

# **Vilhena Funds SICAV p.l.c.**

## **Annual Report** for the year ended 30 April 2019

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Company Registration Number: SV4



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## Management and Administration

### DIRECTORS

Guido Mizzi - Chairman  
 Mario Grima  
 Marisa Ciappara  
 Mariella Scerri  
 BOV Asset Management Limited

### INVESTMENT MANAGER AND REGISTRAR

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*

### ADMINISTRATOR AND COMPANY SECRETARY

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

### SUB-INVESTMENT MANAGER

*(in relation to the  
 Vilhena Global Themed Fund,  
 Vilhena European Multi-Manager Fund,  
 Vilhena Global Balanced  
 Multi-Manager Fund and  
 the Vilhena Far East Opportunities Fund)*

Waverton Investment Management Limited  
 16, Babmaes Street, London SW1Y 6AH, England  
*Authorised and Regulated by the  
 Financial Conduct Authority (U.K.), England*

### SUB-INVESTMENT MANAGER

*(in relation to the  
 Vilhena Euro Income Fund,  
 Vilhena Sterling Income Fund and the  
 Vilhena High Yield Fund)*

Insight Investment Management (Global) Limited  
 160 Queen Victoria Street, London EC4V 4LA, England  
*Authorised and Regulated by the  
 Financial Conduct Authority (U.K.), England*

### 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

KPMG  
 92, Marina Street, Pietà, PTA 9044, Malta

### LEGAL ADVISORS

Camilleri Preziosi  
 Level 3, Valletta Buildings, South Street, Valletta, VLT 1103, Malta

## General Information

Vilhena Funds SICAV p.l.c. (“the Company”) is organised as a multi-fund investment company with variable share capital (SICAV) pursuant to the Companies Act, 1995 (Chapter 386, Laws of Malta), as registered on the 10 October 1997. The Company is licensed by the Malta Financial Services Authority (“MFSA”) as a Collective Investment Scheme under the Investment Services Act, 1994 (Chapter 370, Laws of Malta), and as of 6 July 2007, qualified as UCITS pursuant to the Undertakings for Collective Investment in Transferable Securities and Management Companies Regulations, 2004 as amended from time to time.

As at 30 April 2019, the Company consisted of fourteen separate sub-funds. The Vilhena Malta Fund, Vilhena Malta Government Bond Fund, Vilhena Maltese Equity Focus Fund, Vilhena Maltese Opportunities Fund and the Vilhena Malta Bond Fund are listed on the Malta Stock Exchange, whereas the Vilhena Global Themed Fund, Vilhena European Multi-Manager Fund, Vilhena Global Balanced Multi-Manager Fund, Vilhena Broad Opportunities Fund, Vilhena Sterling Income Fund, Vilhena Euro Income Fund, Vilhena High Yield Fund, Vilhena Far East Opportunities Fund and the Vilhena Euro Malta Money Fund are not listed. The Company has no employees.

### Changes to the Company Documents

Changes to the Company’s documents have been disclosed in the Directors’ Report on page 20.

# Investment Manager's Report

**Vilhena Malta Fund,  
Vilhena Malta Government Bond Fund,  
Vilhena Malta Bond Fund,  
Vilhena Maltese Opportunities Fund,  
Vilhena Maltese Equity Focus Fund**

## Market Overview

The MSE Equity Total Return Index rallied by 12.86% during the 12 months ending April 2019. The Index was supported by the positive performance recorded in 15 equities, most notably the double digit gains recorded across the largest companies by market capitalisation, including Malta International Airport p.l.c., GO p.l.c. and International Hotel Investments p.l.c.. The best performing equity was MIDI p.l.c., with a 1 year total return of 70.9%. On the other hand, Plaza Centres p.l.c. stood unchanged while 8 equities closed the year lower. The main detractors were Maltapost p.l.c., Bank of Valletta p.l.c., and Trident Estates p.l.c.

The local corporate bond market enjoyed a pick-up in activity with 11 new corporate bonds listed on the Regulated Main Market over the past year, totalling over €200 million worth of capital. Overall, the corporate bond market gained 4.60% during the period under review. The best performing bonds were 4% Exalco Finance p.l.c. Secured 2028, 4.85% Melite Finance p.l.c. Secured 2028 and 6% AX Investments p.l.c. 2024. On the other hand, the 5.75% Medserv p.l.c. Unsecured USD 2026, 6% Mediterranean Investments Holdings p.l.c. 2021 and the 7.5% MeDirect Bank p.l.c. Subordinated Bonds EUR 2019, traded lower.

Meanwhile, the Maltese Government Stocks ("MGS") market recorded a positive performance of 3.98% during the year ending April 2019. However, the positive returns were not recorded across all maturities. While long dated MGS gained in value, short dated maturities fell lower, which resulted in a flatter yield curve. The gains witnessed across the MGS market are a reaction to the recent statement by President Mario Draghi of the European Central Bank ("ECB"), whereby weaker economic data has led to a more dovish ECB and the announcement of a new series of quarterly targeted longer-term refinancing operations (TLTRO-III), starting in September 2019. Moreover, the key ECB interest rates are expected to remain unchanged at least through the end of 2019. This contrasts to the previously communicated quantitative tightening and the possibility of an interest rate hike.

## Vilhena Malta Fund

### Investment Objective

The investment objective of the Fund is to endeavour to maximise the total level of return to investors, minimising the volatility of the portfolio whilst having regard to attaining a desirable level of liquidity through investment, principally, in Maltese debt securities and in Maltese equity securities.

### Fund Performance

#### *Accumulator Class of Shares*

During the period from 1 May 2018 to 30 April 2019, the quoted share price of the Vilhena Malta Fund accumulator class of shares increased by 4.85% from €749.1290 to €785.4570. As from launch of the Fund on 29 October 1997 to 30 April 2019, the quoted share price increased by 237.20%, from a fixed launch offer price of €232.9370 to €785.4570

#### *Distributor Class of Shares*

During the period from 1 May 2018 to 30 April 2019, the quoted share price of the Vilhena Malta Fund distributor class of shares increased by 2.84% from €509.4780 to €523.9470. As from 9 December 2003 (date from which the distributor class of shares was made available), to 30 April 2019, the quoted share price increased by 41.00%, from €371.5830 to €523.9470.

**Portfolio Activity**

The Vilhena Malta Fund registered a positive performance for the past 12 months. Despite that all asset classes recorded gains, the local equity market outperformed the fixed income market. Consequently, the positive performance was primarily attributed to the Fund's exposure to the local equity. During the period under review, the Fund Manager increased the Fund's allocation to the bond market while decreased the allocation to the equity portion of the Fund. The Fund Manager managed to increase the exposure mainly through participation on the primary market, selecting corporate bonds which were deemed attractive on a risk-adjusted returns. Following recent developments from the ECB and the continued need for further monetary accommodation to support the European economic expansion, the Fund Manager strategically increased the Fund's duration, albeit still monitoring interest rate expectation developments. On the other hand, the Fund Manager reduced holdings in the equity market, primarily from the Funds' foreign equity holdings. The Fund Manager intends to remain strategically invested across a wide range of asset classes, to retain diversification in the Funds' returns.

**Income Distribution**

The dividend declared as at 30 April 2019 in respect of the distributor class of shares is listed under note 10 of the financial statements.

### **Vilhena Malta Government Bond Fund**

**Investment Objective**

The investment objective of the Fund is to endeavour to provide capital appreciation principally through investment in debt securities issued or guaranteed by the Government of Malta.

**Fund Performance*****Accumulator Class of Shares***

During the period from 1 May 2018 to 30 April 2019, the quoted share price of the Vilhena Malta Government Bond Fund accumulator class of shares increased by 2.73% from €544.5150 to €559.3610. As from launch of the Fund on 1 July 1998 to 30 April 2019, the quoted share price increased by 140.13%, from a fixed launch offer price of €232.9370 to €559.3610.

***Distributor Class of Shares***

From 1 May 2018 to 30 April 2019, the quoted share price of the Vilhena Malta Government Bond Fund distributor class of shares increased by 0.95% from €314.3850 to €317.3720. As from 17 June 2002 (date from which the distributor class of shares was made available), to 30 April 2019, the quoted share price decreased by 14.59%, from €371.5840 to €317.3720.

**Portfolio Activity**

The Vilhena Malta Government Bond Fund registered a positive performance over the past year, reflecting the positive trend in the MGS market. The gains are primarily attributed to the Fund's exposure to medium and longer dated government stocks. The Fund Manager's tactical exposure to interest yielding cash accounts was beneficial to the Fund's return when compared to the performance of short dated government stocks, both in terms of yield and capital preservation. Over the period under review, the Fund Manager continued to smoothen exposure to the different maturities along the yield curve while realigning the Fund's underlying securities to increase the exposure to the better yielding securities. Following recent developments from the ECB and the continued need for further monetary accommodation to support the European economic expansion, the Fund Manager strategically increased the Fund's duration, albeit still monitoring interest rate expectation developments.

**Income Distribution**

The dividend declared as at 30 April 2019 in respect of the distributor class of shares is listed under note 10 of the financial statements.

# Investment Manager's Report *(continued)*

## Vilhena Malta Bond Fund

### Investment Objective

The investment objective of the Fund is to generate income and long-term return for investors by investing, principally, in Maltese debt securities.

### Fund Performance

#### **Accumulator Class of Shares**

During the period from 1 May 2018 to 30 April 2019, the quoted share price of the Vilhena Malta Bond Fund accumulator class of shares increased by 2.95% from €599.3600 to €617.0710. As from migration of the Fund from the La Valette Funds SICAV p.l.c. to the Vilhena Funds SICAV p.l.c. on 3 December 2013 to 30 April 2019, the quoted share price increased by 14.43%, from €539.2630 to €617.0710.

#### **Distributor Class of Shares**

During the period from 1 May 2018 to 30 April 2019, the quoted share price of the Vilhena Malta Bond Fund distributor class of shares increased by 0.58% from €335.0750 to €337.0320. As from the migration of the Fund, from the La Valette Funds SICAV p.l.c. to the Vilhena Funds SICAV p.l.c. on 3 December 2013 to 30 April 2019, the quoted share price decreased by 2.20%, from €344.6030 to €337.0320.

### Portfolio Activity

The Vilhena Malta Bond Fund registered a positive performance during the period under review, with both the MGS market and the corporate bond market contributing positively to the Fund's performance. The Fund's top contributors to return were the medium and longer dated government stocks. The Fund Manager's tactical exposure to interest yielding cash accounts was beneficial to the Fund's return when compared to the performance of short dated government stocks, both in terms of yield and capital preservation. Over the period under review, the Fund Manager continued to smoothen exposure to the different maturities along the yield curve. Following recent developments from the ECB and the continued need for further monetary accommodation to support the European economic expansion, the Fund Manager strategically increased the Fund's duration, albeit still monitoring interest rate expectation developments. The Fund Manager continued to increase the exposure to the corporate bond market, mainly through participation on the primary market, in corporate bonds which were deemed attractive on a risk-adjusted returns.

### Income Distributions

The dividend declared as at 30 April 2019 in respect of the distributor class of shares is listed under note 10 of the financial statements.

## Vilhena Maltese Opportunities Fund

### Investment Objective

The investment objective of the Fund is to endeavour to maximise the total level of return for investors, minimising the volatility of the portfolio, whilst having regard to attaining a desirable level of liquidity, through investment primarily in Maltese equity and debt securities, whether listed or unlisted.

### Fund Performance

#### **Accumulator Class of Shares**

During the period from 1 May 2018 to 30 April 2019, the quoted share price of the Vilhena Maltese Opportunities Fund accumulator class of shares increased by 7.35% from €10.8170 to €11.6120. As from the migration of the Fund, from the La Valette Funds SICAV p.l.c. to the Vilhena Funds SICAV p.l.c. on 2 May 2014 to 30 April 2019, the quoted share price increased by 44.39%, from €8.0420 to €11.6120.

#### **Distributor Class of Shares**

During the period from 1 May 2018 to 30 April 2019, the quoted share price of the Vilhena Maltese Opportunities Fund

distributor class of shares increased by 5.52% from €7.2490 to €7.6490. As from the migration of the Fund, from the La Valette Funds SICAV p.l.c. to the Vilhena Funds SICAV p.l.c. on 2 May 2014 to 30 April 2019, the quoted share price increased by 25.66%, from €6.0870 to €7.6490.

#### **Portfolio Activity**

The Vilhena Maltese Opportunities Fund registered a positive performance for the period under review, which was mainly driven by the gains in the local equity market. However, all asset classes recorded a positive contribution on the year. The primary change in asset allocation was the reduction in the foreign equity market and the increase in allocation to MGS. Exposure to the local corporate and equity market increased marginally during the period under review. The Fund Manager participated in the primary corporate bond market in bonds which were deemed attractive on a risk-adjusted basis. The Fund Manager targets to achieve diversification across all asset classes, namely holding investments in the MGS, local corporate bond market and local and foreign equity markets.

#### **Income Distribution**

The dividend declared as at 30 April 2019 in respect of the distributor class of shares is listed under note 10 of the financial statements.

### **Vilhena Maltese Equity Focus Fund**

#### **Investment Objective**

The investment objective of the Fund is to endeavour to maximise the total level of return for investors, reducing the volatility of the portfolio, whilst having regard to attaining a desirable level of liquidity, primarily through investment in Maltese equity and debt securities, whether listed or unlisted, collective investment schemes listed on the Malta Stock Exchange, Money Market Instruments and bank deposits.

#### **Fund Performance**

##### ***Accumulator Class of Shares***

During the period from 1 May 2018 to 30 April 2019, the quoted share price of the Vilhena Maltese Equity Focus Fund accumulator class of shares increased by 10.29% from €3.5270 to €3.8900. As from the migration of the Fund, from the Wignacourt Funds SICAV p.l.c. to the Vilhena Funds SICAV p.l.c. on 2 May 2014 to 30 April 2019, the quoted share price increased by 44.99%, from €2.6830 to €3.8900.

##### ***Distributor Class of Shares***

During the period from 1 May 2018 to 30 April 2019, the quoted share price of the Vilhena Maltese Equity Focus Fund distributor class of shares increased by 9.43% from €2.6730 to €2.9250. As from the migration of the Fund, from the Wignacourt Funds SICAV p.l.c. to the Vilhena Funds SICAV p.l.c. on 2 May 2014 to 30 April 2019, the quoted share price increased by 30.87%, from €2.2350 to €2.9250.

#### **Portfolio Activity**

The Vilhena Maltese Equity Focus Fund registered a positive performance for the period under review, in line with the positive performance witnessed in the local equity market. The Fund primarily invests in equities, but tends to hold small allocations in local MGSs and corporate bonds, for liquidity purposes. The Fund's exposure to the fixed income market was also a positive contribution to the Fund's performance for the past year. During the period under review, the Fund Manager reduced exposure to local equities, in order to align the Fund's exposure to UCITS rules and as a result increased cash levels.

#### **Income Distribution**

The dividend declared as at 30 April 2019 in respect of the distributor class of shares is listed under note 10 of the financial statements.

# Investment Manager's Report *(continued)*

## Outlook

Locally, economic projections show that economic growth is expected to remain strong from a historical perspective. Domestic demand, driven by higher consumption and investment, is anticipated to remain the primary driver supporting the economic expansion. New investment projects and increased labour supply are expected to keep potential output elevated. The pace of job creation is set to moderate, but remain strong. The labour market is expected to remain tight, with the unemployment rate projected at 4.0% by 2021.

As confirmed by S&P in March, the outlook for the Maltese economy is quite positive with expectations that the GDP growth will average 4% between 2019 and 2022. This supports earnings across listed equities and is expected to continue to generate shareholder returns with adequate dividend yields and the increasing possibility of special dividends.

In the Euro-zone, following weaker than expected economic data and a downward revision in growth and inflation forecast, the ECB's rhetoric has changed. Draghi communicated a revision in interest rate forward guidance: with the bank's interest rates expected "to remain at their present levels at least through the end of 2019" and announced further expansionary measures, namely a new round of TLTROs, which is expected to launch in September 2019. This contrasts with the ECB's normalisation path of monetary policy in 2018 whereby the bank decided to halt the QE programme and communicated the possibility of a rate hike during the last quarter of 2019.

The corporate fixed income primary market is expected to remain particularly active as new and existing listed companies remain vigilant to the opportunities of fulfilling their financing needs from the local capital market with a lower cost of capital. On the other hand the local Government fixed income market is expected to continue to reflect the changes in Eurozone yields which are mainly driven by developments directly related to the Eurozone's economic data, political developments, as well as interest rate expectations.

**Vilhena Broad Opportunities Fund**  
**Vilhena Sterling Income Fund**  
**Vilhena High Yield Fund**  
**Vilhena Euro Income Fund**

**Vilhena Broad Opportunities Fund**

## Investment Objective

The investment objective of the Fund is to deliver attractive, positive long term returns.

## Fund Performance

During the period from 1 May 2018 to 30 April 2019, the share price of the Vilhena Broad Opportunities Fund decreased by 1.11% from €0.8197 to €0.8106. As from launch of the Fund on 13 May 2013 to 30 April 2019, the share price increased by 8.08%, from €0.7500 to €0.8106.

## Portfolio Activity

The strategy generated a negative return over an extremely challenging end to 2018. Moving through 2018, data analyses suggested that global economic growth was moderating at a faster pace than expected. Meanwhile, intensifying geopolitical concerns, together with US Federal Reserve policy tightening, increased the risks to growth. With this in mind, the Fund Manager of the Master Fund significantly reduced the equity exposure and increased exposure to government bonds and cash. As part of risk reduction in highly stressed markets, the Fund Manager of the Master Fund reduced the overall level of total return strategies. Within that segment emphasis was increased towards range-bound rather than upside-breakout positions. Moving into 2019, risk assets bounced strongly from oversold conditions as policymakers shifted to a more dovish position and a de-escalation in US-China trade tensions helped take away some of the economic tail risk.

Against a background where asset price moves were likely to be driven more from position extremes and policy responses, rather than tracking the trends in economic data the Fund Manager of the Master Fund has adopted a more tactical approach to manage the Fund's broad directional exposures. From a risk asset perspective, the Fund Manager of the Master Fund of the underlying Fund shifted equity exposure upwards towards more average levels of recent years while also taking reasonable exposures to areas of specific value, example US dollar emerging market debt. Against these risk asset holdings, a reasonable amount of duration was retained. The lack of inflationary pressure combined with the clear guidance of lower for longer in central bank policy settings continued to re-affirm the attraction of government bonds within a multi-asset portfolio. If growth anxieties return, duration will prove helpful. On the other hand, the extent of any retracement in yields should the green economic data shoots of growth proliferate seems likely to be tempered by medium term central bank guidance.

Following the extensive rally through the second half of the period, the Fund Manager of the Master Fund became less concerned about significant further up-side in risk assets. Within total return strategies, a number of trades that aim to return a profit if markets remain within their recent trading range and also several trades that aim to perform well if markets move modestly higher were implemented. These strategies spanned equity, currency and bond markets and either offer a high degree of asymmetry in their pay-off profiles, or wide buffers to protect us should risk asset price weakness return.

A significant positive contribution to returns came from infrastructure exposures which performed well in aggregate and continue to retain attractive attributes. The long-term predictable revenue stream, combined with lower levels of economic sensitivity and an element of inflation linkage, offer benefits for portfolio diversification.

### Vilhena Sterling Income Fund

#### Investment Objective

The investment objective of the Fund is to aim to achieve a high level of income, with the possibility of capital growth, through investment in transferable securities consisting principally of investment grade fixed and/or variable rate debt securities.

#### Fund Performance

During the period from 1 May 2018 to 30 April 2019, the share price of the Vilhena Sterling Income Fund decreased by 2.26% from £1.0179 to £0.9949. As from the migration of the Fund, from the La Valette Funds SICAV p.l.c. to the Vilhena Funds SICAV p.l.c. on 3 December 2013 to 30 April 2019, the share price increased by 1.08%, from £0.9843 to £0.9949.

#### Portfolio Activity

The Fund registered a marginally negative performance over the year to the end of April 2019.

