Utilities UCITS ETF	158,279	1.33

Switzerland

UBS ETF - MSCI Canada UCITS ETF (hedged to EUR) Aa	56,079	0.47
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United Kingdom

Invesco Morningstar US Engy Infra MLP ETF Dist	61,274	0.52
iShares \$ Corp Bond UCITS ETF USD (Dist)	1,174,495	9.87
iShares EdgeMSCIEurMomentumFactorUCITS ETF EUR Acc	265,772	2.23
iShares Physical Gold ETC	65,887	0.55
Vanguard FTSE Developed World UCITS ETF USD	969,896	8.15

Quoted Local Corporate Bonds

4.00% International Hotel Investments Unsecured Bonds 2026	66,584	0.56
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Unaudited Supplementary Disclosures (continued)

Portfolio Statements (continued)

31 October 2019

Quoted Foreign Corporate Bonds

4.875% General Motors Co 2023	67,242	0.57
4.25% General Motors Financial Company Inc 2023	70,265	0.59
4.25% Goldman Sachs Group Inc 2025	67,777	0.57
2.75% Heineken Nv 2023	68,512	0.58
5.00% Morgan Stanley 2025	35,263	0.30
2.75% Morgan Stanley 2022	98,910	0.83
4.875% Morgan Stanley 2022	144,528	1.21
4.25% Nordea Bank Abp 2022	187,567	1.58
5.00% Societe Generale Sa 2024	193,493	1.63
3.45% Wells Fargo & Co 2023	161,713	1.36

Quoted Equities

BMIT Technologies p.l.c.	109,392	0.92
Main Street Complex p.l.c.	33,936	0.29

Collective Investment Schemes

Morgan Stanley Global Opportunities	902,262	7.58
Vilhena Euro Income Fund	1,008,405	8.48
Vilhena Global Themed Fund	497,681	4.18
Vilhena High Yield Fund	119,853	1.01
Vilhena Sterling Income Fund	227,568	1.91

Derivatives – Forward Forex Contracts

	<i>Fair Value</i>	Notional Amount	
Sale of Sterling against Euro maturing on 2 December 2019	(10,654)	180,000	(0.09)
Sale of United States Dollar against Euro maturing on 2 December 2019	27,033	6,100,000	0.23

BOV Conservative Portfolio Fund

€

Exchange Traded Funds

Germany

iShares Global Corp Bond EUR Hgd UCITS ETF(Dist)	4,759,731	9.35
SPDR Bloomberg Barclays 1-10YUS CB UCITS ETF	2,357,335	4.63
SPDR Bloomberg Barclays US Treasury Bond UCITS ETF	2,059,067	4.04
SPDR Dow Jones Global Real Estate UCITS ETF	532,594	1.05
Xtrackers MSCI World Consumer Staples UCITS ETF 1C	340,522	0.67
Xtrackers MSCI World UCITS ETF	1,173,264	2.30

Netherlands

SPDR MSCI World Health Care UCITS ETF	427,719	0.84
SPDR MSCI World Utilities UCITS ETF	450,267	0.88

Unaudited Supplementary Disclosures (continued)

Portfolio Statements (continued)