The period was characterised by a number of volatility challenges and sterling credit spreads widened over the period to end April 2019. Credit spreads widened materially in the latter half of November, due to the risk asset sell-off seen in the final quarter of 2018, before gradually tightening in the period from end of January to the end of April 2019. Meanwhile, Brexit uncertainty intensified over the period, with negotiations seeming to make little headway, culminating in political deadlock in the House of Commons in the first quarter of 2019. The Prime Minister was unable to pass the proposed withdrawal agreement after three attempts and the Brexit date was initially extended to 12 April, and then again to 31 October.

In terms of sectors, the Fund held exposure for the majority of the period in securitization and asset backed securities (ABS), financials (banks and insurance especially subordinated) and non-cyclical consumer goods. Over the period, the Fund participated in attractive new issues, including Bayer, Ford, Crédit Agricole, Medtronic and HSBC. The Sub-Investment Manager removed entire exposure of some holdings on a stock-specific basis. The only high yield exposures in the portfolio are Tesco property-backed and regular bonds, which are expected to return to investment grade in the longer term. The Fund began the period with spread duration of 7.8 years and ended the period at approximately 5.6 years.

# Investment Manager's Report *(continued)*

## Income Distributions

The dividend declared as at 30 April 2019 is listed under note 10 of the financial statements.

## Outlook

With Brexit deadlines extended to October and no parliamentary consensus, there is no clear path forward for the government. Given the uncertainty and expectation of slower global growth, a tactical approach to positioning remains warranted. The outlook for the UK remains particularly uncertain given the Brexit negotiations. A disorderly Brexit remains a risk but, as things stand, the range of scenarios (including a second referendum on EU membership) remains uncomfortably large. In a 'no deal' outcome, growth could slow sharply and very different policy settings are likely to be required depending on the outcome.

## Vilhena High Yield Fund

### Investment Objective

The investment objective of the Fund is to aim to achieve a high level of income through investment in a diversified portfolio of transferable securities consisting principally of debt instruments whilst also seeking to achieve capital appreciation.

### Fund Performance

#### *EUR Class of Shares*

During the period from 1 May 2018 to 30 April 2019, the share price of the Vilhena High Yield Fund EUR class of shares decreased by 2.92% from €0.7323 to €0.7109. As from the migration of the Fund, from the La Valette Funds SICAV p.l.c. to the Vilhena Funds SICAV p.l.c. on 3 December 2013 to 30 April 2019, the share price decreased by 12.22%, from €0.8099 to €0.7109.

#### *USD Class of Shares*

During the period from 1 May 2018 to 30 April 2019, the share price of the High Yield Fund USD class of shares decreased by 2.32% from \$0.8882 to \$0.8676. As from 5 November 2014 (date from which the USD class of shares was made available), to 30 April 2019, the share price decreased by 13.24%, from \$1.0000 to \$0.8676.

### Portfolio Activity

The Vilhena High Yield Fund registered a marginally negative performance over the past 12 months to the end of April 2019.

The Vilhena High Yield Fund was weighted towards single-B rated investments during the period, while exposure to triple-C rated securities was reduced. Cash was also reduced at the beginning of the year from slightly higher levels at the end of 2018.

In terms of activity, the Fund continued to perform switches and re-invest cash proceeds, with market liquidity improving towards the end of the period.

Specifically, the Sub-Investment Manager reduced the Fund's exposure to basic industry and consumer non-cyclicals, but raised holdings in consumer cyclicals and communications, the Fund's biggest holding. At the end of the period, the Fund was most heavily invested in communications, energy and consumer cyclicals.

In the last quarter of 2018, the high yield market saw a significant sell-off, before recovering strongly in the first quarter of 2019, against the backdrop of shifting Federal Reserve policy, supportive technical data and better-than-anticipated corporate earnings.

## Income Distributions

The dividend declared as at 30 April 2019 is listed under note 10 of the financial statements.

## Outlook

The Sub-Investment Manager is of the view that there are technical headwinds at play in the investment grade market. Over the last six to nine months the expectations that the Federal Reserve would hike rates roughly in line with its median 'dot-plot' projections were correctly anticipated. Following February's sell-off, segments of the high yield market recovered rapidly. The Sub-Investment Manager is of the opinion that the growth, earnings and default environment will remain supportive. The energy market has also benefited from the recent rise in the oil price.

The Sub-Investment Manager believes growth in the US and Europe will be sufficient to enable the companies the Fund is invested in to continue with their deleveraging trajectory and refinancing plans. 2020 also looks clear with regards to refinancing risk, while some companies have even started to address their 2021 and 2022 maturities. That being said, macro and political news remains challenging and calls for vigilance.

## Vilhena Euro Income Fund

### Investment Objective

The investment objective of the Fund is to aim to achieve a reasonable level of income, with the possibility of capital growth, through investment in debt securities consisting principally of Euro denominated debt securities.

### Fund Performance

#### *Accumulator Class of Shares*

During the period from 1 May 2018 to 30 April 2019, the share price of the Vilhena Euro Income Fund accumulator class of shares increased by 1.24% from €3.5493 to €3.5934. As from the migration of the Fund, from the La Valette Funds SICAV p.l.c. to the Vilhena Funds SICAV p.l.c. on 3 December 2013 to 30 April 2019, the share price increased by 14.84%, from €3.1290 to €3.5934.

#### *Quarterly Distributor Class of Shares*

During the period from 1 May 2018 to 30 April 2019, the share price of the Vilhena Euro Income Fund quarterly distributor class of shares increased by 0.16% from €1.2148 to €1.2168. As from the migration of the Fund, from the La Valette Funds SICAV p.l.c. to the Vilhena Funds SICAV p.l.c. on 3 December 2013 to 30 April 2019, the share price increased by 4.40%, from €1.1655 to €1.2168.

#### *Monthly Distributor Class of Shares*

During the period from 1 May 2018 to 30 April 2019, the share price of the Vilhena Euro Income Fund monthly distributor class of shares increased by 0.16% from €2.6144 to €2.6186. As from the migration of the Fund, from the La Valette Funds SICAV p.l.c. to the Vilhena Funds SICAV p.l.c. on 3 December 2013 to 30 April 2019, the share price increased by 4.86%, from €2.4972 to €2.6186.

### Portfolio Activity

The Fund registered a positive performance over the 12 months to the end of April 2019.

The period was characterised by a number of volatility challenges. Italian government bonds suffered a sharp sell-off in May 2018, due to the breakdown of protracted negotiations to establish a coalition government. Meanwhile, in the final quarter of 2018, equity and credit markets sold off markedly, owing to increasing US-China trade tensions, a stand-off between Italy and the European Commission over budget targets and Brexit. Major equity markets and various commodities, such as copper and oil, were under pressure for most of December. Credit markets ended a weak year on a fairly quiet note as spreads travelled sideways, edging only slightly wider over December. In data, the Sub-Investment Manager began to see some signs of a divergence in growth prospects between the US and the rest of the world, with European economic data weakening over the period.

In monetary policy, central banks began to adopt a more dovish tilt around the turn of the year, with the European Central Bank (ECB) ceasing asset purchases at the end of 2018. Expectations of a rate hike in September 2019 were pushed back to likely through the end of 2019, given the fragility of the euro area to downside risks.

## Investment Manager's Report *(continued)*

German government bond yields fell over the period, with French spreads tightening. In contrast, Italian government bond spreads widened. The Fund had a long position in credit risk for the majority of 2018, before reducing the credit risk stance. In November, the Fund was positioned more defensively, with Italy, trade wars and Brexit at the forefront of investor concerns. The Sub-Investment Manager subsequently added risk towards the end of the period, ending it closer to neutral.

In terms of activity during the period, the Sub-Investment Manager added new issues to the portfolio including Ford, Enel and Daimler. Towards the end of the period, the Sub-Investment Manager increased risk by participating in a variety of new deals, particularly in senior bank bonds, such as JPMorgan, Bank of America and Societe Generale.

### Income Distributions

The dividend declared as at 30 April 2019 is listed under note 10 of the financial statements.

### Outlook

At its latest policy meeting, the European Central Bank reiterated its very cautious message from March (when it downgraded its growth and inflation forecasts). The Sub-Investment Manager believes the key risks remain Brexit and Italy's perilous debt situation. Elsewhere, the US Federal Reserve is likely to keep the rate hiking cycle on hold for some time; both stronger growth and higher conditions are needed for rates to move higher, which seems unlikely this year. However, some further modest tightening is expected to be delivered from 2020. The Sub-Investment Manager believes the US economy is currently at an inflection point, with little visibility as to whether this is a mid-cycle slowdown or the early stages of a more meaningful downturn. The US Federal Reserve plans to slow down the rate of reduction in the size of its balance sheet from May, then cease the run-off process altogether by the end of September.

**Vilhena Global Themed Fund**  
**Vilhena European Multi-Manager Fund**  
**Vilhena Global Balanced Multi-Manager Fund**  
**Vilhena Far East Opportunities Fund**

**Vilhena Global Themed Fund**

### Investment Objective

The investment objective of the Fund is to aim to achieve long-term growth by investing in equity and equity related securities throughout the world.

### Fund Performance

#### **USD Class of Shares**

During the period from 1 May 2018 to 30 April 2019, the share price of the Vilhena Global Themed Fund USD Class of Shares decreased by 0.14% from \$1.4322 to \$1.4302. As from launch of the Fund on 26 February 2001 to 30 April 2019, the share price increased by 43.02%, from a fixed launch offer price of \$1.0000 to \$1.4302.

#### **GBP Class of Shares**

During the period from 1 May 2018 to 30 April 2019, the share price of the Vilhena Global Themed Fund GBP Class of Shares increased by 5.51% from £1.5456 to £1.6308. As from 4 March 2013 (date from which the GBP class of shares was made available), to 30 April 2019, the share price increased by 63.08%, from a fixed launch offer price of £1.0000 to £1.6308.

#### **EUR Class of Shares**

During the period from 1 May 2018 to 30 April 2019, the share price of the Vilhena Global Themed Fund EUR Class of Shares increased by 7.66% from €3.0441 to €3.2773. As from 4 April 2007 (date from which the EUR class of shares was made available), to 30 April 2019, the share price increased by 40.69%, from a fixed launch offer price of €2.3294 to €3.2773.

### Portfolio Activity

The Fund registered a marginal negative performance for the year ending 30 April 2019 in the USD Class of Shares. With financial pundits and participants deliberating on record-breaking private equity deals, sky-high IPO valuations and the probability of a “melt-up” scenario in equity markets, the market is constantly being reminded that this cycle is getting old.

From their lows at the start of the fiscal year equities rallied over the summer buoyed by stronger US macroeconomic data as well as record highs in small business confidence and 20-year highs in consumer confidence. Sentiment swung significantly in October 2018 as the market focused on rising US interest rates, uncertainties over the strength of the Chinese economy and fears that growth in the all-important US economy had peaked. Several factors combined at the start of the calendar year to catalyse the major stock market rally including, a pivot in policy outlook by the Federal Reserve, an anticipated resolution to the US-China trade dispute, an assortment of Chinese stimulus measures and robust Q4 earnings releases.

The North American market was the strongest market, while Japan, Europe and the UK markets failed to make positive returns over the period. At an industry level Technology was by far the strongest performer followed by Utilities, Consumer Staples and Real Estate sectors. Energy, Financials and Materials sectors generated negative returns. Positive stock selection in Europe ex-UK, Japan and North America was held back by negative selection in Asia. At an industry level positive selection in Technology and Financials was undermined by poor selection in Communication Services, Consumer Staples and Energy.

Absolute performance over the period was helped by strong moves in US names including the cloud software company, Microsoft, the global payments network provider, Visa and the internet giant, Amazon. The Fund's holdings in the Industrial companies, Honeywell and Union Pacific also performed well. The largest detractors to performance were the oil services company, Schlumberger, which fell as offshore oil investment slowed against the backdrop of a weakening oil price, the Japanese specialty chemical company, Showa Denko, which fell as investors rotated away from cyclical stocks, and the Chinese internet giant, Baidu. Positions in Schlumberger, the Danish jewellery retailer, Pandora, and the Chinese airport operator, Beijing Capital Airport were reduced following a breakdown in their investment theses.

Following the volatility witnessed at the end of 2018 the Sub-Investment Manager looked to broaden the exposure of the portfolio in January, buying new positions in the retail investment trust that owns, operates and develops mobile towers, American Tower, and the Japanese brewer, Asahi Group.

### Outlook

A resolution between the US and China has yet to be seen, and with little visibility on whether trade talks are progressing, it is hard to make clear predictions on how this might be resolved. The significant shift in expectations for monetary policy from the Federal Reserve took investors by surprise.

Indeed, the market now expects the US central bank to cut interest rates in 2019. Although some signs of possible recession, such as the US yield curve, are still concerning, the balance of indicators continue to suggest one is unlikely.

## Vilhena European Multi-Manager Fund

### Investment Objective

The investment objective of the Fund is to achieve long-term capital growth. The Fund will be invested predominantly, though not exclusively, in units of collective investment schemes which invest in any sector of the economies of European countries, with a focus on member states of the European Union. The Fund may also invest directly in listed equity securities in European markets, whilst refraining from concentrating its investments in any one country or market sector of these European economies.

## Investment Manager's Report *(continued)*

### Fund Performance

During the period from 1 May 2018 to 30 April 2019, the share price of the Vilhena European Multi-Manager Fund increased by 0.97% from €1.9233 to €1.9419. As from launch of the Fund on 22 June 2004 to 30 April 2019, the share price increased by 94.19%, from a fixed launch offer price of €1.0000 to €1.9419.

### Portfolio Activity

The Fund registered a positive return during the year ended 30 April 2019.

Only one of the seven underlying funds of the portfolio registered positive relative performance that being the Evenlode Income Fund. The notable theme amongst the other six underlying funds was a less remarkable performance during the market sell off in the fourth quarter of 2018, which could not be recovered during the bounce back in the first four months of 2019. The two funds which were detractors to performance were the Magallanes European and Ram Euro Equities Systematic Funds.

### Outlook

Going forward, the Sub-Investment Manager believes the Fund should have less exposure to the UK and Switzerland on Brexit concerns and the strong Swiss Franc. On a sector basis, the Sub-Investment Manager is of the view that the Fund will have less exposure to the Financials and Energy sectors.

### Vilhena Global Balanced Multi-Manager Fund

#### Investment Objective

The investment objective of the Fund is to endeavour to maximise the total level of return to investors over the longer term, whilst minimising the volatility of the portfolio, by investing predominantly, though not exclusively, in units of collective investment schemes.

#### Fund Performance

During the period from 1 May 2018 to 30 April 2019, the share price of the Vilhena Global Balanced Multi-Manager Fund increased by 4.41% from €1.0645 to €1.1114. As from launch of the Fund on 14 February 2014 to 30 April 2019, the share price increased by 11.14%, from €1.0000 to €1.1114.

#### Portfolio Activity

The Fund registered a positive performance for the year ended 30 April 2019.

The Fund's bond content returned positive returns during this period. The bond allocation in the Fund had an average duration of approximately three years during the period. During the year under review, longer dated bonds outperformed short dated bonds on the back of weakening economic data and benign inflation. The Fund bond component has a mixture of both Europe and US regions, where the US Dollar strengthening versus the Euro was a detractor for the performance.

The Fund's equity content also registered positive performance during the period under review. The Fund's positioning in terms of regional allocations was a detractor to performance. The US was the best performing global equity market. Relatively speaking, the Fund held larger exposures to Continental Europe and Japan.

#### Outlook

Whilst economic data has softened and corporate earnings expectations have declined, the Sub-Investment Manager does not expect a recession during the next year. Equity market valuations are reasonable so markets can likely rise if some earnings growth comes through. With bond yields unattractive in real or absolute terms, the Fund maintains its current positioning in equities.

## Vilhena Far East Opportunities Fund

### Investment Objective

The Fund seeks to achieve capital growth and generate an income through diversified investment in equities of Asia-Pacific companies (excluding Japanese equities).

### Fund Performance

During the period from 1 May 2018 to 30 April 2019, the share price of the Vilhena Far East Opportunities Fund decreased by 8.27% from \$2.0142 to \$1.8476. As from the migration of the Fund, from the La Valette Funds SICAV p.l.c. to the Vilhena Funds SICAV p.l.c. on 2 May 2014 to 30 April 2019, the share price increased by 9.53%, from \$1.6869 to \$1.8476.

### Portfolio Activity

The Vilhena Far East Opportunities Fund registered an increase in performance during the period under review. Market sentiment grew increasingly negative during this period as a result of uncertainty surrounding Chinese economic growth and the US/China trade war. From 1 May through 31 December 2018, the Chinese A share and Hong Kong indexes fell by 30% and 16%, respectively. At the beginning of this calendar year, as news began to circulate that a trade deal agreement was imminent, these indexes sharply reversed most of their losses, in fact the Hang Seng index finished 3.6% lower on 30 April 2019 (compared to its price at 1 May 2018), and the Chinese Shenzhen A share index finished approximately 8.5% lower during the same period.

China Meidong was the biggest contributor to the Fund's performance during this period as the company benefited from resilient luxury car sales against the backdrop of sluggish economic growth, and was bolstered by the company's continued discipline in inventory and pricing management. The Sub-Investment Manager maintains the holding, now the biggest position in the fund, as the valuation remains attractive given the businesses' strong competitive positioning, which is quasi-monopolistic dealerships and exceptional management.

Xero also contributed positively to the Fund's performance as the company continued to grow operating revenues and account additions at a double digit rate (despite ongoing competition in the US and UK markets). The Sub-Investment Manager holds a positive outlook on the company, particularly given the large addressable market and opportunities to improve profitability with scale, and the potential market opportunity from introducing new ancillary services to the platform.

The third biggest contributor over the period was Chailease, which was a new addition to the Fund. Chailease specialises in lease financing to fund purchases of heavy equipment, with operations across Taiwan, China and Southeast Asia. The Sub-Investment Manager believes that the current market valuation is attractive given the quality and potential growth of the business.

China Maple Leaf gave a negative contribution to the Fund's performance due to the negative impact from new government regulations announced in August, which called into question the profitability of the entire core Chinese education sector (and the ability of these businesses to continue to expand through acquisitions). This announcement caused significant share price declines across the sector. The Fund no longer holds any exposure to this equity.

Beijing Capital International Airport registered negative returns due to an announcement from the Chinese government that airport fees would no longer be re-funded to the company, which resulted in the Chinese listed airport companies falling 20-25% on the day. Given this regulatory shift, and the growing uncertainty surrounding traffic shift towards the new airport in Beijing, the Sub-Investment Manager chose to remove this position in the Fund.

Korea Electric Power ("KEPCO") also registered negative returns, as the company fundamentals deteriorated significantly. During this period, the Korean government continued to delay its review of the electricity tariff scheme, forced additional coal plant shutdowns, and pushed for less reliance on nuclear power generation, which is the highest margin power source available to KEPCO. Altogether, this resulted in KEPCO reporting its first quarterly operating loss since 2013. Given these effects, the Sub-Investment Manager chose to exit this position in the Fund.

## Investment Manager's Report *(continued)*

### Outlook

The Fund's strategy remains to focus on selecting companies with favorable risk-reward profiles, without significantly concentrating holdings in any particular industry or region. The sector exposure of the Fund remains relatively consistent, with less exposure to the Energy, Materials, and Financial sectors. The Sub-Investment Manager's view remains that the performance of these companies is heavily correlated with extraneous macroeconomic factors (FX, commodity prices, etc.), but is aware of companies such as Chailease that have unique qualities which enhance the Fund's investment case.

The deterioration of trade negotiations between the US and China has, once again, caused weaker market sentiment over the last week and may bring about another period of increased volatility across the Asian markets. The Sub-Investment Manager is cautiously optimistic that a favourable outcome can be reached between the two nations, but will continue to adjust the Fund's exposure as more information around the negotiations becomes available.

### Vilhena Euro Malta Money Fund

#### Investment Objective

The investment objective of the Fund is to provide investors with the opportunity to achieve an attractive and competitive rate of return on their cash balances whilst ensuring a high level of liquidity for investors.

#### Fund Performance

##### *Institutional Class of Shares*

During the period from 1 May 2018 to 30 April 2019, the share price of the Vilhena Euro Malta Money Fund institutional class of shares increased by 0.26% from €3.0157 to €3.0236. As from the migration of the Fund, from the La Valette Funds SICAV p.l.c. to the Vilhena Funds SICAV p.l.c. on 18 July 2014 to 30 April 2019, the share price increased by 0.96%, from €2.9948 to €3.0236.

##### *Retail Class of Shares*

During the period from 1 May 2018 to 30 April 2019, the share price of the Vilhena Euro Malta Money Fund retail class of shares increased by 0.26% from €2.9850 to €2.9928. As from the migration of the Fund, from the La Valette Funds SICAV p.l.c. to the Vilhena Funds SICAV p.l.c. on 18 July 2014 to 30 April 2019, the share price increased by 0.88%, from €2.9668 to €2.9928.

#### Portfolio Activity

The Vilhena Euro Malta Money Fund registered a positive performance for the period under review. In accordance to the Fund's objectives, the underlying Funds were invested in high quality instruments, providing the necessary stability and liquidity to preserve the underlying capital. During the period under review, money market yields remained at historic low levels reflecting the ECB's accommodative policy, with interest rates expected to remain unchanged at least through the end of 2019.

In this market scenario and given the Fund's conservative strategy, the Fund Manager continued to seek opportunities to enhance the Fund's yield without compromising liquidity and stability. This was primarily achieved by retaining exposure to the financial institutions which stratify a rigorous credit quality assessment.

*The Funds' performance figures listed above have been rounded to two decimal places whilst the fund prices are listed either to three decimal places or to four decimal places, as stipulated in the relevant Fund Supplement. Furthermore, for certain funds, the comparative has been taken against the price applicable on the date of migration from the La Valette Funds SICAV p.l.c. or Wignacourt Funds SICAV p.l.c., as applicable, to the Vilhena Funds SICAV p.l.c., given that the investment parameters prior to this time were not the same as those upon migration. 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, Insight Investment Management (Global) Limited, Waverton Investment Management Limited, U.S. Federal Reserve)*

## Directors' Report

The Directors are hereby laying before and for the approval by the Shareholders at this Annual General Meeting, the Annual Report, including the financial statements of the Company for the year ended 30 April 2019.

### Principal Activities

The Company is organised under the laws of Malta as a multi-fund investment company with variable share capital (SICAV). The Company was registered on 10 October 1997 and licensed as a Collective Investment Scheme under the Investment Services Act (Cap. 370 of the Laws of Malta). As at the date of this report, the Company has established fourteen separate sub-funds:

Vilhena Euro Malta Money Fund  
 Vilhena Malta Government Bond Fund  
 Vilhena Malta Bond Fund  
 Vilhena Euro Income Fund  
 Vilhena Sterling Income Fund  
 Vilhena High Yield Fund  
 Vilhena Maltese Opportunities Fund  
 Vilhena Maltese Equity Focus Fund  
 Vilhena Malta Fund  
 Vilhena Global Balanced Multi-Manager Fund  
 Vilhena Global Themed Fund  
 Vilhena European Multi-Manager Fund  
 Vilhena Far East Opportunities Fund  
 Vilhena Broad Opportunities Fund

The Company has no employees.

### Review of Business

The net assets attributable to holders of redeemable shares as at 30 April 2019 stood at €847.18 million, a decrease of 1.37% from that registered 30 April 2018, which stood at €858.97 million.

The results for the year ended 30 April 2019 are shown in the statements of comprehensive income on page 38. The Company reported an increase in total net assets attributable to holders of redeemable shares from operations amounting to €11,593,615 (2018: €760,895).

The individual performance of the sub-funds is further described in the Investment Manager's Report on pages 6 to 19.

### Principal Risks and Uncertainties

Principal Risks and Uncertainties are disclosed in the information about the Scheme section on pages 114 to 124. In addition, the individual financial risk management objectives, policies and exposures of the sub-funds are further described in note 14 in the Notes to the Financial Statements.

### Regulatory Affairs

On the 31 May 2018, the Prospectus and Fund Supplements were updated to reflect changes in the name of the Investment Manager, Fund Administrator and the removal of the Advisor for the Vilhena Malta Fund, Vilhena Malta Government Bond Fund, Vilhena Malta Bond Fund, Vilhena Maltese Opportunities Fund and Vilhena Maltese Equity Focus Fund.

On the 4 October 2018 during a General Meeting, an extraordinary resolution was adopted and approved in order to amend the Memorandum and Articles of Association of the Company (the "M&As"). The M&As were amended to permit: (i) copies of the Company's financial statements (including every document required by law to be included therein or annexed thereto), the directors' report and the auditors' report; and (ii) all other notices or documents required to be sent or otherwise dispatched by the Company to shareholders from time to time, to be sent to investors by electronic mail. Other changes to M&As were also made in order to reflect: (i) changes in the names of the personnel who have been appointed to sit on the Company's board of directors; and (ii) changes in the name and registered office of the Company's investment manager and fund administrator. These changes were approved by the MFSA on the 24th April, 2019, following which the approved documentation was duly lodged with the Registrar of Companies.

On 30 November 2018, the Company was informed by the Custodian that the Vilhena Malta Fund was invested in certain underlying collective investment schemes which are not in line with the Fund Supplement restriction, namely '10% of Net Asset Value in other Collective Investment Schemes which invest in Maltese debt and/or Maltese Equity Securities' given that such underlying collective investment schemes invest in equities of non-Maltese entities. In this respect, the strategy of the Vilhena Malta Fund, the Fund Supplement is being updated to read '10% of Net Asset Value in other Collective Investment Schemes'. The MFSA has been informed of this matter, and approval of the Fund Supplement is still being awaited.

On the 16 January 2019, the MFSA approved the changes to the Master Prospectus as well as to the Fund Supplement of the Vilhena Broad Opportunities Fund. The changes to the Master Prospectus related to changes, amongst others, in the Valuation Policy whilst the changes to the Vilhena Broad Opportunities Fund Supplement related to changes in the Master Fund of the Vilhena Broad Opportunities Fund.

On the 21 January 2019, new Money Market Fund Regulations came into force which impacted the Vilhena Euro Malta Money Fund. Updates to the Vilhena Euro Malta Money Fund Supplement have been sent to the MFSA for approval, which is still awaited.

On the 17 April 2019, the Company was informed that the Office of the Arbiter for Financial Services had declined the claim against the Vilhena Funds SICAV p.l.c., in relation to the Vilhena Dynamic Multi Manager Fund, with the claimants having to pay their own costs.

Following the financial year end, it was noted that the Vilhena Malta Bond Fund's Offering Supplement states that "*The Fund may invest up to a maximum of 15% of its Net Asset Value in listed debt securities issued by non-Maltese entities or governments. The Fund will have an exposure to a spread of non-Maltese debt securities with different maturities, coupons and credit risks.*" Whilst the first sentence explains that the Fund may invest or may not invest in foreign securities, the second sentence is conflicting as it states that the Fund will have an exposure to a spread of non-Maltese debt securities, however, the Fund holds no foreign debt securities. In this respect, the Investment Manager has informed the MFSA of such matter, and updated the Offering Supplement, the approval of which Offering Supplement is awaited from the Authority.

#### **Results and Dividends**

Dividends declared for the year ended 30 April 2019 can be found under note 10.

#### **Directors**

The Directors of the Company who held office during the year under review are listed on page 4.

#### **Auditors**

A resolution to reappoint KPMG as external auditors will be proposed at the Annual General Meeting.

#### **Standard Licence Conditions and Regulatory Sanctions**

During the year ended 30 April 2019, there were no breaches of the standard licence conditions and no other breaches of regulatory requirements which were subject to an administrative penalty or regulatory sanctions.

On behalf of the Board



**Mr Guido Mizzi**  
Chairman



**Ms Marisa Ciappara**  
Director

11 July 2019

## Rapport tad-Diretturi

Bil-preżenti, id-Diretturi jqiegħdu quddiem l-Azzjonisti għall-approvazzjoni f'din il-Laqqha Ġenerali Annwali, ir-Rapport Annwali li jinkludi ir-Rapporti Finanzjarji tal-Kumpanija għas-sena li għalqet fit-30 ta' April 2019.

### Attivitajiet Prinċipali

Il-Kumpanija hija regolata taħt il-ligijiet ta' Malta bħala kumpanija ta' investiment b'multi-fondi b'kapital azzjonarju varjabbli (SICAV). Il-Kumpanija għet irregjistrata fl-10 ta' Ottubru 1997 u hija liċenzjata bħala Skema ta' Investiment Kollettiv taħt l-Att dwar Servizzi ta' Investiment (Kap. 370 tal-Ligijiet ta' Malta). Fid-data ta' dan ir-rapport, il-Kumpanija kienet stabbiliet erbatax-il sottofond separati:

Vilhena Euro Malta Money Fund  
 Vilhena Malta Government Bond Fund  
 Vilhena Malta Bond Fund  
 Vilhena Euro Income Fund  
 Vilhena Sterling Income Fund  
 Vilhena High Yield Fund  
 Vilhena Maltese Opportunities Fund  
 Vilhena Maltese Equity Focus Fund  
 Vilhena Malta Fund  
 Vilhena Global Balanced Multi-Manager Fund  
 Vilhena Global Themed Fund  
 Vilhena European Multi-Manager Fund  
 Vilhena Far East Opportunities Fund  
 Vilhena Broad Opportunities Fund

Il-Kumpanija m'għandhiex impjegati.

### Harsa lejn l-Attività tan-Negożju

Fit-30 ta' April 2019, l-assi netti attribwibbli għad-detenturi tal-ishma li jistgħu jinfedew kienu ta' €847.18 miljun, nuqqas ta' 1.37% miċ-ċifra rreġistrata fit-30 ta' April 2018, li kienet ta' €858.97 miljun.

Ir-riżultati għas-sena li għalqet fit-30 ta' April 2019 jidheru fl-'statements of comprehensive income' f'pagna 38. Il-Kumpanija irregjistrat żieda fl-assi netti attribwiti lill-azzjonisti mill-operat li jammonta għal €11,593,615 (2018: €760,895).

Il-prestazzjoni individwali tas-sotto-fondi hija deskritta aktar fir-Rapport ta' Maniġer fil-paġni 6 sa 19.

### Riski Sinifikanti u Incertezzi

Ir-Riski Sinifikanti u l-Incertezzi jinstabu taħt is-sezzjoni ta' informazzjoni fuq l-iskema f'pagni 114 u 124 u l-oġettivi individwali tal-immaniġġjar tar-riskju finanzjarju, il-politiki u l-iskoperturi tas-sotto-fondi huma deskritti aktar fin-nota 14 fin-Noti tad-Dikjarazzjonijiet Finanzjarji.

### Affarijiet Regolatorji

Fil-31 ta' Mejju 2018, il-Prospett u s-Supplimenti tal-Fondi ġew aġġornati biex jirriflettu l-bidla fl-isem tal-Maniġer tal-Investment u tal-Amministratur tal-Fondi u t-tneħħija tal-Konsulent għall-Vilhena Malta Fund, il-Vilhena Malta Government Bond Fund, il-Vilhena Malta Bond Fund, il-Vilhena Maltese Opportunities Fund u l-Vilhena Maltese Equity Focus Fund.

Fl-4 ta' Ottubru 2018 waqt Laqqha Ġenerali, għet adottata u approvata riżoluzzjoni straordinarja sabiex jiġi emendat il-Memorandum u l-Artikoli ta' Assoċjazzjoni tal-Kumpanija (l-"M&As"). L-M&As ġew emendati biex jippermettu li: (i) kopji tar-rendikonti finanzjarji tal-Kumpanija (inkluż kull dokument meħtieġ bil-liġi li għandu jiġi inkluż filhom jew anness magħhom), ir-rapport tad-diretturi u r-rapport tal-awdituri; u (ii) l-avviżi jew id-dokumenti l-oħra kollha meħtieġa li jintbagħtu jew li jintbagħtu b'mod ieħor mill-Kumpanija lill-azzjonisti minn żmien għal żmien, jintbagħtu lill-investituri bil-posta elettronika. Bidliet oħra fl-M&As saru wkoll sabiex jirriflettu: (i) bidliet fl-ismijiet tal-persunal li ġew maħtura biex joqogħdu fuq il-bord tad-diretturi tal-Kumpanija; u (ii) bidliet fl-isem u fl-uffiċċju rreġistrat tal-manjiġer tal-investment u tal-amministratur tal-fondi tal-Kumpanija. Dawn il-bidliet ġew approvati mill-MFSA fl-24 ta' April 2019, u sussegwentement id-dokumentazzjoni approvata ngħatat kif xieraq lir-Reġistratur tal-Kumpaniji.

Fit-30 ta' Novembru 2018, il-Kumpanija giet infurmata mill-Kustodju li l-Vilhena Malta Fund gie investit f'certi skemi sottostanti ta' investment kollettiv li mhumiex konformi mar-restrizzjoni fis-Suppliment tal-Fond, jgifieri '10 % tal-Valur Nett tal-Assi fi Skemi ohra ta' Investment Kollettiv li jinvestu f'dejn Malti u/jew f'Titoli tal-Ekwità Maltin' minhabba li dawn l-iskemi sottostanti ta' investment kollettiv jinvestu f'ishma ta' entitajiet mhux Maltin. F'dan ir-rigward, l-istrateġija tal-Vilhena Malta Fund fis-Suppliment tal-Fond qed tiġi aġġornata biex taqra '10 % tal-Valur Nett tal-Assi fi Skemi ohra ta' Investment Kollettiv'. L-MFSA giet infurmata dwar din il-kwistjoni, u l-approvazzjoni tas-Suppliment tal-Fond ghadha mistennija.

Fis-16 ta' Jannar 2019, l-MFSA approvat il-bidliet fil-Master Prospectus kif ukoll fis-Suppliment tal-Fond tal-Vilhena Broad Opportunities Fund. Il-bidliet fil-Master Prospectus kellhom x'jaqsmu ma' bidliet, fost l-ohrajn, fil-Politika ta' Valutazzjoni filwaqt li l-bidliet fis-Suppliment tal-Vilhena Broad Opportunities Fund kienu relatati ma' bidliet fil-Master Fund tal-Vilhena Broad Opportunities Fund.

Fil-21 ta' Jannar 2019, daħlu fis-seħh Regolamenti ġodda dwar il-Fondi tas-Suq Monetarju li kellhom impatt fuq il-Vilhena Euro Malta Money Fund. L-aġġornamenti ghas-Suppliment tal-Vilhena Euro Malta Money Fund intbagħtu lill-MFSA għall-approvazzjoni, u l-Kumpanija ghadha qed tistenna din l-approvazzjoni.

Fis-17 ta' April 2019, il-Kumpanija giet infurmata li l-Uffiċċju tal-Arbitru għas-Servizzi Finanzjarji kien irrifjuta t-talba kontra l-Vilhena Funds SICAV plc, fir-rigward tal-Vilhena Dynamic Multi Manager Fund, bir-rikorrenti kellhom iħallsu l-ispejjeż tagħhom stess.

Wara li għalqet is-sena finanzjarja, gie nnutat li is-Suppliment tal-Vilhena Malta Bond Fund taqra *"Il-Fond jista' jinvesti sa massimu ta' 15% tal-Valur Nett tal-Assi tiegħu f'titoli ikwotati ta' dejn maħruġa minn entitajiet jew gvernijiet mhux Maltin. Il-Fond se jkun espost għal firxa ta' titoli ta' dejn mhux Malti b'maturitajiet, kupuni u riskji ta' kreditu differenti."* Filwaqt li l-ewwel sentenza tispjega li l-Fond jista' jinvesti jew ma jistax jinvesti f'titoli barranin, il-mod kif inhi miktuba it-tieni sentenza hija konfliġġenti, dan għaliex tgħid li l-Fond se jkun espost għal firxa ta' titoli ta' dejn mhux Malti, madankollu, il-Fond m'għandux titoli ta' dejn barrani. F'dan ir-rigward, il-Maniġer ta' l-Investimenti informa lill-MFSA dwar din il-kwistjoni, u aġġorna s-Suppliment tal-Fond, u l-approvazzjoni ta' liema Suppliment hija mistennija mill-Awtorità.

#### **Riżultati u Tqassim ta' Dividendi**

Id-dividendi ddikjarati għas-sena li għalqet fit-30 ta' April 2019 jinsabu f'Nota 10 tar-rapporti finanzjarji.

#### **Diretturi**

Id-Diretturi tal-Kumpanija li kellhom il-kariga matul is-sena eżaminata fir-Rapport jinsabu elenkati f'paġna 4.

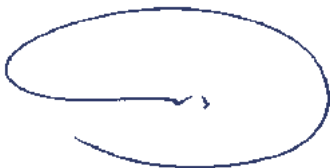
#### **Awdituri**

Riżoluzzjoni biex jerġgħu jiġu appuntati KPMG għandha tiġi proposta fil-Laqqha Ġenerali Annwali.

#### **Standard Licence Conditions u Sanzjonijiet Regulatorji**

Matul is-sena li għalqet fit-30 ta' April 2019, ma kien hemm l'ebda ksur ta' standard licence conditions u ksur ieħor regulatorju li kienu suġġetti għall-penali amministrattivi jew sanzjonijiet regulatorji.

F'isem il-Bord



**Mr Guido Mizzi**  
Chairman



**Ms Marisa Ciappara**  
Direttur

11 ta' Lulju 2019

*N.B: Il-verżjoni bl-Ingliż hija l-verżjoni uffiċjali.*

## Report of the Custodian

# BOV

## Bank of Valletta

Finance - Custody Compliance  
 BOV Centre, Triq il-Kanun,  
 Santa Venera SVR 9030 - Malta  
 T: (356) 21312020  
 F: (356) 22753710  
 E: customercare@bov.com  
 bov.com

11 July 2019

### Vilhena Funds SICAV p.l.c.

#### Annual Report of the Custodian

We, Bank of Valletta p.l.c., as Custodian to the Vilhena Funds SICAV p.l.c., (“the Company”), hereby, confirm that having enquired into the conduct of the Manager during the year from the 1st May 2018 until the 30th April 2019, it is our opinion that during this year, the Company and its Funds have been managed:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of each Fund by the constitutional documents and by the Malta Financial Services Authority; with the exception of;

#### **Vilhena Malta Fund**

Investment in non-Maltese Collective Investment Schemes - The Fund’s Offering Supplement states that the Sub-Fund is permitted to invest “*not more than 10% of its Net Asset Value in other Collective Investment Schemes which invest in Maltese debt and/or Maltese equity securities.*” However, the Sub-Fund invested in five (5) Collective Investment Schemes which do not invest in Maltese debt and/or Maltese equity securities. The Authority has been informed of such matter. The Investment Manager updated the Offering Supplement and is awaiting approval from the Authority of the amended Offering Supplement.

#### **Vilhena Malta Bond Fund**

Fund’s exposure in non-Maltese debt securities - The Fund’s Offering Supplement states that “*The Fund may invest up to a maximum of 15% of its Net Asset Value in listed debt securities issued by non-Maltese entities or governments. The Fund will have an exposure to a spread of non-Maltese debt securities with different maturities, coupons and credit risks.*”. Whilst the first sentence explains that the Fund may invest or may not invest in foreign securities, the second sentence is conflicting as it states that the Fund will have an exposure to a spread of non-Maltese debt securities, however, the Fund holds no foreign debt securities. The Authority has also been informed of such matter. The Investment Manager updated the Offering Supplement and is awaiting approval from the Authority of the amended Documentation.

- (ii) Otherwise, in accordance with the provisions of the constitutional documents and the Fund’s license conditions.



#### **Aldo Scardino**

Executive Head, International Corporate Banking  
 Bank of Valletta p.l.c.