31 October 2019

	€	
<i>United Kingdom</i>		
Invesco Morningstar US Engy Infra MLP ETF Dist	90,703	0.18
iShares \$ Corp Bond UCITS ETF USD (Dist)	5,109,356	10.03
iShares Physical Gold ETC	774,493	1.52
Vanguard FTSE Developed World UCITS ETF USD	1,895,707	3.72
 <i>Quoted Local Corporate Bonds</i>		
5.75% International Hotel Investments 2025	8,774	0.02
4.00% International Hotel Investments 2026	191,429	0.38
6.00% International Hotel Investments 2024	6,848	0.01
5.50% Pendergardens Dev p.l.c. 2020	3,535	0.01
4.35% SD Finance p.l.c. 2027	21,836	0.04
 <i>Quoted Foreign Corporate Bonds</i>		
4.75% Abn Amro Bank Nv 2025	573,567	1.13
4.375% Barclays Plc 2024	224,152	0.44
2.75% Enel Finance International Nv 2023	180,972	0.36
4.25% Ford Motor Credit Company Llc 2022	242,731	0.48
4.875% General Motors Co 2023	427,466	0.84
4.25% General Motors Financial Company Inc 2023	774,788	1.52
4.25% Goldman Sachs Group Inc 2025	1,355,540	2.66
5.00% Morgan Stanley 2025	1,044,792	2.05
4.875% Morgan Stanley 2022	2,111,069	4.15
4.25% Nordea Bank Abp 2022	557,075	1.09
3.25% Societe Generale Sa 2022	1,059,038	2.08
5.00% Societe Generale Sa 2024	1,217,071	2.39
 <i>Collective Investment Schemes</i>		
Morgan Stanley Global Opportunities	2,416,851	4.75
Vilhena Euro Income Fund	7,018,283	13.78
Vilhena Global Themed Fund	2,148,166	4.22
Vilhena High Yield Fund	511,649	1.00
Vilhena Malta Bond Fund	5,990,020	11.76
Vilhena Malta Fund	606,459	1.19
Vilhena Sterling Income Fund	1,754,889	3.45
 <i>Derivatives – Forward Forex Contracts</i>		
	<i>Fair</i>	<i>Notional</i>
	<i>Value</i>	<i>Amount</i>
Sale of Sterling against Euro maturing on 2 December 2019	(82,865)	1,370,000
Sale of United States Dollar against Euro maturing on 2 December 2019	121,869	27,500,000
		(0.16)
		0.24

Statement of Changes in the Composition of the Portfolios

The composition of the portfolios, detailed in the Portfolio Statements on pages 25 to 28, in comparison with the Portfolio Statements as at 30 April 2019 stood as follows:

	% of net assets 31.10.2019	% of net assets 30.04.2019
BOV Conservative Portfolio		
Exchange Traded Funds	39.21	24.42
Quoted Local Corporate Bonds	0.46	0.93
Quoted Foreign Corporate Bonds	19.19	25.92
Quoted Foreign Government Bonds	-	2.19
Collective Investment Schemes	40.15	47.66
Forwards	0.08	(0.64)
BOV Balanced Portfolio		
Exchange Traded Funds	64.74	44.59
Quoted Local Corporate Bonds	0.56	0.58
Quoted Foreign Corporate Bonds	9.22	10.84
Quoted Foreign Government Bonds	-	2.14
Quoted Equities	1.21	1.46
Collective Investment Schemes	23.16	41.21
Forwards	0.14	(0.56)
BOV Growth Portfolio		
Exchange Traded Funds	70.32	58.59
Quoted Local Corporate Bonds	0.62	0.73
Quoted Foreign Government Bonds	-	1.35
Quoted Equities	2.28	3.17
Collective Investment Schemes	24.61	34.43
Forwards	0.15	(0.31)

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 31 October 2019, there were no breaches of the standard license conditions.

3. UP-FRONT FEES, EXIT & OTHER FEES

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

4. NOTIONAL EXPOSURES

As at 31 October 2019, 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.

5. 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.

Information about the Funds (continued)

5. RISK FACTORS (continued)

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.

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.

Information about the Funds (continued)

5. RISK FACTORS (continued)

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.

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.

Information about the Funds (continued)

5. RISK FACTORS (continued)

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.

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.

Information about the Funds (continued)

5 RISK FACTORS (continued)

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. 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

Information about the Funds (continued)

5. RISK FACTORS (continued)

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

Foreign Account Tax Compliance Act Risks

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

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

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

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

Common Reporting Standard Risks

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

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

Information about the Funds (continued)

5. RISK FACTORS (continued)

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.

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.

Information about the Funds (continued)

6. 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.

7. 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 5 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.

8. 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 Unaudited Interim Report, which is available upon request from the Investment Manager, and were current at the date of publishing of this Unaudited Interim 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.

9. INVESTMENT MANAGER'S STATEMENT

In the opinion of the Investment Manager, this Unaudited Interim Report contains all the information necessary to enable investors to make an informed judgment of the results and activities of the BOV Investment Funds for the year ended 31 October 2019, and does not omit any matter or development of significance.