# Financial statements

# Statements of Financial Position

as at 30 April 2019

Vilhena Funds  
SICAV p.l.c.  
Combined  
Statement

30.4.2019      30.4.2018  
€                      €

## ASSETS

Financial assets at fair value through profit or loss (note 3.1)	717,120,414	714,997,831
Financial assets at amortised cost (note 3.1)	3,504,501	4,004,910
Term deposits at amortised cost (note 3.1)	84,378,208	77,048,594
Accrued income (note 5)	6,411,266	6,124,391
Other receivables and prepayments (note 4)	4,277,627	1,760,614
Cash and cash equivalents (note 13)	47,266,826	68,284,172
<b>Total assets</b>	<b>862,958,842</b>	<b>872,220,512</b>

## LIABILITIES

Financial liabilities at fair value through profit or loss (note 3.1)	489,671	905,454
Accrued expenses (note 6)	1,300,510	1,094,118
Other payables (note 6)	13,967,498	11,240,056
Overdrawn bank balance (note 13)	20,076	9,546
<b>Total liabilities (excluding net assets attributable to shareholders)</b>	<b>15,777,755</b>	<b>13,249,174</b>

## Net assets attributable to holders of redeemable shares

**847,181,087**      **858,971,338**

## Salient Statistics

Shares in issue as at 30 April 2019 (note 7)

Accumulator  
Distributor  
Monthly Distributor  
EURO Class  
USD Class  
GBP Class  
Retail  
Institutional

## Net asset value as at 30 April 2019

Net asset value as at 30 April 2018  
Net asset value as at 30 April 2017

## Net asset value per share as at 30 April 2019 Accumulator/Distributor/Monthly Distributor (note 8)

## Net asset value per share as at 30 April 2019 - EURO Class / USD Class / GBP Class (note 8)

## Net asset value per share as at 30 April 2019 - Retail Class/Institutional Class (note 8)

Net asset value per share as at 30 April 2018 Accumulator/Distributor/Monthly Distributor (note 8)

Net asset value per share as at 30 April 2018 - EURO Class / USD Class / GBP Class (note 8)

Net asset value per share as at 30 April 2018 - Retail Class/Institutional Class (note 8)

Net asset value per share as at 30 April 2017 Accumulator/Distributor/Monthly Distributor (note 8)

Net asset value per share as at 30 April 2017 - EURO Class / USD Class / GBP Class (note 8)

Net asset value per share as at 30 April 2017 - Retail Class/Institutional Class (note 8)

The accounting policies and notes on pages 42 to 88 are an integral part of these financial statements.

These financial statements on pages 26 to 88 were authorised for issue by the Board of Directors on the 11 July 2019 and were signed on its behalf by:

  
**Guido Mizzi**  
Chairman

  
**Marisa Ciappara**  
Director



## Statements of Changes in Net Assets attributable to Holders of Redeemable Shares

for the year ended 30 April 2019

	Vienna Funds SICAV P.L.C. Combined Statement	Vienna Malta Fund	Vienna Malta Government Bond Fund	Vienna Global Themed Fund	Vienna Mediterranean Fund	Vienna European Multi-Manager Fund	Vienna Board Opportunities Fund	Vienna Malta Bond Fund	Vienna Sterling Income Fund	Vienna High Yield Fund	Vienna Euro Income Fund	Vienna Global Balanced Multi-Manager Fund	Vienna Far East Opportunities Fund															
<b>Net assets at beginning of year</b>	889,971,338	847,930,899	45,834,127	44,103,967	289,817,633	281,155,035	24,873,343	14,389,290	-	9,813,577	29,850,457	25,815,579	3,516,113	3,472,822	167,169,057	158,412,930	89,102,841	63,982,143	66,938,862	61,791,133	44,631,896	44,507,266	11,916,870	132,732,442	4,441,323	3,969,815		
Creation of shares	96,429,500	142,334,484	5,102,459	7,159,938	42,548,411	49,866,941	5,400,700	10,172,729	-	27,394	2,447,858	2,874,780	416,442	306,032	16,310,795	28,968,831	3,203,170	7,318,315	10,719,104	13,881,766	2,715,608	9,080,133	78,915	1,555,737	474,470	863,951		
Redemption of shares	(122,249,608)	(120,742,149)	(6,544,441)	(6,030,804)	(98,234,161)	(43,404,688)	(4,430,889)	(1,889,851)	-	(3,587,259)	(2,827,058)	(2,432,038)	(836,140)	(310,237)	(23,637,088)	(22,984,173)	(3,888,249)	(2,991,874)	(4,892,459)	(5,827,568)	(11,790,203)	(9,388,440)	(210,433)	(2,778,442)	(577,288)	(873,483)		
Net equalisation	(41,371)	700,458	(28,388)	25,101	13,665	16,413	-	-	-	(377)	-	-	-	-	(34,978)	56,735	(6,042)	18,831	41,267	42,807	(7,287)	(3,026)	-	-	-	-		
Increase/(decrease) in net assets attributable to holders of redeemable shares	11,589,815	700,895	1,782,037	(459,059)	6,288,559	21,433,82	12,242	2,172,578	-	(83,935)	239,561	542,817	(44,457)	45,398	3,044,534	1,815,888	(1,549,232)	(835,774)	(1,773,899)	2,437,188	(94,488)	(163,057)	-	-	-	-	-	
Unrealised exchange rate differences	3,477,557	(5,042,000)	-	-	-	-	12,242	2,172,578	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Net assets at end of year</b>	897,191,897	847,930,899	44,126,823	45,834,127	302,445,091	299,817,633	24,886,124	14,389,290	-	9,813,577	26,071,820	26,300,457	3,529,298	3,516,113	167,047,888	167,169,057	85,599,420	63,102,641	77,069,781	64,939,852	34,069,708	44,331,896	11,916,870	132,732,442	4,441,323	3,969,815		

The accounting policies and notes are an integral part of these financial statements.

Vilhena Maltese Opportunities Fund		Vilhena Maltese Equity Focus Fund		Vilhena Euro Malta Money Fund	
30.4.2019	30.4.2018	30.4.2019	30.4.2018	30.4.2019	30.4.2018
€	€	€	€	€	€
<b>29,393,388</b>	31,969,598	<b>14,715,953</b>	15,458,538	<b>56,938,516</b>	71,668,008
<b>2,889,811</b>	1,309,068	<b>2,393,299</b>	2,552,029	<b>392,668</b>	7,455,561
<b>(5,898,765)</b>	(2,877,553)	<b>(1,188,384)</b>	(2,439,408)	<b>(12,422,666)</b>	(22,295,671)
<b>(17,899)</b>	(11,033)	<b>1,098</b>	(1,175)	-	(40,547)
<b>1,954,185</b>	(996,692)	<b>1,544,258</b>	(854,031)	<b>133,327</b>	151,165
-	-	-	-	-	-
<b>28,320,720</b>	29,393,388	<b>17,466,224</b>	14,715,953	<b>45,041,845</b>	56,938,516

# Statements of Comprehensive Income

for the year ended 30 April 2019

	Vilhena Funds SICAV p.l.c. Combined Statement	
	30.4.2019	30.4.2018
	€	€
<b>Income</b>		
Income/(expenses) on financial assets and liabilities at fair value through profit or loss (note 3.2)	30,109,871	19,379,902
Interest income from financial assets at amortised cost	562,486	617,358
Dividend income	2,831,834	2,870,914
Management fee rebates	3,557	4,440
	<b>33,507,748</b>	<b>22,872,614</b>
<b>Expenses</b>		
Management fees (note 9a)	4,946,581	4,930,583
Registrar fees (note 9b)	1,135,275	1,138,724
Administration fees (note 9c)	1,987,779	1,998,105
Custodian fees (note 9d)	290,049	307,033
Trustee disbursements	110,630	111,109
Transaction costs	209,086	244,565
Legal and professional fees	161,339	149,481
Directors' remuneration	32,429	32,814
General administrative costs	558,070	365,877
	<b>9,431,238</b>	<b>9,278,291</b>
<b>Net income</b>	<b>24,076,510</b>	<b>13,594,323</b>
Finance costs - distributions to holders of redeemable shares (note 10)	(10,521,227)	(10,649,452)
Withholding tax	(1,961,668)	(2,183,976)
<b>Increase in net assets attributable to holders of redeemable shares</b>	<b>11,593,615</b>	<b>760,895</b>

The accounting policies and notes are an integral part of these financial statements.

2291378	(2,408)	10,889,727	72,163,277	14,567	2,207,258	-	(32,157)	377,111	672,629	15,290	102,178	6,694,820	5,598,938	14,703,465	2,156,242	3,325,086	1,994,135	927,888	870,679	544,115	(29,285)	947,094	563,203	2,008,288	1,079,820	1,616,612	(820,458)	(12,124)	(102,078)	
646	548	254,185	221,048	231	65	41	41	288	282	-	8	74,323	43,203	3,387	3,883	2,287	2,598	482	292	12	17	-	380	364	-	581	280,058	344,004		
588,891	776,850	-	-	572,209	346,334	-	4,970	382,239	353,388	-	-	-	-	-	-	-	-	-	-	168,620	198,214	111,023	889,991	775,857	420,356	493,338	-	-	-	
€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	
304,42019	304,42018	304,42019	304,42018	304,42019	304,42018	304,42019	304,42018	304,42019	304,42018	304,42019	304,42018	304,42019	304,42018	304,42019	304,42018	304,42019	304,42018	304,42019	304,42018	304,42019	304,42018	304,42019	304,42018	304,42019	304,42018	304,42019	304,42018	304,42019	304,42018	
2280382	794,000	11,243,912	7,737,378	986,607	2,653,827	-	(271,951)	729,738	1,028,278	15,290	102,184	6,689,233	5,662,139	14,728,822	2,160,125	3,325,343	1,986,731	928,020	870,371	714,304	(85,694)	(235,981)	2,702,489	2,702,489	(243,731)	2,657,268	(353,540)	218,924	241,128	
294,088	293,882	1,154,924	1,158,294	318,229	253,835	-	6,308	329,107	333,231	12,814	13,105	72,844	72,812	48,838	94,430	684,185	661,420	299,242	304,158	112,118	128,212	41,422	44,838	217,248	231,790	167,248	192,156	18,882	23,115	
34,828	36,812	305,280	309,723	37,117	23,108	-	151	32,523	32,794	3,433	3,394	203,236	203,326	82,004	94,072	65,286	28,673	49,272	53,533	21,218	12,621	3,095	4,230	30,228	33,032	16,782	19,216	8,000	6,272	
14,828	14,428	88,661	86,822	12,889	10,886	-	2,311	11,484	11,484	1,883	1,234	49,291	48,888	20,840	21,340	28,385	24,559	16,193	17,284	10,971	16,543	4,215	4,215	13,816	13,816	8,543	8,543	3,211	2,728	
13,643	7,285	6,390	15,381	7,000	8,000	-	2,250	2,285	70	123	285	18,278	12,611	8,460	12,137	15,988	19,663	15,090	20,330	-	-	-	-	3,313	3,827	4,265	3,983	4,270	5,771	1,728
38,815	25,832	67,527	96,689	15,438	21,386	-	8,477	3,648	3,648	471	471	41,846	47,544	12,899	8,143	10,292	9,449	10,213	9,854	1,085	5,782	18,480	23,189	16,840	16,094	14,119	14,245	351	100	
12,899	12,351	12,689	10,348	11,538	12,882	-	1,897	10,243	9,045	10,292	9,143	12,889	12,150	8,099	8,121	10,243	9,449	10,213	9,854	1,085	5,782	18,480	23,189	16,840	16,094	14,119	14,245	351	100	
2,321	2,296	2,221	2,298	2,454	2,870	-	488	2,321	2,285	2,321	2,296	2,321	2,285	2,012	2,102	2,321	2,285	2,321	2,296	2,321	2,285	2,321	2,296	2,321	2,285	2,321	2,296	2,321	2,296	2,321
50,383	32,727	67,895	55,400	32,481	30,224	-	1,897	31,021	23,457	24,088	22,883	59,634	38,132	45,779	20,250	63,482	34,332	64,533	28,898	23,083	17,614	15,833	14,487	34,871	21,018	25,738	17,852	17,066	13,832	
581,127	559,187	2,827,255	2,656,533	465,911	422,976	-	23,538	478,197	485,682	56,747	56,788	1,528,202	1,500,785	838,579	820,245	1,062,223	1,001,300	557,171	578,249	194,682	210,331	110,317	123,488	420,982	413,755	325,668	310,834	80,597	90,761	
2,298,958	1,44,833	6,616,587	5,080,823	96,986	2,230,651	-	(52,949)	250,581	542,617	(44,451)	45,398	5,161,651	4,138,312	637,303	1,399,480	2,263,110	995,431	370,348	286,122	518,612	(28,329)	(846,288)	599,613	2,291,477	(67,289)	1,711,600	(64,319)	133,327	151,105	
(251,208)	(301,348)	(1,989,237)	(2,073,000)	-	-	-	(1,241)	-	-	-	(1,802,970)	(1,971,671)	(2,188,638)	(2,175,259)	(3,981,048)	(3,036,919)	(358,578)	(970,848)	(461,178)	(41,533)	(32,342)	(5,820)	(9,575)	(948,299)	(282,733)	(1,333,529)	(143,388)	-	-	
(265,618)	(299,643)	(728,577)	(863,381)	(78,454)	(58,075)	-	-	-	-	-	(913,147)	(654,871)	(2,188,638)	(2,175,259)	(3,981,048)	(3,036,919)	(358,578)	(970,848)	(461,178)	(41,533)	(32,342)	(5,820)	(9,575)	(948,299)	(282,733)	(1,333,529)	(143,388)	-	-	-
1,732,037	(46,059)	6,288,583	2,143,882	12,942	2,172,576	-	(3,838)	250,681	542,617	(44,451)	45,398	3,044,834	1,818,868	(1,548,823)	(835,774)	(1,777,839)	(2,421,488)	(24,428)	(183,057)	478,079	(335,887)	(321,148)	590,040	1,984,185	(996,882)	1,544,258	(854,031)	133,327	151,105	
€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€	€

## Statements of Cash Flows

for the year ended 30 April 2019

	Wihena Funds SICAV A.L.C. Combined Statement	30.4.2018	€	Wihena Funds Fund	30.4.2018	€	Wihena Mata Government Bond Fund	30.4.2018	€	Wihena Global Themed Fund	30.4.2018	€	Wihena Mediterranean Fund	30.4.2018	€	Wihena European Multi-Manager Fund	30.4.2018	€	Wihena Opportunities Fund	30.4.2018	€	Wihena Mata Bond Fund	30.4.2018	€	Wihena Staring Income Fund	30.4.2018	€	Wihena High Yield Fund	30.4.2018	€	Wihena Euro Income Fund	30.4.2018	€	Wihena Global Balanced Multi-Manager Fund	30.4.2018	€	Wihena Far East Opportunities Fund	30.4.2018	€
<b>Cash flows from operating activities</b>																																							
Interest received	2120,074	2320,233	826,070	893,132	716,400	846,392	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Dividend income received	2746,050	2449,200	563,866	595,723	4,384	3,102	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Bank interest received	169,839	124,303	666	548	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Other income received	79,078	10,180	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Operating expenses paid	(8,004,258)	(8,857,671)	(652,210)	(659,858)	(2,491,258)	(2,548,728)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Tax paid	(1,961,667)	(2,163,979)	(245,918)	(259,644)	(725,571)	(863,931)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Net proceeds from/purchases of investments	3,114,148	398,127	288,250	(207,288)	(1,148,282)	1,843,265	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Net cash generated from/(used in) operating activities</b>	<b>1639,780</b>	<b>1504,157</b>	<b>370,314</b>	<b>(60,454)</b>	<b>(1,195,200)</b>	<b>719,200</b>	<b>(1,064,458)</b>	<b>(1,393,517)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Cash flows from financing activities</b>																																							
Amounts received on creation of shares	9559,908	1427,96482	5129,377	7,218,324	42,619,976	48,883,254	54,070	10,172,728	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Amounts paid on redemption of shares	(122,429,229)	(7,380,3047)	(6,919,749)	(6,064,498)	(63,200,471)	(43,464,688)	(4,409,881)	(1,669,881)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Distributions paid	(10,657,079)	(10,647,252)	(504,347)	(51,688)	(1,832,244)	(2,159,287)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<b>Net cash generated from/(used in) financing activities</b>	<b>(27,516,449)</b>	<b>5,208,183</b>	<b>(4,791,688)</b>	<b>1,302,555</b>	<b>4,686,955</b>	<b>4,320,289</b>	<b>973,899</b>	<b>8,312,877</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>Movements in cash and cash equivalents</b>	<b>(21,897,420)</b>	<b>20,247,640</b>	<b>(1,215,644)</b>	<b>1,302,081</b>	<b>(2,498,726)</b>	<b>11,503,289</b>	<b>(64,658)</b>	<b>919,230</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
Cash and cash equivalents at beginning of year	66279,828	48282,423	31793,110	1,877,249	19,579,617	8,077,228	12,15,985	288,675	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Effect of exchange rate changes	193,259	(305,207)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-		
<b>Cash and cash equivalents at end of year (note 13)</b>	<b>47249,700</b>	<b>88274,689</b>	<b>1,969,466</b>	<b>3,179,310</b>	<b>7,079,882</b>	<b>19,578,417</b>	<b>1,151,329</b>	<b>1,215,985</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	

The accounting policies and notes are an integral part of these financial statements.

Vilhena Maltese Opportunities Fund		Vilhena Maltese Equity Focus Fund		Vilhena Sterling Money Fund		Vilhena Euro Malta Money Fund	
30.4.2019	30.4.2018	30.4.2019	30.4.2018	30.4.2019	30.4.2018	30.4.2019	30.4.2018
€	€	€	€	£	£	€	€
281,045	488,907	42,782	76,683	-	-	181,716	448,772
653,217	537,000	403,299	400,310	-	-	-	-
349	307	331	295	-	-	76,533	69,322
-	-	-	-	-	-	-	-
(386,782)	(399,761)	(300,825)	(297,305)	-	(4,510)	(79,000)	(98,161)
(248,299)	(262,793)	(133,529)	(145,721)	-	-	-	-
1,843,703	1,146,390	(436,603)	(651,922)	-	-	9,347,562	12,099,101
<b>2,143,233</b>	1,510,050	<b>(424,545)</b>	(617,660)	-	(4,510)	<b>9,526,811</b>	12,519,034
<b>2,900,697</b>	1,316,990	<b>2,395,255</b>	2,557,992	-	-	<b>392,668</b>	7,547,303
(5,927,550)	(2,896,508)	(1,189,242)	(2,446,546)	-	-	(12,422,666)	(22,347,184)
(76,413)	(77,408)	(43,937)	(35,341)	-	-	-	-
<b>(3,103,266)</b>	(1,656,926)	<b>1,162,076</b>	76,105	-	-	<b>(12,029,998)</b>	(14,799,881)
(960,033)	(146,876)	737,531	(541,555)	-	(4,510)	(2,503,187)	(2,280,847)
1,380,200	1,527,076	840,963	1,382,518	-	4,510	17,361,405	19,642,252
-	-	-	-	-	-	-	-
<b>420,167</b>	1,380,200	<b>1,578,494</b>	840,963	-	-	<b>14,858,218</b>	17,361,405

## Accounting Policies

The principal accounting policies adopted in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 1. BASIS OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union (“IFRS”), and comply with the Companies Act, 1995 (Chapter 386, Laws of Malta). They have also been prepared in accordance with the requirements of the Malta Financial Services Authority’s Investment Services Rules for Retail Collective Investment Schemes. These financial statements have been prepared under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities held at fair value through profit or loss.

In preparing these 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 (refer to note 2 in the Notes to the Financial Statements). Actual results may differ from these estimates.

As at 30 April 2019, the Company had fourteen Funds (collectively referred to as the “Sub-Funds” or “Funds”), as follows:

- Vilhena Malta Fund,
- Vilhena Malta Government Bond Fund,
- Vilhena Global Themed Fund,
- Vilhena European Multi-Manager Fund,
- Vilhena Broad Opportunities Fund,
- Vilhena Malta Bond Fund,
- Vilhena Sterling Income Fund,
- Vilhena High Yield Fund,
- Vilhena Euro Income Fund,
- Vilhena Global Balanced Multi-Manager Fund,
- Vilhena Far East Opportunities Fund,
- Vilhena Maltese Opportunities Fund,
- Vilhena Maltese Equity Focus Fund and
- Vilhena Euro Malta Money Fund.

Each participating share which the Company issues is allocated to a class representing a particular Fund. The Company maintains a separate account for each Fund, to which proceeds are credited, and against which expenses are charged. Upon redemption, holders of redeemable shares are entitled only to their proportion of the net assets held in the account relating to the Fund in which their participating shares are designated.

Statements of Financial Position, Statements of Changes in Net Assets attributable to Holders of Redeemable Shares, Statements of Comprehensive Income and Statements of Cash Flows have accordingly been prepared for each Fund. All references to net assets throughout this document refer to net assets attributable to holders of redeemable shares.

The Statement of Financial Position presents assets and liabilities in increasing order of liquidity and does not distinguish between current and non-current items. Financial assets at fair value through profit or loss may be sold in response to needs for liquidity or in accordance with the Investment Manager or Sub-Investment Manager’s recommendations. All other assets and liabilities are expected to be realised within one year.

*New standards, interpretations and amendments to existing standards, effective 1 May 2018*

A number of new standards are effective for annual periods beginning after 1 January 2018. The one new standard relevant to the Funds is IFRS 9 *Financial Instruments*, which is discussed below.

#### **IFRS 9, Financial Instruments**

The Company adopted IFRS 9 on 1 May 2018, which is the date of initial application of the standard. IFRS 9 has resulted in changes in accounting policies related to the classification and measurement and impairment of financial assets. There are no significant changes in accounting policies for financial liabilities and derecognition of financial assets and liabilities. The Company has taken advantage of the exemption in IFRS 9 allowing it not to restate comparative information for prior periods with respect to classification and measurement and impairment changes.

#### **Classification and measurement of financial assets**

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 fair value through profit or loss (FVTPL). IFRS 9 eliminates the previous IAS 39 categories of held to maturity, loans and receivables and available for sale. Under IFRS 9, derivatives embedded in contracts where the host is a financial asset in the scope of the standard are never separated. Instead, the hybrid financial instrument as a whole is assessed for classification.

Based on an assessment performed by the Company, the standard did not have a material impact on the classification or measurement of financial assets of the Company. This is because:

- financial assets which were previously classified as held-for-trading and classified and measured at FVTPL remain classified and measured at FVTPL;
- financial assets, previously measured at FVTPL were designated into this category because they are managed on a fair value basis in accordance with a documented investment strategy. Accordingly, these financial assets are mandatorily measured at FVTPL under IFRS 9; and
- financial assets which were previously classified as held-to-maturity or as loans and receivables are now classified and measured at amortised cost with no changes to their measurement basis.

#### **Impairment of financial assets**

IFRS 9 also introduces new impairment requirements. The standard replaces the 'incurred loss' model in IAS 39 with an 'expected credit loss' (ECL) model that incorporates forward-looking information. These impairment requirements apply to financial assets measured at amortised cost or FVOCI, but not to financial assets measured at FVTPL or to investments in equity instruments.

Based on an assessment carried out by the Company, changes to the ECL model did not have a material impact on the financial assets of the Company. This is due to the following reasons:

- The majority of the financial assets are measured at FVTPL, which assets fall outside the scope of impairment requirements emanating from IFRS 9; and
- An assessment has been carried out on the in-scope financial assets, which comprise financial assets at amortised cost. Such assessment is based on the credit scoring system described in the accounting policy (note 3), and established that at reporting date, in-scope financial assets mainly comprise of term-deposits and bank balances of a relatively short-term nature, all of which were held with financial institutions carrying low credit risk. Based on such assessment, there were no events that potentially indicate that there was a significant increase in credit risk associated to the Company's counterparties, and therefore, the resultant ECL on such assets is considered insignificant.

#### **Classification and measurement of financial liabilities**

IFRS 9 largely retains the previous requirements in IAS 39 for the classification of financial liabilities and the adoption of IFRS 9 did not have an impact on the Company. 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 the profit or loss.

#### **Hedge Accounting**

The Company does not apply hedge accounting. Therefore, IFRS 9 hedge accounting-related changes did not have an impact on the financial statements of the Company.

#### **Transition**

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

- The Company 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 are recognised in retained earnings and reserves as at 1 May 2018.
- Assessments have to be made by the Company 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.

#### *New standards, interpretations and amendments to existing standards, issued but not yet adopted*

A number of new standards, interpretations and amendments to existing standards are effective for annual periods beginning after 1 January 2019 and earlier application is permitted; however, the Company has not early applied these new or amended standards or interpretations in preparing these financial statements.

Of those standards that are not yet effective, none is expected to have a material impact on the Company's financial statements in the period of initial application.

## **2. FOREIGN EXCHANGE TRANSLATION**

The Company's functional currency is Euro, which is the presentation currency used for the Combined Statements. Exchange rate differences arising on the translation of the Shareholders' Funds at the beginning of the year not denominated in Euro are taken to the Combined Statement of Changes in Net Assets attributable to Holders of Redeemable Shares and are shown as 'translation differences'.

The Funds' functional currency is the currency of denomination of each Fund as stipulated in the respective Offering Supplement. Transactions carried out in currencies other than the functional currency of each Fund, are translated at

## Accounting Policies *(continued)*

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 reporting date. All resulting differences are taken to the Statements of Comprehensive Income.

Translation differences on financial assets held at fair value through profit or loss are reported as part of income/(expenses) on financial assets and financial liabilities at fair value through profit or loss.

### 3. FINANCIAL INSTRUMENTS - Policy applicable from 1 May 2018

#### **Classification**

The Company classifies its financial assets and financial liabilities at initial recognition into the categories of financial assets and financial liabilities discussed below. In applying that classification, a financial asset or financial liability is considered to be held-for-trading if these are acquired principally for the purpose of selling in the near term or if on initial recognition is part of a portfolio of identifiable financial investments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking. Derivatives are also categorised as held for trading. The Company does not classify any derivatives as hedges in a hedging relationship.

#### **Financial assets**

The Company classifies its financial assets as subsequently measured at amortised cost or measured at FVTPL on the basis of both:

- The entity's business model for managing the financial assets; and
- The contractual cash flow characteristics of the financial asset.

#### *Financial assets at amortised cost*

A financial asset is measured at amortised cost if it is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Financial assets measured at amortised cost include debt securities, term deposits, accrued income, other receivables (representing amounts receivable for transactions contracted for but not yet delivered by the end of the period) and cash and cash equivalents.

#### *Financial assets at FVTPL*

A financial asset is measured at FVTPL if:

- it is not held within a business model whose objective is to collect contractual cash flows;
- it is not held within a business model whose objective is to collect contractual cash flows and sell; or
- its contractual terms do not give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

At initial recognition, the Company may irrevocably designate a financial asset as measured at FVTPL when doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

The Company includes in this category, derivative contracts in an asset position and equity and debt instruments classified as held-for-trading. Financial assets managed, evaluated and reported on a fair value basis in accordance with the Funds' documented investment strategy are mandatorily measured at FVTPL.

#### **Financial liabilities**

#### *Financial liabilities measured at amortised cost*

Financial liabilities that are not classified at FVTPL are classified at amortised cost. Financial liabilities measured at amortised cost include other payables (representing amounts payable for transactions contracted for but not yet delivered by the end of the period) and overdrawn bank balances.

#### *Financial liabilities measured at FVTPL*

A financial liability is measured at FVTPL if it meets the definition of held for trading. The Company includes in this category, derivative contracts in a liability position.

#### **Recognition, derecognition and measurement**

Regular purchases and sales of financial assets are recognised on trade date, the date on which the Company commits to purchase or sell the asset. Financial assets or financial liabilities are initially recognised at fair value, and transaction costs for all financial instruments carried at FVTPL are expensed as incurred. Financial assets are derecognised when the rights to receive cash flows expire or the Company has transferred substantially all risks and rewards of ownership.

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 in the principal market, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

Subsequent to initial recognition, all financial assets and financial liabilities at FVTPL are measured at fair value. Realised and unrealised gains and losses arising from changes in the fair value of the financial assets and liabilities at FVTPL category are included in the Statements of Comprehensive Income in the period in which they arise. Interest and dividends earned or paid on these instruments are recorded separately in income/(expenses) on financial assets

and financial liabilities at fair value through profit or loss and dividend income in the Statements of Comprehensive Income, respectively.

Debt instruments, other than those classified as at FVTPL, are measured at amortised cost using the effective interest method less any allowance 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. Interest income, foreign exchange gains and losses and impairment are recognised in the Statements of Comprehensive Income. Any gain or loss on derecognition is recognised in the Statements of Comprehensive Income.

Financial liabilities, other than those classified as at FVTPL, are measured at amortised cost using the effective interest method.

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

### **Impairment**

Under IFRS 9, loss allowances are 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; or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument.

The Company measures loss allowances at an amount equal to lifetime ECLs, except for financial assets that are determined to have a low credit risk at the reporting date. These financial assets are measured at 12-month ECLs.

A financial asset is determined to have low credit risk if:

- i. the financial asset has a low risk of default,
- ii. the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and
- iii. adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Company considers a financial asset to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions. To the extent applicable, the Company applies the low credit risk assumption for the following classes of financial assets – cash at bank, term deposits and the sovereign bonds.

When estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. In this regard, the Company has an internal credit scoring system in place that analyses the credit quality of the counterparties accordingly. Such credit scoring system takes into consideration both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, and also considers the counterparties' macroeconomic context.

The Company has elected the rebuttable presumption from IFRS 9 by assuming that the credit risk on a financial asset has increased significantly if the financial asset is more than 30 days past due. Moreover, if the counterparty becomes downgraded by two notches (or more) based on the credit score assessment, the Company deems the financial asset's credit risk to have increased significantly.

Furthermore, the Company considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are eventually measured by considering a probability-weighted estimate of credit losses, which are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

## **FINANCIAL INSTRUMENTS - Policy applicable before 1 May 2018**

### **Classification**

The Company classified its financial assets into the following categories: financial instruments designated at fair value through profit or loss, financial instruments held for trading, loans and receivables and financial assets held to maturity. The classification is dependent on the purpose for which the investments were acquired. The Directors determine the appropriate classification of investments at the time of purchase and re-evaluate such designation at the reporting date.

## Accounting Policies *(continued)*

- Financial assets and liabilities are classified as held for trading if these are acquired principally for the purpose of selling in the near term or if on initial recognition 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 categorized as held for trading. The Company does not classify any derivatives as hedges in a hedging relationship.
- Financial assets and liabilities designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed and their performance evaluated on a fair value basis in accordance with the Funds' documented investment strategy and/or to eliminate or significantly reduce an accounting mismatch.
- 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 term deposits, accrued income, other receivables and cash and cash equivalents.
- Held-to-maturity financial assets are also non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity.

### **Recognition, derecognition and measurement**

Purchases and sales of financial assets are recognised on trade date, the date on which the Company commits to purchase or sell the asset. Financial assets 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 expire or the Company transfers substantially all risks and rewards of ownership.

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 in the principal market, or in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

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 are included in the Statements of Comprehensive Income in the year in which they arise. Loans and receivables and held to maturity financial assets are carried at amortised cost using the effective interest method.

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.

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

These amounts are initially recognised at fair value and subsequently measured at amortised cost less any allowance for impairment for other receivables. Credit risk on other receivables is considered low due to the short settlement period involved and therefore, the resultant ECL on such receivables is considered insignificant.

#### **5. REDEEMABLE SHARES**

The Company issues different classes of redeemable shares, which are redeemable at the holder's option and are classified as financial liability. Redeemable shares 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. The share capital is carried at redemption amount that is payable at year end if the shareholder exercised the right to put the shares back to the respective Fund.

The respective Funds' net asset value per share is calculated by dividing the net asset attributable to the holders of redeemable shares with the total number of outstanding redeemable shares. In accordance with the Offering Supplement, investment positions are valued based on the last traded market price for the purpose of determining the net asset value per share for subscriptions and redemptions.

#### **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 up to the Company's year-end. Interest income from financial assets not classified as fair value through profit or loss is recognised using the effective interest method. Other gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss, together with interest income, are presented in the Statements of Comprehensive Income within income/(expenses) on financial assets and financial liabilities at fair value through profit or loss in the year 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 Directors expect to distribute to shareholders, on a monthly basis and after the deduction of expenses, part or all of the net income available for distribution by the Vilhena Euro Income Fund monthly distributor class of shares; on a quarterly basis and after the deduction of expenses, part or all of the net income available for distribution by the Vilhena Malta Government Bond Fund's distributor class of shares, the Vilhena Euro Income Fund quarterly distributor class of shares, the Vilhena High Yield Fund and the Vilhena Sterling Income Fund; on a bi-annual basis and after the deduction of expenses, part or all of the net income available for distribution by the Vilhena Malta Bond Fund and Vilhena Global Balanced Multi-Manager Fund; and on an annual basis and after the deduction of expenses, part or all of the net income available for distribution by the Vilhena Malta Fund's distributor class of shares, the Vilhena Maltese Opportunities Fund's distributor class of shares and the Vilhena Maltese Equity Focus Fund's distributor class of shares. For the purpose of calculating profits available for distribution, expenses may be 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 year in which they are declared.

**9. EQUALISATION**

In the case of distributor shares, the Company operates an equalisation account to ensure that the amount distributed in respect of each share 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 Directors to the equalisation account. Part of the first distribution to holders of shares in respect of which equalisation payments are made, will be paid out of the equalisation account.

**10. CASH AND CASH EQUIVALENTS**

For the purpose of the Statements of Cash Flows, cash and cash equivalents comprise deposits held at call with banks net of any overdrawn bank balances. In the Statements of Financial Position, overdrawn bank balances are included within liabilities.

**11. OFFSETTING FINANCIAL INSTRUMENTS**

Financial assets and liabilities are offset and the net amount reported in the Statement of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. This legally enforceable right must not be contingent on future events and must be re-enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

# Notes to the Financial Statements

## 1. GENERAL

Vilhena Funds SICAV p.l.c. (“the Company”) is an open-ended investment company and was incorporated as a public company with limited liability in Malta on 10 October 1997. The Company’s Funds are licensed by the Malta Financial Services Authority (“MFSA”) as Collective Investment Schemes qualifying as an Undertaking for Collective Investment in Transferable Securities (“UCITS”).

As at the date of this report, the Company consisted of fourteen separate sub-funds. The Vilhena Malta Fund, Vilhena Malta Government Bond Fund, Vilhena Malta Bond Fund, Vilhena Maltese Equity Focus Fund, and Vilhena Maltese Opportunities Fund are listed on the Malta Stock Exchange, whereas the Vilhena Broad Opportunities Fund, the Vilhena Euro Income Fund, the Vilhena European Multi-Manager Fund, Vilhena Far East Opportunities Fund, Vilhena Global Balanced Multi-Manager Fund, Vilhena Global Themed Fund, Vilhena High Yield Fund, Vilhena Sterling Income Fund and the Vilhena Euro Malta Money Fund are not listed. The Company has no employees.

## 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 Directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS1.

## 3. FINANCIAL INSTRUMENTS AND RELATED INCOME

### 3.1 FINANCIAL ASSETS/LIABILITIES AND TERM DEPOSITS

	Carrying amount 2019 €	% of net assets	Carrying amount 2018 €	% of net assets
<b>Vilhena Malta Fund</b>				
<i>Financial assets designated at fair value through profit or loss at inception</i>				
Quoted Equities	14,197,996	32.92	15,748,075	34.36
Quoted Local Corporate Bonds	11,320,181	26.25	10,136,174	22.11
Quoted Malta Government Bonds	13,891,440	32.21	13,043,884	28.46
Exchange Traded Funds	2,066,251	4.79	3,659,371	7.98
	<b>41,475,868</b>	<b>96.17</b>	<b>42,587,504</b>	<b>92.91</b>
	Carrying amount 2019	% of net assets	Carrying amount 2018	% of net assets
<b>Vilhena Malta Government Bond Fund</b>	€		€	
<i>Financial assets designated at fair value through profit or loss at inception</i>				
Quoted Malta Government Bonds	249,252,467	82.41	237,917,872	82.09
<i>Financial assets at amortised cost</i>				
Term Deposits	47,184,865	15.60	31,538,528	10.88
	<b>296,437,332</b>	<b>98.01</b>	<b>269,456,400</b>	<b>92.97</b>

	Carrying amount 2019 \$	% of net assets	Carrying amount 2018 \$	% of net assets
<b>Vilhena Global Themed Fund</b>				
<i>Financial assets designated at fair value through profit or loss at inception</i>				
Quoted Equities				
Asia Pacific	4,417,156	17.08	5,882,128	23.65
Europe	4,897,564	18.93	5,931,508	23.85
North America	15,427,504	59.64	11,872,750	47.73
	<b>24,742,224</b>	<b>95.65</b>	<b>23,686,386</b>	<b>95.23</b>
<b>Vilhena European Multi-Manager Fund</b>				
<i>Financial assets designated at fair value through profit or loss at inception</i>				
Collective Investment Schemes				
Exchange Traded Funds	22,745,983	85.28	22,352,871	83.40
	3,323,185	12.46	3,339,484	12.47
	<b>26,069,168</b>	<b>97.74</b>	<b>25,692,355</b>	<b>95.87</b>
<b>Vilhena Broad Opportunities Fund</b>				
<i>Financial assets designated at fair value through profit or loss at inception</i>				
Collective Investment Schemes				
	3,259,563	100.2	3,514,052	99.94
<b>Vilhena Malta Bond Fund</b>				
<i>Financial assets designated at fair value through profit or loss at inception</i>				
Quoted Local Corporate Bonds				
Quoted Malta Government Bonds	62,751,476	39.01	60,448,522	36.16
	84,289,279	52.40	86,391,408	51.68
	<b>147,040,755</b>	<b>91.41</b>	<b>146,839,930</b>	<b>87.84</b>
<i>Financial assets at amortised cost</i>				
Term deposits				
	10,553,903	6.56	10,010,988	5.99

## Notes to the Financial Statements *(continued)*

	Carrying amount 2019 £	% of net assets	Carrying amount 2018 £	% of net assets
<b>Vilhena Sterling Income Fund</b>				
<i>Financial assets designated at fair value through profit or loss at inception</i>				
Quoted Bonds	54,786,596	83.53	64,900,065	95.30
Quoted Government Bonds	4,379,038	6.68	1,223,070	1.80
Financial assets (derivatives)				
Forward Foreign Exchange Contracts	1,698	0.00	1,325	0.00
	<b>59,167,332</b>	<b>90.21</b>	<b>66,124,460</b>	<b>97.10</b>
<i>Financial liabilities held for trading (derivatives)</i>				
Forward Foreign Exchange Contracts	27,988	0.04	20,178	0.03
	<b>Carrying amount 2019 €</b>	<b>% of net assets</b>	<b>Carrying amount 2018 €</b>	<b>% of net assets</b>
<b>Vilhena High Yield Fund</b>				
<i>Financial assets designated at fair value through profit or loss at inception</i>				
Quoted Bonds	66,199,049	93.13	63,149,819	94.34
Quoted Equities	-	-	297,550	0.44
Financial assets (derivatives)				
Forward Foreign Exchange Contracts	91,422	0.13	202,232	0.30
	<b>66,290,471</b>	<b>93.26</b>	<b>63,649,601</b>	<b>95.09</b>
<i>Financial liabilities (derivatives)</i>				
Forward Foreign Exchange Contracts	447,522	0.63	868,708	1.30
	<b>Carrying amount 2019 €</b>	<b>% of net assets</b>	<b>Carrying amount 2018 €</b>	<b>% of net assets</b>
<b>Vilhena Euro Income Fund</b>				
<i>Financial assets designated at fair value through profit or loss at inception</i>				
Quoted Bonds	33,410,330	95.66	41,461,921	94.16
Quoted Government Bonds	1,341,338	3.84	1,161,896	2.64
Financial assets (derivatives)				
Forward Foreign Exchange Contracts	818	0.00	-	-
	<b>34,752,486</b>	<b>99.50</b>	<b>42,623,817</b>	<b>96.80</b>
<i>Financial liabilities (derivatives)</i>				
Forward Foreign Exchange Contracts	9,592	0.03	13,743	0.03

	Carrying amount 2019 €	% of net assets	Carrying amount 2018 €	% of net assets
<b>Vilhena Global Balance Multi-Manager Fund</b>				
<i>Financial assets designated at fair value through profit or loss at inception</i>				
Exchange Traded Funds	2,711,860	24.63	2,983,234	25.03
Collective Investment Schemes	8,352,004	75.85	8,949,154	75.10
	<b>11,063,864</b>	<b>100.48</b>	<b>11,932,388</b>	<b>100.13</b>
	Carrying amount 2019 \$	% of net assets	Carrying amount 2018 \$	% of net assets
<b>Vilhena Far East Opportunities Fund</b>				
<i>Financial assets designated at fair value through profit or loss at inception</i>				
Quoted Equities	3,728,855	92.15	4,197,843	94.52
Collective Investment Schemes	159,476	3.94	185,994	4.19
	<b>3,888,331</b>	<b>96.09</b>	<b>4,383,837</b>	<b>98.71</b>
	Carrying amount 2019 €	% of net assets	Carrying amount 2018 €	% of net assets
<b>Vilhena Maltese Opportunities Fund</b>				
<i>Financial assets designated at fair value through profit or loss at inception</i>				
Quoted Equities	17,022,030	60.10	17,306,920	58.88
Unquoted Equity	180,812	0.65	175,299	0.60
Quoted Local Corporate Bonds	4,313,635	15.23	3,925,917	13.36
Quoted Malta Government Bonds	5,093,129	17.98	3,371,064	11.47
Exchange Traded Funds	1,136,753	4.01	3,047,813	10.37
	<b>27,746,359</b>	<b>97.97</b>	<b>27,827,013</b>	<b>94.68</b>
	Carrying amount 2019 €	% of net assets	Carrying amount 2018 €	% of net assets
<b>Vilhena Maltese Equity Focus Fund</b>				
<i>Financial assets designated at fair value through profit or loss at inception</i>				
Quoted Equities	13,059,560	74.77	11,187,559	76.02
Quoted Local Corporate Bonds	470,761	2.70	458,705	3.12
Quoted Malta Government Bonds	657,182	3.76	663,667	4.51
Exchange Traded Funds	1,608,448	9.21	1,488,134	10.11
	<b>15,795,951</b>	<b>90.44</b>	<b>13,798,065</b>	<b>93.76</b>

## Notes to the Financial Statements *(continued)*

	Carrying amount 2019 €	% of net assets	Carrying amount 2018 €	% of net assets
<b>Vilhena Euro Malta Money Fund</b>				
<i>Financial assets at amortised cost</i>				
Quoted Corporate Bonds	3,504,501	7.78	4,004,910	7.03
<i>Financial assets at amortised cost</i>				
Term deposits	26,639,440	59.14	35,499,078	62.35

### 3.2 OTHER NET FAIR VALUE MOVEMENTS ON FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH INCOME

<b>Vilhena Malta Fund</b>	2019 €	2018 €
Interest income on financial assets at fair value through profit or loss	858,900	886,958
Net realised gain on sale of financial assets	831,456	452,956
Net change in unrealised fair value movement	601,020	(1,342,322)
	<u>2,291,376</u>	<u>(2,408)</u>
<b>Vilhena Malta Government Bond Fund</b>	2019 €	2018 €
Interest income on financial assets at fair value through profit or loss	7,100,268	8,248,656
Net realised loss on sale of financial assets	(751,186)	(1,597,234)
Net change in unrealised fair value movement	4,640,645	864,905
	<u>10,989,727</u>	<u>7,516,327</u>
<b>Vilhena Global Themed Fund</b>	2019 \$	2018 \$
Net realised gain on sale of financial assets	304,240	575,152
Net change in unrealised fair value movement	(289,873)	1,732,106
	<u>14,367</u>	<u>2,307,258</u>
<b>Vilhena Mediterranean Rim Fund</b>	2019 \$	2018 \$
Interest income on financial assets at fair value through profit or loss	-	8,151
Net realised gain on sale of financial assets	-	49,465
Net change in unrealised fair value movement	-	(89,783)
	<u>-</u>	<u>(32,167)</u>
<b>Vilhena European Multi-Manager Fund</b>	2019 €	2018 €
Net realised gain on sale of financial assets	298	275,312
Net change in unrealised fair value movement	376,813	397,317
	<u>377,111</u>	<u>672,629</u>

<b>Vilhena Broad Opportunities Fund</b>	<b>2019</b>	<b>2018</b>
	€	€
Net realised gain on sale of financial assets	37,068	20,819
Net change in unrealised fair value movement	(21,778)	81,357
	<b>15,290</b>	<b>102,176</b>
<b>Vilhena Malta Bond Fund</b>	<b>2019</b>	<b>2018</b>
	€	€
Interest income on financial assets at fair value through profit or loss	5,122,736	5,565,110
Net realised (loss) on sale of financial assets	(423,403)	(801,637)
Net change in unrealised fair value movement	1,915,597	835,463
	<b>6,614,930</b>	<b>5,598,936</b>
<b>Vilhena Sterling Income Fund</b>	<b>2019</b>	<b>2018</b>
	£	£
Interest income on financial assets at fair value through profit or loss	2,330,044	2,302,603
Net realised gain on sale of financial assets	843,089	1,800,743
Net change in unrealised fair value movement	(1,702,638)	(1,947,104)
	<b>1,470,495</b>	<b>2,156,242</b>
<b>Vilhena High Yield Fund</b>	<b>2019</b>	<b>2018</b>
	€	€
Interest income on financial assets at fair value through profit or loss	4,106,159	3,540,116
Net realised (loss)/gain on sale of financial assets	(3,858,129)	1,657,727
Net change in unrealised fair value movement	3,075,026	(3,213,708)
	<b>3,323,056</b>	<b>1,984,135</b>
<b>Vilhena Euro Income Fund</b>	<b>2019</b>	<b>2018</b>
	€	€
Interest income on financial assets at fair value through profit or loss	754,800	864,828
Net realised (loss)/gain on sale of financial assets	(514,050)	459,156
Net change in unrealised fair value movement	687,088	(447,905)
	<b>927,838</b>	<b>876,079</b>
<b>Vilhena Global Balanced Multi-Manager Fund</b>	<b>2019</b>	<b>2018</b>
	€	€
Net realised (loss)/gain on sale of financial assets	68,090	(123,807)
Net change in unrealised fair value movement	476,025	(135,578)
	<b>544,115</b>	<b>(259,385)</b>
<b>Vilhena Far East Opportunities Fund</b>	<b>2019</b>	<b>2018</b>
	\$	\$
Net realised (loss)/gain on sale of financial assets	(216,697)	431,164
Net change in unrealised fair value movement	(130,307)	164,039
	<b>(347,004)</b>	<b>595,203</b>

## Notes to the Financial Statements *(continued)*

<b>Vilhena Maltese Opportunities Fund</b>	<b>2019</b>	<b>2018</b>
	€	€
Interest income on financial assets at fair value through profit or loss	298,266	341,650
Net realised gain on sale of financial assets	1,092,384	1,022,387
Net change in unrealised fair value movement	617,558	(2,383,889)
	<b>2,008,208</b>	<b>(1,019,852)</b>

<b>Vilhena Maltese Equity Focus Fund</b>	<b>2019</b>	<b>2018</b>
	€	€
Interest income on financial assets at fair value through profit or loss	41,209	60,183
Net realised gain on sale of financial assets	353,253	452,553
Net change in unrealised fair value movement	1,222,150	(1,333,195)
	<b>1,616,612</b>	<b>(820,459)</b>

<b>Vilhena Euro Malta Money Fund</b>	<b>2019</b>	<b>2018</b>
	€	€
Net realised loss on sale of financial assets	(27,803)	(340,601)
Net change in unrealised fair value movement	15,669	238,523
	<b>(12,134)</b>	<b>(102,078)</b>

#### 4. OTHER RECEIVABLES AND PREPAYMENTS

	<b>Vilhena Malta Fund</b>		<b>Vilhena Malta Government Bond Fund</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	€	€	€	€
Sales awaiting settlement	-	-	-	27,571
Preplacement	80,000	-	-	-
	<b>80,000</b>	<b>-</b>	<b>-</b>	<b>27,571</b>

	<b>Vilhena European Multi-Manager Fund</b>		<b>Vilhena Malta Bond Fund</b>	
	<b>2019</b>	<b>2018</b>	<b>2019</b>	<b>2018</b>
	€	€	€	€
Sales awaiting settlement	-	-	45,922	55,105
Preplacement	-	-	420,000	-
Rebates receivable	37,450	75,593	-	-
	<b>37,450</b>	<b>75,593</b>	<b>465,922</b>	<b>55,105</b>

	Vilhena Sterling Income Fund		Vilhena High Yield Fund		Vilhena Euro Income Fund	
	2019	2018	2019	2018	2019	2018
	£	£	€	€	€	€
Sales awaiting settlement	129,283	87,756	3,389,437	940,715	118,113	511,792
Spot purchases for settlement	-	381	582	500	-	-
	<b>129,283</b>	<b>88,137</b>	<b>3,390,019</b>	<b>941,215</b>	<b>118,113</b>	<b>511,792</b>

	Vilhena Far East Opportunity Fund	
	2019	2018
	\$	\$
Sales awaiting settlement	40,048	59,035
	<b>40,048</b>	<b>59,035</b>

#### 5. ACCRUED INCOME

Accrued income represents mainly accrued interest from bonds and dividend income not yet received as at year-end.

#### 6. ACCRUED EXPENSES AND OTHER PAYABLES

	Vilhena Malta Fund		Vilhena Malta Government Bond Fund		Vilhena Global Themed Fund	
	2019	2018	2019	2018	2019	2018
	€	€	€	€	\$	\$
<b>Accrued expenses</b>						
Unpaid management fees	25,355	27,212	108,634	105,008	28,734	28,306
Unpaid registrar fees	4,876	5,233	47,527	45,941	2,833	2,702
Unpaid custodian fees	1,170	1,256	8,148	7,876	679	678
Unpaid administration fees	18,246	10,466	126,846	65,630	5,706	5,509
Other unpaid expenses	34,209	26,587	53,461	51,418	23,667	20,951
	<b>83,856</b>	<b>70,754</b>	<b>344,616</b>	<b>275,873</b>	<b>61,619</b>	<b>58,146</b>
<b>Other payables</b>						
Purchases awaiting settlement	559,436	3,383	1,983,147	-	-	1,984
Distribution payable	251,200	301,347	402,716	442,799	-	-
	<b>810,636</b>	<b>304,730</b>	<b>2,385,863</b>	<b>442,799</b>	<b>-</b>	<b>1,984</b>

## Notes to the Financial Statements *(continued)*

	Vilhena European Multi-Manager Fund		Vilhena Broad Opportunities Fund	
	2019 €	2018 €	2019 €	2018 €
<b>Accrued expenses</b>				
Unpaid management fees	29,357	30,192	1,066	1,179
Unpaid registrar fees	2,889	2,882	284	305
Unpaid custodian fees	817	817	85	91
Unpaid administration fees	10,033	5,302	676	381
Other unpaid expenses	23,517	18,886	26,024	23,601
	<b>66,613</b>	<b>58,079</b>	<b>28,135</b>	<b>25,557</b>

	Vilhena Malta Bond Fund		Vilhena Sterling Income Fund		Vilhena High Yield Fund	
	2019 €	2018 €	2019 £	2018 £	2019 €	2018 €
<b>Accrued expenses</b>						
Unpaid management fees	65,579	68,027	43,379	46,396	62,394	61,000
Unpaid registrar fees	18,216	18,896	7,230	7,733	7,799	7,625
Unpaid custodian fees	4,372	4,535	1,446	1,547	1,560	1,525
Unpaid administration fees	68,318	37,792	14,460	15,465	29,715	15,390
Other unpaid expenses	44,419	35,589	29,905	21,058	45,436	35,060
	<b>200,904</b>	<b>164,839</b>	<b>96,420</b>	<b>92,199</b>	<b>146,904</b>	<b>120,600</b>
<b>Other payables</b>						
Purchases awaiting settlement	2,186,414	28,605	1,040,693	595,342	3,607,799	6,070,337
Spot sales for settlement	-	-	771	-	-	-
Distribution payable	782,973	843,649	742,052	775,422	1,392,112	1,232,125
	<b>2,969,387</b>	<b>872,254</b>	<b>1,783,516</b>	<b>1,370,764</b>	<b>4,999,911</b>	<b>7,302,462</b>

	Vilhena Euro Income Fund		Vilhena Global Balanced Multi-Manager Fund		Vilhena Far East Opportunities Fund	
	2019 €	2018 €	2019 €	2018 €	2019 \$	2018 \$
<b>Accrued expenses</b>						
Unpaid management fees	23,079	29,992	9,658	10,695	3,892	4,187
Unpaid registrar fees	3,846	4,999	966	1,070	367	383
Unpaid custodian fees	769	1,000	877	904	394	430
Unpaid administration fees	14,873	9,997	3,847	2,246	771	805
Other unpaid expenses	33,511	23,987	21,491	18,762	19,613	12,837
	<b>76,078</b>	<b>69,975</b>	<b>36,839</b>	<b>33,677</b>	<b>25,037</b>	<b>18,642</b>
<b>Other payables</b>						
Purchases awaiting settlement	308,123	440,703	-	-	128,927	44,928
Distribution payable	84,714	126,603	27,734	28,650	-	-
	<b>392,837</b>	<b>567,306</b>	<b>27,734</b>	<b>28,650</b>	<b>128,927</b>	<b>44,928</b>

	Vilhena Maltese Opportunities Fund		Vilhena Maltese Equity Focus Fund	
	2019 €	2018 €	2019 €	2018 €
<b>Accrued expenses</b>				
Unpaid management fees	19,151	20,146	19,495	16,830
Unpaid registrar fees	3,192	3,358	1,949	1,683
Unpaid custodian fees	842	842	842	842
Unpaid administration fees	12,069	6,715	7,258	3,366
Other unpaid expenses	22,261	17,443	18,381	14,481
	<b>57,515</b>	<b>48,504</b>	<b>47,925</b>	<b>37,202</b>
<b>Other payables</b>				
Purchases awaiting settlement	78,306	-	-	-
Distribution payable	78,993	76,413	34,113	43,937
	<b>157,299</b>	<b>76,413</b>	<b>34,113</b>	<b>43,937</b>

	Vilhena Euro Malta Money Fund	
	2019 €	2018 €
<b>Accrued expenses</b>		
Unpaid management fees	444	2,077
Unpaid registrar fees	399	519
Unpaid custodian fees	399	519
Unpaid administration fees	3,070	2,077
Other unpaid expenses	17,329	15,203
	<b>21,641</b>	<b>20,395</b>

## Notes to the Financial Statements *(continued)*

### 7. SHARE CAPITAL

The Funds' capital is represented by the redeemable shares of the unit holders with no par value and with each carrying one vote.

The authorised share capital of the Company is 500,000,000 shares. Each participating share which the Company issues is allocated to a class representing a particular Fund. All shares in issue are fully paid.

Distributor shareholders are entitled to distributions in accordance with the distribution policy. The determination of the net asset value per accumulator and distributor share is explained in note 8.

The initial share capital of the Company is € 2,393 represented by 10 shares of no nominal value.

All shares may be issued and redeemed at prices based on the value of the respective Fund's net assets in accordance with its Articles of Association.

	<b>Vilhena Malta Fund</b>	
	2019 Shares	2018 Shares
<b>Accumulator shares in issue at beginning of year</b>	<b>42,876.863</b>	43,186.929
Creation of Accumulator shares	<b>4,065.668</b>	4,771.663
Redemption of Accumulator shares	<b>(8,641.013)</b>	(5,081.729)
<b>Accumulator shares in issue at end of year</b>	<b>38,301.518</b>	42,876.863
<b>Distributor shares in issue at beginning of year</b>	<b>26,917.349</b>	22,400.265
Creation of Distributor shares	<b>3,848.470</b>	6,768.413
Redemption of Distributor shares	<b>(5,874.795)</b>	(2,251.329)
<b>Distributor shares in issue at end of year</b>	<b>24,891.024</b>	26,917.349

	<b>Vilhena Malta Government Bond Fund</b>	
	2019 Shares	2018 Shares
<b>Accumulator shares in issue at beginning of year</b>	<b>355,359.315</b>	333,628.149
Creation of Accumulator shares	<b>49,726.398</b>	64,660.587
Redemption of Accumulator shares	<b>(35,924.285)</b>	(42,929.421)
<b>Accumulator shares in issue at end of year</b>	<b>369,161.428</b>	355,359.315
<b>Distributor shares in issue at beginning of year</b>	<b>306,372.194</b>	323,079.681
Creation of Distributor shares	<b>49,542.657</b>	46,869.388
Redemption of Distributor shares	<b>(53,587.414)</b>	(63,576.875)
<b>Distributor shares in issue at end of year</b>	<b>302,327.437</b>	306,372.194

	<b>Vilhena Global Themed Fund</b>	
	<b>2019 Shares</b>	<b>2018 Shares</b>
<b>EURO Class Shares in issue at beginning of year</b>	<b>2,573,883.641</b>	2,431,914.503
Creation of EURO Class shares	<b>729,746.660</b>	512,037.439
Redemption of EURO Class shares	<b>(494,369.961)</b>	(370,068.301)
<b>EURO Class Shares in issue at end of year</b>	<b>2,809,260.340</b>	2,573,883.641
<b>USD Class Shares in issue at beginning of year</b>	<b>9,845,306.254</b>	4,395,979.263
Creation of USD Class shares	<b>1,755,933.114</b>	5,807,210.727
Redemption of USD Class shares	<b>(1,772,407.979)</b>	(357,883.736)
<b>USD Class Shares in issue at end of year</b>	<b>9,828,831.389</b>	9,845,306.254
<b>GBP Class Shares in issue at beginning of year</b>	<b>613,636.431</b>	495,330.944
Creation of GBP Class shares	<b>131,725.384</b>	143,309.849
Redemption of GBP Class shares	<b>(44,618.324)</b>	(25,004.362)
<b>GBP Class Shares in issue at end of year</b>	<b>700,743.491</b>	613,636.431

	<b>Vilhena European Multi-Manager Fund</b>	
	<b>2019 Shares</b>	<b>2018 Shares</b>
<b>Shares in issue at beginning of year</b>	<b>13,933,923.084</b>	13,699,302.136
Creation of Accumulator shares	<b>1,305,777.957</b>	1,513,860.612
Redemption of Accumulator shares	<b>(1,505,446.031)</b>	(1,279,239.644)
<b>Shares in issue at end of year</b>	<b>13,734,255.010</b>	13,933,923.084

	<b>Vilhena Broad Opportunities Fund</b>	
	<b>2019 Shares</b>	<b>2018 Shares</b>
<b>Shares in issue at beginning of year</b>	<b>4,289,555.269</b>	4,292,961.481
Creation of Accumulator shares	<b>518,400.596</b>	373,358.850
Redemption of Accumulator shares	<b>(795,288.871)</b>	(376,765.062)
<b>Shares in issue at end of year</b>	<b>4,012,666.994</b>	4,289,555.269

## Notes to the Financial Statements *(continued)*

<b>Vilhena Malta Bond Fund</b>		
	<b>2019 Shares</b>	<b>2018 Shares</b>
<b>Accumulator shares in issue at beginning of year</b>	<b>163,396.195</b>	153,137.750
Creation of Accumulator Shares	<b>10,353.540</b>	29,656.375
Redemption of Accumulator Shares	<b>(24,246.832)</b>	(19,397.930)
<b>Accumulator shares in issue at end of year</b>	<b>149,502.903</b>	163,396.195
<b>Distributor shares in issue at beginning of year</b>	<b>206,618.288</b>	204,104.602
Creation of Distributor Shares	<b>29,963.903</b>	33,659.733
Redemption of Distributor Shares	<b>(33,059.835)</b>	(31,146.047)
<b>Distributor shares in issue at end of year</b>	<b>203,522.356</b>	206,618.288
<b>Vilhena Sterling Income Fund</b>		
	<b>2019 Shares</b>	<b>2018 Shares</b>
<b>Shares in issue at beginning of year</b>	<b>66,900,945.587</b>	62,147,251.377
Creation of Distributor shares	<b>3,027,127.936</b>	7,643,368.165
Redemption of Distributor shares	<b>(4,003,188.122)</b>	(2,889,673.955)
<b>Shares in issue at end of year</b>	<b>65,924,885.401</b>	66,900,945.587
<b>Vilhena High Yield Fund</b>		
	<b>2019 Shares</b>	<b>2018 Shares</b>
<b>EURO Distributor Shares in issue at beginning of year</b>	<b>86,659,208.218</b>	79,219,039.597
Creation of EURO Distributor shares	<b>14,186,631.327</b>	14,987,985.534
Redemption of EURO Distributor shares	<b>(6,607,117.841)</b>	(7,547,816.913)
<b>EURO Distributor Shares in issue at end of year</b>	<b>94,238,721.704</b>	86,659,208.218
<b>USD Distributor Shares in issue at beginning of year</b>	<b>4,725,857.754</b>	2,206,178.830
Creation of USD Distributor shares	<b>799,529.328</b>	2,690,829.732
Redemption of USD Distributor shares	<b>(248,034.221)</b>	(171,150.808)
<b>USD Distributor Shares in issue at end of year</b>	<b>5,277,352.861</b>	4,725,857.754

<b>Vilhena Euro Income Fund</b>		
	<b>2019 Shares</b>	<b>2018 Shares</b>
<b>Accumulator shares in issue at beginning of year</b>	<b>866,955.041</b>	1,097,750.862
Creation of Accumulator shares	<b>87,018.471</b>	446,182.419
Redemption of Accumulator shares	<b>(294,205.352)</b>	(676,978.240)
<b>Accumulator shares in issue at end of year</b>	<b>659,768.160</b>	866,955.041
<b>Monthly Distributor shares in issue at beginning of year</b>	<b>9,158,288.387</b>	7,841,982.784
Creation of Monthly distributor shares	<b>850,149.221</b>	2,729,251.593
Redemption of Monthly distributor shares	<b>(2,684,997.160)</b>	(1,412,945.990)
<b>Monthly Distributor shares in issue at end of year</b>	<b>7,323,440.448</b>	9,158,288.387
<b>Quarterly Distributor shares in issue at beginning of year</b>	<b>14,002,578.417</b>	16,414,797.195
Creation of Quarterly distributor shares	<b>159,983.436</b>	245,090.782
Redemption of Quarterly distributor shares	<b>(3,167,948.326)</b>	(2,657,309.560)
<b>Quarterly Distributor shares in issue at end of year</b>	<b>10,994,613.527</b>	14,002,578.417

<b>Vilhena Global Balanced Multi-Manager Fund</b>		
	<b>2019 Shares</b>	<b>2018 Shares</b>
<b>Shares in issue at beginning of year</b>	<b>11,193,949.381</b>	12,149,107.619
Creation of Distributor shares	<b>668,883.101</b>	1,079,725.442
Redemption of Distributor shares	<b>(1,956,371.391)</b>	(2,034,883.680)
<b>Shares in issue at end of year</b>	<b>9,906,461.091</b>	11,193,949.381

<b>Vilhena Far East Opportunities Fund</b>		
	<b>2019 Shares</b>	<b>2018 Shares</b>
<b>Shares in issue at beginning of year</b>	<b>2,204,899.474</b>	2,103,679.712
Creation of Accumulator shares	<b>264,431.949</b>	450,311.427
Redemption of Accumulator shares	<b>(279,305.872)</b>	(349,091.665)
<b>Shares in issue at end of year</b>	<b>2,190,025.551</b>	2,204,899.474

## Notes to the Financial Statements *(continued)*

	<b>Vilhena Maltese Opportunities Fund</b>	
	2019 Shares	2018 Shares
<b>Accumulator shares in issue at beginning of year</b>	<b>2,379,625.597</b>	2,480,291.320
Creation of Accumulator shares	<b>161,770.872</b>	88,920.752
Redemption of Accumulator shares	<b>(496,706.229)</b>	(189,586.475)
<b>Accumulator shares in issue at end of year</b>	<b>2,044,690.240</b>	2,379,625.597
<b>Distributor shares in issue at beginning of year</b>	<b>503,636.001</b>	564,628.015
Creation of Distributor shares	<b>145,962.156</b>	41,256.259
Redemption of Distributor shares	<b>(51,162.575)</b>	(102,248.273)
<b>Distributor shares in issue at end of year</b>	<b>598,435.582</b>	503,636.001
	<b>Vilhena Maltese Equity Focus Fund</b>	
	2019 Shares	2018 Shares
<b>Accumulator shares in issue at beginning of year</b>	<b>3,269,829.815</b>	3,257,820.990
Creation of Accumulator shares	<b>376,439.387</b>	387,102.246
Redemption of Accumulator shares	<b>(255,843.171)</b>	(375,093.421)
<b>Accumulator shares in issue at end of year</b>	<b>3,390,426.031</b>	3,269,829.815
<b>Distributor shares in issue at beginning of year</b>	<b>1,190,466.800</b>	1,166,182.983
Creation of Distributor shares	<b>359,923.613</b>	401,447.820
Redemption of Distributor shares	<b>(88,341.102)</b>	(377,164.003)
<b>Distributor shares in issue at end of year</b>	<b>1,462,049.311</b>	1,190,466.800
	<b>Vilhena Euro Malta Money Fund</b>	
	2019 Shares	2018 Shares
<b>Retail shares in issue at beginning of year</b>	<b>6,026,064.094</b>	8,244,311.817
Creation of retail shares	<b>124,133.348</b>	568,985.825
Redemption of retail shares	<b>(1,396,623.416)</b>	(2,787,233.548)
<b>Retail shares in issue at end of year</b>	<b>4,753,574.026</b>	6,026,064.094
<b>Institutional shares in issue at beginning of year</b>	<b>12,915,493.051</b>	15,661,543.394
Creation of institutional shares	<b>7,070.596</b>	1,899,231.642
Redemption of institutional shares	<b>(2,731,247.767)</b>	(4,645,281.985)
<b>Institutional shares in issue at end of year</b>	<b>10,191,315.880</b>	12,915,493.051

**Capital Risk Management**

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

In order to maintain or adjust the capital structure, the Company's policy is to perform the following:

- Monitor the level of daily subscriptions and redemptions relative to the assets it expects to be able to liquidate within 7 days and adjust the amount of distributions the Fund pays to redeemable shareholders.
- Redeem and issue new shares in accordance with the constitutional documents of each respective Fund, which includes the ability to restrict redemptions and require certain minimum holdings and subscriptions.

The Manager monitors capital on the basis of the value of net assets attributable to redeemable shareholders.

If the Directors determine that satisfying all or a portion of a redemption request would not be possible, the Directors may elect to exercise their power of deferral and power to suspend redemption of shares. In such an event, the Directors reduce all valid redemption instructions pro-rata to the number of shares 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 Company endeavours 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 PER SHARE**

The Vilhena Malta Fund, the Vilhena Malta Government Bond Fund, the Vilhena Malta Bond Fund, the Vilhena Maltese Opportunities Fund and the Vilhena Maltese Equity Focus Fund have two classes of shares, one class of accumulator shares and another class of distributor shares. The net asset value per share of each respective class is calculated by apportioning the net asset attributable to shareholders in accordance to their respective capital contributions.

The Vilhena Global Themed Fund has three classes of shares, one denominated in USD, one denominated in Euro and the other in GBP. The net asset value per share of each respective class is calculated by apportioning the net assets attributable to holders of redeemable shares in accordance to their respective capital contributions.

The Vilhena High Yield Fund has two classes of shares, one denominated in USD and the other in Euro. The net asset value per share of each respective class is calculated by apportioning the net assets attributable to holders of redeemable shares in accordance to their respective capital contributions.

The Vilhena Euro Income Fund has three classes of shares, one class of accumulator shares, another class for monthly distributor shares and the third class for quarterly distributor shares. The net asset value per share of each respective class is calculated by apportioning the net assets attributable to holders of redeemable shares in accordance to their respective capital contributions.

The Vilhena Euro Malta Money Fund has two classes of shares, one class of retail shares and one for institutional shares. The net asset value per share of each respective class is calculated by apportioning the net assets attributable to holders of redeemable shares in accordance to their respective capital contributions.

The Vilhena European Multi-Manager Fund, Vilhena Broad Opportunities Fund and Vilhena Far East Opportunities Fund have one class of accumulator shares whereas the Vilhena Sterling Income Fund and Vilhena Global Balanced Multi-Manager Fund have one class of distributor shares. The net asset value per share of each respective class is calculated by apportioning the net assets attributable to holders of redeemable shares in accordance to their respective capital contributions.

## Notes to the Financial Statements *(continued)*

### 9. FEES

#### (a) Management fees

The Investment Manager, BOV Asset Management Limited, receives a management fee calculated as a percentage per annum of the net asset value of each Fund as follows:

Vilhena Malta Fund	0.65%
Vilhena Malta Government Bond Fund	0.40%
Vilhena Global Themed Fund *	1.27%
Vilhena Mediterranean Rim Fund	1.25%
Vilhena European Multi-Manager Fund	1.27%
Vilhena Broad Opportunities Fund **	0.875%
Vilhena Malta Bond Fund	0.45%
Vilhena Sterling Income Fund	0.75%
Vilhena High Yield Fund	1.00%
Vilhena Euro Income Fund	0.75%
Vilhena Global Balanced Multi-Manager Fund ***	1.29%
Vilhena Far East Opportunities Fund ****	1.29%
Vilhena Maltese Opportunities Fund	0.75%
Vilhena Maltese Equity Focus Fund	1.25%
Vilhena Euro Malta Money Fund – Retail *****	0.175%
Vilhena Euro Malta Money Fund – Institutional *****	0.12%

\* During the financial years 2019 and 2018 discounted at 1.27%

\*\* During the financial years 2019 and 2018 discounted at 0.375%

\*\*\* During the financial years 2019 and 2018 discounted at 1.00%

\*\*\*\* During the financial years 2019 and 2018 discounted at 1.06%

\*\*\*\*\* During the financial years 2019 and 2018 discounted at 0.04%

Management Fees charged for the year are disclosed in the Statement of Comprehensive Income under 'Management Fees'. Unpaid management fees as at 30 April 2019 and 30 April 2018 are disclosed in Note 6.

When an investment is made in another collective investment scheme managed by BOV Asset Management Limited, arrangements are made to eliminate more than one set of charges on acquisition or disposal and more than one set of management fees.

The Investment Manager appointed Insight Investment Management (Global) Limited and Waverton Investment Management as Sub-Investment Managers of certain Funds of the Company. Fees to the Sub-Investment Managers are paid by the Investment Manager.

Insight Investment Management (Global) Limited acts as Sub-Investment Manager to Vilhena Euro Income Fund, Vilhena High Yield Fund and Vilhena Sterling Income Fund. The sub-investment management fees charged by Insight Investment Management (Global) Limited for the reporting year amounted to the following:

	2019	2018
Vilhena Sterling Income Fund	£209,131	£212,275
Vilhena High Yield Fund	€161,757	€155,364
Vilhena Euro Income Fund	€133,368	€147,706

Waverton Investment Management acts as Sub-Investment Manager to Vilhena Global Themed Fund, Vilhena European Multi-Manager Fund, Vilhena Far East Opportunities Fund and Vilhena Global Balanced Multi-Manager Fund. The sub-investment management fees charged by Waverton Investment Management for the reporting year amounted to the following:

	2019	2018
Vilhena European Multi-Manager Fund	€129,209	€131,012
Vilhena Global Themed Fund	\$138,923	\$116,014
Vilhena Far East Opportunities Fund	\$23,353	\$25,560
Vilhena Global Balanced Multi-Manager Fund	€44,699	€50,173

*(b) Registrar fees*

The Manager shall be entitled to receive an annual fee calculated as a percentage per annum of the net asset value of each Fund as follows:

Vilhena Malta Fund	0.125%
Vilhena Malta Government Bond Fund	0.175%
Vilhena Global Themed Fund	0.125%
Vilhena Mediterranean Rim Fund	0.125%
Vilhena European Multi-Manager Fund	0.125%
Vilhena Broad Opportunities Fund	0.125%
Vilhena Malta Bond Fund	0.125%
Vilhena Sterling Income Fund	0.125%
Vilhena High Yield Fund	0.125%
Vilhena Euro Income Fund	0.125%
Vilhena Global Balanced Multi-Manager Fund	0.125%
Vilhena Far East Opportunities Fund	0.125%
Vilhena Maltese Opportunities Fund	0.125%
Vilhena Maltese Equity Focus Fund	0.125%
Vilhena Euro Malta Money Fund *	0.020%

*\* During the financial years 2019 and 2018 discounted at 0.01%*

Registrar Fees charged for the year are disclosed in the 'Statement of Comprehensive Income' under 'Registrar Fees'. Unpaid registrar fees as at 30 April 2019 and 30 April 2018 are disclosed in Note 6.

*(c) Administration fees*

The Fund Administrator, BOV Fund Services Limited, is entitled to an administration fee per annum based on the net asset value of each fund as follows:

Vilhena Malta Fund	0.25%
Vilhena Malta Government Bond Fund	0.25%
Vilhena Global Themed Fund	0.23%
Vilhena Mediterranean Rim Fund	0.25%
Vilhena European Multi-Manager Fund	0.23%
Vilhena Broad Opportunities Fund	0.125%
Vilhena Malta Bond Fund	0.25%
Vilhena Sterling Income Fund	0.25%
Vilhena High Yield Fund	0.25%
Vilhena Euro Income Fund	0.25%
Vilhena Global Balanced Multi-Manager Fund	0.21%
Vilhena Far East Opportunities Fund	0.21%
Vilhena Maltese Opportunities Fund	0.25%
Vilhena Maltese Equity Focus Fund	0.25%
Vilhena Euro Malta Money Fund - Retail *	0.125%
Vilhena Euro Malta Money Fund - Institutional *	0.08%

*\* During the financial years 2019 and 2018 discounted at 0.04%*

In consideration for the services to be performed by the Administrator in relation to the Vilhena Global Themed Fund - Euro Class the administration fee is subject to an annual fee of Eur 5,000 from the date of its launch.

In consideration for the services to be performed by the Administrator in relation to the Vilhena High Yield Fund - USD Class the administration fee is subject to an annual fee of Eur 1,600 from the date of its launch.

Administrator fees are disclosed in the 'Statement of Comprehensive Income' under 'Administrator Fees'. Unpaid administrator fees as at 30 April 2019 and 30 April 2018 are disclosed in Note 6.

The above fees reflect those charged as at 30 April 2019 and 30 April 2018 taking into account changes to the offering supplements of each Fund throughout the year.

## Notes to the Financial Statements *(continued)*

### (d) Custodian fees

The Custodian receives a custody fee calculated as a percentage per annum of the net asset value of each Fund, subject to a minimum annual fee as follows:

Vilhena Malta Fund	0.03% subject to a minimum of €9,317.49
Vilhena Malta Government Bond Fund	0.03% subject to a minimum of €9,317.49
Vilhena Global Themed Fund	0.03% subject to a minimum of \$7,500
Vilhena European Multi-Manager Fund	0.03% subject to a minimum of €9,317.49
Vilhena Broad Opportunities Fund**	0.03% subject to a minimum of €9,317.49
Vilhena Malta Bond Fund	0.03% subject to a minimum of €9,317.49
Vilhena Sterling Income Fund	0.025% subject to a minimum of €5,823.43
Vilhena High Yield Fund	0.025% subject to a minimum of €9,317.49
Vilhena Euro Income Fund - Class A	0.025% subject to a minimum of €5,823.43
Vilhena Euro Income Fund - Class B1 and B2	0.03% subject to a minimum of €9,317.49
Vilhena Global Balanced Multi-Manager Fund	0.03% subject to a minimum of €10,000
Vilhena Far East Opportunities Fund	0.025% subject to a minimum of €4,000
Vilhena Maltese Opportunities Fund	0.03% subject to a minimum of €9,317.49
Vilhena Maltese Equity Focus Fund	0.03% subject to a minimum of €9,317.49
Vilhena Euro Malta Money Fund - Retail*	0.025%
Vilhena Euro Malta Money Fund - Institutional*	0.015%

\* During the financial years 2019 and 2018 discounted at 0.01%

\*\* During the financial years 2019 and 2018 the minimum fee was waived

Custodian fees charged for the year are disclosed in the 'Statement of Comprehensive Income' under 'Custodian Fees'. Unpaid custodian fees as at 30 April 2019 and 30 April 2018 are disclosed in Note 6.

### (e) Auditor's remuneration

Fees charged by the Company's auditor (exclusive of VAT) for services rendered during the financial year ended 30 April 2019 and 2018 relate to:

	2019	2018
	€	€
Annual statutory audit	56,865	52,839
Tax compliance service	-	1,400
Other assurance services	15,701	12,051
	<u>72,566</u>	<u>66,290</u>

## 10. DISTRIBUTIONS TO SHAREHOLDERS

Distributions reflected in the Statements of Comprehensive Income for the year ended 30 April 2019:

	Ex-dividend Date	Rate per share	Distribution
Vilhena Malta Fund Distributor shares	30 Apr 2019	€10.0920	€251,200
Vilhena Malta Government Bond Fund Distributor shares	31 Jul 2018	€1.4799	€426,991
Vilhena Malta Government Bond Fund Distributor shares	31 Oct 2018	€1.3403	€380,630
Vilhena Malta Government Bond Fund Distributor shares	31 Jan 2019	€1.3138	€384,509
Vilhena Malta Government Bond Fund Distributor shares	30 Apr 2019	€1.3234	€400,127
Vilhena Malta Bond Fund	31 Oct 2018	€3.9758	€820,030
Vilhena Malta Bond Fund	30 Apr 2019	€3.8469	€782,940
Vilhena Sterling Income Fund	31 Jul 2018	£0.0089	£597,536
Vilhena Sterling Income Fund	31 Oct 2018	£0.0083	£556,534
Vilhena Sterling Income Fund	31 Jan 2019	£0.0079	£528,374
Vilhena Sterling Income Fund	30 Apr 2019	£0.0076	£504,391
Vilhena High Yield Fund - € Class	31 Jul 2018	€0.0106	€947,412
Vilhena High Yield Fund - \$ Class	31 Jul 2018	\$0.0128	€53,892
Vilhena High Yield Fund - € Class	31 Oct 2018	€0.0106	€974,045
Vilhena High Yield Fund - \$ Class	31 Oct 2018	\$0.0127	€56,917
Vilhena High Yield Fund - € Class	31 Jan 2019	€0.0100	€928,363
Vilhena High Yield Fund - \$ Class	31 Jan 2019	\$0.0123	€54,532

	Ex-dividend Date	Rate per share	Distribution
Vilhena High Yield Fund - € Class	30 Apr 2019	€0.0096	€910,817
Vilhena High Yield Fund - \$ Class	30 Apr 2019	\$0.0116	€55,070
Vilhena Euro Income Fund Monthly Distributor	31 May 2018	€0.0026	€25,553
Vilhena Euro Income Fund Monthly Distributor	30 Jun 2018	€0.0023	€22,087
Vilhena Euro Income Fund Monthly Distributor	31 Jul 2018	€0.0026	€24,976
Vilhena Euro Income Fund Quarter Distributor	31 Jul 2018	€0.0035	€45,692
Vilhena Euro Income Fund Monthly Distributor	31 Aug 2018	€0.0024	€21,899
Vilhena Euro Income Fund Monthly Distributor	30 Sep 2018	€0.0019	€17,442
Vilhena Euro Income Fund Monthly Distributor	31 Oct 2018	€0.0025	€22,165
Vilhena Euro Income Fund Quarter Distributor	31 Oct 2018	€0.0032	€40,006
Vilhena Euro Income Fund Monthly Distributor	30 Nov 2018	€0.0023	€19,964
Vilhena Euro Income Fund Monthly Distributor	31 Dec 2018	€0.0023	€19,546
Vilhena Euro Income Fund Monthly Distributor	31 Jan 2019	€0.0023	€19,129
Vilhena Euro Income Fund Quarter Distributor	31 Jan 2019	€0.0032	€38,417
Vilhena Euro Income Fund Monthly Distributor	28 Feb 2019	€0.0018	€15,101
Vilhena Euro Income Fund Monthly Distributor	31 Mar 2019	€0.0019	€14,585
Vilhena Euro Income Fund Monthly Distributor	30 Apr 2019	€0.0023	€17,225
Vilhena Euro Income Fund Quarter Distributor	30 Apr 2019	€0.0028	€31,488
Vilhena Global Balanced Multi Manager Fund	31 Oct 2018	€0.0015	€25,331
Vilhena Global Balanced Multi Manager Fund	30 Apr 2019	€0.0025	€16,202
Vilhena Maltese Opportunities Fund	30 Apr 2019	€0.1319	€78,993
Vilhena Maltese Equity Focus Fund	30 Apr 2019	€0.0233	€34,113

Except for the distributions payable which were declared on 30 April 2019 and included with 'Other Payables' (refer to note 6), all other distributions attributable to the distributor shares have been declared and distributed by the financial reporting date.

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

	Ex- dividend Date	Rate per share	Distributions
Vilhena Malta Fund Distributor shares	30 Apr 2018	€11.1952	€301,348
Vilhena Malta Government Bond Fund Distributor shares	31 Jul 2017	€1.6920	€545,763
Vilhena Malta Government Bond Fund Distributor shares	31 Oct 2017	€1.7907	€563,191
Vilhena Malta Government Bond Fund Distributor shares	31 Jan 2018	€1.6586	€527,494
Vilhena Malta Government Bond Fund Distributor shares	30 Apr 2018	€1.4249	€436,552
Vilhena Malta Bond Fund	31 Oct 2017	€4.6297	€928,418
Vilhena Malta Bond Fund	30 Apr 2018	€4.0615	€839,199
Vilhena Sterling Income Fund	31 Jul 2017	£0.0087	£554,570
Vilhena Sterling Income Fund	31 Oct 2017	£0.0082	£538,908
Vilhena Sterling Income Fund	31 Jan 2018	£0.0080	£537,135
Vilhena Sterling Income Fund	30 Apr 2018	£0.0081	£544,641
Vilhena High Yield Fund - € Class	31 Jul 2017	€0.0100	€831,575
Vilhena High Yield Fund - \$ Class	31 Jul 2017	\$0.0126	€33,293
Vilhena High Yield Fund - € Class	31 Oct 2017	€0.0096	€810,317
Vilhena High Yield Fund - \$ Class	31 Oct 2017	\$0.0114	€37,275
Vilhena High Yield Fund - € Class	31 Jan 2018	€0.0090	€774,672
Vilhena High Yield Fund - \$ Class	31 Jan 2018	\$0.0114	€41,018
Vilhena High Yield Fund - € Class	30 Apr 2018	€0.0096	€834,008
Vilhena High Yield Fund - \$ Class	30 Apr 2018	\$0.0114	€44,761
Vilhena Euro Income Fund Monthly Distributor	31 May 2017	€0.0024	€19,512
Vilhena Euro Income Fund Monthly Distributor	30 Jun 2017	€0.0024	€19,283
Vilhena Euro Income Fund Monthly Distributor	31 Jul 2017	€0.0025	€20,712
Vilhena Euro Income Fund Quarter Distributor	31 Jul 2017	€0.0034	€55,142
Vilhena Euro Income Fund Monthly Distributor	31 Aug 2017	€0.0030	€24,689
Vilhena Euro Income Fund Monthly Distributor	30 Sep 2017	€0.0022	€17,920
Vilhena Euro Income Fund Monthly Distributor	31 Oct 2017	€0.0025	€20,752
Vilhena Euro Income Fund Quarter Distributor	31 Oct 2017	€0.0036	€56,038
Vilhena Euro Income Fund Monthly Distributor	30 Nov 2017	€0.0022	€18,580

## Notes to the Financial Statements *(continued)*

	Ex- dividend Date	Rate per share	Distributions
Vilhena Euro Income Fund Monthly Distributor	31 Dec 2017	€0.0023	€19,102
Vilhena Euro Income Fund Monthly Distributor	31 Jan 2018	€0.0024	€20,124
Vilhena Euro Income Fund Quarter Distributor	31 Jan 2018	€0.0032	€49,160
Vilhena Euro Income Fund Monthly Distributor	28 Feb 2018	€0.0023	€19,515
Vilhena Euro Income Fund Monthly Distributor	31 Mar 2018	€0.0026	€22,770
Vilhena Euro Income Fund Monthly Distributor	30 Apr 2018	€0.0029	€26,660
Vilhena Euro Income Fund Quarter Distributor	30 Apr 2018	€0.0036	€51,220
Vilhena Global Balanced Multi Manager Fund	31 Oct 2017	€0.0010	€12,444
Vilhena Global Balanced Multi Manager Fund	30 Apr 2018	€0.0023	€26,798
Vilhena Maltese Opportunities Fund	30 Apr 2018	€0.1517	€76,413
Vilhena Maltese Equity Focus Fund	30 Apr 2018	€0.0369	€43,936

### 11. TAX EXPENSE

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

Any fund of the Company which is classified as a prescribed fund for Maltese income tax purposes, would be subject to Maltese tax on its investment income as defined in the Income Tax Act at a rate of 10% or 15% depending on the nature of the income. No tax on capital gains should be incurred by Maltese resident investors upon the disposal of units in such funds on the basis that such funds would be listed on the Malta Stock Exchange.

On the other hand, any fund which is classified as a non-prescribed fund for Maltese income tax purposes should not be subject to tax on its income or gains, other than on any income derived from immovable property situated in Malta. However, Maltese resident investors therein may be subject to a 15% final withholding tax on capital gains realised on redemptions, liquidation or cancellation of units. Nevertheless, the Maltese resident investor may request the Company not to effect the deduction of the said 15% final withholding tax in which case the investor would be required to declare the gains in his income tax return and will be subject to tax at the normal rates of tax.

Any gains arising to non-Maltese-resident investors, whether in respect of units in prescribed or non-prescribed funds, should be exempt from Maltese income tax under the relevant provisions found in the Maltese Income Tax Act, subject to the satisfaction of certain statutory conditions.

In respect of the distributions by the Company to the shareholders, 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 Company from the foreign income account of another Maltese company should not be subject to further tax in the hands of the shareholders.

In the case of distributions from the Company's Final Tax Account (income allocated to such an account would include inter alia "investment income" as defined in the Income Tax Act received by a prescribed Fund), the shareholders 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 Company's 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 Company's 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 specific circumstances.

In case of the Company's foreign investments outside Malta, any capital gains, dividends, interest and other gains or profits may be subject to tax imposed by the country of origin concerned and such taxes may not be recoverable by the Company or by its shareholders under Maltese domestic 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 and Registrar of the Company. It provides management and registrar services for fees as specified in note 9(a) and 9(b). Total fees incurred during the year are disclosed as follows:

	2019	2018
Vilhena Malta Fund	€338,696	€350,374
Vilhena Malta Government Bond Fund	€1,660,204	€1,665,047
Vilhena Global Themed Fund	\$350,676	\$280,993
Vilhena Mediterranean Rim Fund	-	\$6,937
Vilhena European Multi-Manager Fund	€362,160	€366,025
Vilhena Broad Opportunities Fund	€16,307	€16,599
Vilhena Malta Bond Fund	€936,540	€935,476
Vilhena Sterling Income Fund	£581,450	£588,502
Vilhena High Yield Fund	€770,383	€744,098
Vilhena Euro Income Fund	€349,115	€389,851
Vilhena Global Balanced Multi-Manager Fund	€123,394	€138,831
Vilhena Far East Opportunities Fund	\$45,330	\$49,066
Vilhena Maltese Opportunities Fund	€253,806	€270,422
Vilhena Maltese Equity Focus Fund	€217,633	€211,372
Vilhena Euro Malta Money Fund	€23,890	€31,394

BOV Asset Management Limited is also the Investment Manager of BOV Balanced Portfolio Fund, BOV Conservative Portfolio Fund and BOV Growth Portfolio Fund. These three Funds own shares in the following Vilhena Funds:

	2019	2018
<b>BOV Balanced Portfolio Fund</b>		
Vilhena Euro Income Fund monthly distributor shares	483,300.597	540,119.503
Vilhena Sterling Income Fund distributor shares	188,824.549	182,618.257
Vilhena High Yield Fund Euro class shares	2,691.743	179,446.646
Vilhena Global Themed Fund Usd class shares	1,771,715.855	1,352,089.024
Vilhena Maltese Equity Focus Fund distributor shares	-	30,327.739
Vilhena Far East Opportunities Fund	139,393.472	51,122.885
<b>BOV Conservative Portfolio Fund</b>		
Vilhena Euro Income Fund monthly distributor shares	2,468,444.350	3,044,159.9650
Vilhena Sterling Income Fund distributor shares	1,456,119.939	1,408,260.088
Vilhena High Yield Fund Euro class shares	-	4,188.233
Vilhena Global Themed Fund Usd class shares	3,250,868.896	3,764,832.750
Vilhena Malta Bond Fund distributor shares	18,976.561	7,387.942
Vilhena Malta Fund distributor shares	2,469.825	5,485.571
Vilhena Malta Government Bond Fund distributor shares	-	19.855
<b>BOV Growth Portfolio Fund</b>		
Vilhena Euro Income Fund accumulator shares	54,000.307	63,942.855
Vilhena Far East Opportunities Fund	69,657.200	25,662.435
Vilhena High Yield Fund Euro class shares	510.808	34,053.206
Vilhena Global Themed Fund Usd class shares	721,567.499	411,370.227

- (ii) Bank of Valletta p.l.c. (“BOV”) (the “Custodian”) provides custody services for a fee as specified in note 9(d). The fees charged during the reporting year are disclosed in the Statements of Comprehensive Income. Custody and other trustee disbursements incurred during the year are disclosed as follows:

	2019	2018
Vilhena Malta Fund	€29,077	€22,473
Vilhena Malta Government Bond Fund	€95,051	€102,233
Vilhena Global Themed Fund	\$19,669	\$21,886
Vilhena Mediterranean Rim Fund	-	\$3,862
Vilhena European Multi-Manager Fund	€13,769	€20,851

## Notes to the Financial Statements *(continued)*

	2019	2018
Vilhena Broad Opportunities Fund	€1,976	€1,519
Vilhena Malta Bond Fund	€67,980	€61,439
Vilhena Sterling Income Fund	£32,300	£33,527
Vilhena High Yield Fund	€42,293	€44,171
Vilhena Euro Income Fund	€31,243	€37,964
Vilhena Global Balanced Multi-Manager Fund	€10,971	€16,543
Vilhena Far East Opportunities Fund	\$14,983	\$16,929
Vilhena Maltese Opportunities Fund	€19,553	€14,541
Vilhena Maltese Equity Focus Fund	€13,568	€14,487
Vilhena Euro Malta Money Fund	€6,705	€8,377

As at 30 April 2019 and 30 April 2018 the following bank balances and term deposits were held with Bank of Valletta p.l.c.:

	2019	2018
Vilhena Malta Fund	€1,963,466	€3,179,110
Vilhena Malta Government Bond Fund	€38,210,059	€41,098,907
Vilhena Global Themed Fund	\$1,131,371	\$1,215,995
Vilhena European Multi-Manager Fund	€578,666	€1,029,916
Vilhena Broad Opportunities Fund	€21,497	€27,614
Vilhena Malta Bond Fund	€9,495,833	€11,922,494
Vilhena Sterling Income Fund	£7,450,026	£2,485,194
Vilhena High Yield Fund	€6,035,323	€9,802,699
Vilhena Euro Income Fund	€323,240	€1,240,481
Vilhena Global Balanced Multi-Manager Fund	(€7,496)	€30,731
Vilhena Far East Opportunities Fund	\$267,336	\$49,552
Vilhena Maltese Opportunities Fund	€419,593	€1,379,660
Vilhena Maltese Equity Focus Fund	€1,051,431	€790,928
Vilhena Euro Malta Money Fund	€5,679,744	€10,991,543

The following Funds own shares and bonds in Bank of Valletta p.l.c amounting to:

	2019	2018
Financial assets at fair value through profit or loss		
Vilhena Malta Fund	€2,413,444	€3,996,914
Vilhena Malta Bond Fund	€10,519,220	€13,309,613
Vilhena Maltese Opportunities Fund	€1,848,594	€2,881,370
Vilhena Maltese Equity Focus Fund	€1,372,287	€1,415,465

As at 30 April 2019 and 30 April 2018, Bank of Valletta p.l.c. held shares in the following Funds:

	2019 Shares	2018 Shares
Vilhena Maltese Opportunities Fund accumulator shares	49,925.124	49,925.124
Vilhena Maltese Opportunities Fund distributor shares	127,682.642	127,682.642
Vilhena Maltese Equity Focus Fund distributor shares	744,047.619	744,047.619

As at 30 April 2019 and 30 April 2018 the following shares were held through Bank of Valletta p.l.c. as nominees and/or trustees:

	2019 Shares	2018 Shares
Vilhena Malta Fund accumulator shares	961.799	1,162.040
Vilhena Malta Fund distributor shares	433.052	577.208
Vilhena Malta Government Bond Fund accumulator shares	2,127.420	2,461.853
Vilhena Malta Government Bond Fund distributor shares	3,150.889	3,804.142
Vilhena Global Themed Fund USD Class Shares	88,409.915	190,922.439
Vilhena Global Themed Fund EURO Class Shares	56,927.180	229,312.324
Vilhena Global Themed Fund GBP Class Shares	8,127.741	40,995.359
Vilhena Broad Opportunities Fund	225,388.369	372,415.310
Vilhena European Multi-Manager Fund	531,678.028	866,423.028
Vilhena Malta Bond Fund accumulator shares	46,660.349	46,584.720

	2019 Shares	2018 Shares
Vilhena Malta Bond Fund distributor shares	12,423.265	12,599.499
Vilhena Sterling Income Fund	5,372,056.089	5,376,565.749
Vilhena High Yield Fund (EUR class)	13,493,698.822	12,593,071.492
Vilhena High Yield Fund (USD class)	140,540.091	115,311.251
Vilhena Euro Income Fund monthly distributor shares	189,954.571	137,085.256
Vilhena Euro Income Fund quarterly distributor shares	543,396.741	698,959.146
Vilhena Euro Income Fund accumulator shares	29,574.866	38,598.006
Vilhena Global Balanced Multi-Manager Fund	75,642.716	93,667.560
Vilhena Far East Opportunities Fund	120,160.037	221,509.068
Vilhena Maltese Opportunities Fund accumulator shares	127,350.991	146,894.772
Vilhena Maltese Opportunities Fund distributor shares	9,959.404	8,645.789
Vilhena Maltese Equity Focus Fund accumulator shares	218,064.291	228,821.075
Vilhena Maltese Equity Focus Fund distributor shares	39,450.014	42,892.014
Vilhena Euro Malta Money Fund retail shares	123,616.889	199,509.471
Vilhena Euro Malta Money Fund institutional shares	264,939.638	257,202.780

- (iii) Under the terms of an agreement dated 1 October 2006, the Manager appointed BOV Fund Services Limited, a wholly owned subsidiary of BOV, as Administrator to the Company. Fees charged during the financial year ended 30 April 2019 and 30 April 2018 amounted to the following:

	2019	2018
Vilhena Malta Fund	€109,256	€113,024
Vilhena Malta Government Bond Fund	€721,828	€723,932
Vilhena Global Themed Fund	\$63,555	\$52,205
Vilhena Mediterranean Rim Fund	-	\$2,192
Vilhena European Multi-Manager Fund	€59,713	€60,340
Vilhena Broad Opportunities Fund	€4,292	€4,368
Vilhena Malta Bond Fund	€407,192	€406,728
Vilhena Sterling Income Fund	£166,129	£168,143
Vilhena High Yield Fund	€172,795	€166,954
Vilhena Euro Income Fund	€99,746	€111,386
Vilhena Global Balanced Multi-Manager Fund	€23,556	€26,504
Vilhena Far East Opportunities Fund	\$8,207	\$8,882
Vilhena Maltese Opportunities Fund	€72,516	€77,264
Vilhena Maltese Equity Focus Fund	€39,570	€38,432
Vilhena Euro Malta Money Fund	€20,032	€25,115

- (iv) The individual Directors' holdings in the Funds were as follows:

As at 30 April 2019 Kenneth Farrugia (as a Director on behalf of BOV Asset Management) held 3,051.554 shares (2018: 3,051.554 shares) in the Vilhena Maltese Opportunities Fund accumulator shares, 72,552.777 shares (2018: 69,184.395 shares) in the Vilhena European Multi-Manager Fund, 5,502.063 shares (2018: 5,502.063 shares) in the Vilhena Euro Malta Money Fund retail shares, 29,767.458 shares (2018: 29,674.811 shares) in the Vilhena Global Balanced Multi-Manager Fund, 35,159.070 shares (2018: 35,159.070 shares) in the Vilhena Maltese Equity Focus Fund accumulator shares and 16,221.638 shares (2018: 15,328.167 shares) in the Vilhena Global Themed Fund Euro shares.

As at 30 April 2019, Romeo Cutajar (as a Director of BOV Asset Management) held 736.798 shares (2018: 491.561 shares) in the Vilhena Maltese Equity Focus Fund accumulator shares, 1,477.359 shares (2018: 995.35 shares) in the Vilhena Euro Multi Manager Fund, and 3,360.621 shares (2018: 2,235.365 shares) in the Vilhena Broad Opportunities Fund.

As at 30 April 2019, Mario Grima (as a Director on behalf of Vilhena Funds Sicav p.l.c.) held 38 shares (2018: 41 shares) in the Vilhena Malta Fund accumulator shares, 3,005.710 shares (2018: Nil) in the Vilhena Far East Opportunities Fund and 3,723.562 shares (2018: Nil) in the Vilhena Global Themed Fund USD Class.

As at 30 April 2019, BOV Asset Management Limited held 322,454.454 shares (2018: 322,454.454 shares) in the Vilhena Euro Malta Money Fund Institutional shares.

## Notes to the Financial Statements *(continued)*

### 13. CASH AND CASH EQUIVALENTS NET OF OVERDRAWN BANK BALANCES

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

	2019	% of net assets	2018	% of net assets
Vilhena Malta Fund	€1,963,466	4.55	€3,179,110	6.94
Vilhena Malta Government Bond Fund	€7,079,682	2.34	€19,578,417	6.76
Vilhena Global Themed Fund	\$1,131,369	4.37	\$1,215,995	4.89
Vilhena European Multi-Manager Fund	€578,666	2.17	€1,029,916	3.84
Vilhena Broad Opportunities Fund	€21,497	0.66	€27,614	0.79
Vilhena Malta Bond Fund	€4,481,182	2.79	€9,922,494	5.94
Vilhena Sterling Income Fund	£7,450,026	11.36	£2,485,194	3.65
Vilhena High Yield Fund	€6,035,323	8.49	€9,802,699	14.64
Vilhena Euro Income Fund	€323,240	0.93	€1,240,481	2.82
Vilhena Global Balanced Multi-Manager Fund	(€7,496)	(0.07)	€30,731	0.26
Vilhena Far East Opportunities Fund	\$267,336	6.61	\$49,552	1.12
Vilhena Maltese Opportunities Fund	€420,167	1.48	€1,380,200	4.70
Vilhena Maltese Equity Focus Fund	€1,578,494	9.04	€840,963	5.71
Vilhena Euro Malta Money Fund	€14,858,218	32.99	€17,361,405	30.49

As at year end, the Company had available overdraft facilities in relation to the following sub-funds as follows:

	2019	2018
Vilhena Euro Multi Manager Fund	€1,000,000	€1,000,000
Maltese Equity Focus Fund	€1,000,000	€1,000,000
Vilhena Maltese Opportunities Fund	€1,500,000	€1,500,000
Vilhena Malta Fund	€200,000	€200,000
Vilhena Euro Income Fund	€100,000	€100,000
Vilhena Sterling Income Fund	£80,000	£80,000
Vilhena High Yield Fund	\$115,000	\$115,000

Utilised amounts as at year end are disclosed in the statement of financial position. These overdraft facilities and unsecured and bear interest at the rate of 2.65% (2018: 2.65%) per annum. The Company also has a commitment facility of €4,650,000 (2018: €4,650,000) intended as a margin account to enable the Company to enter into forward contracts. The utilised amount as at year end is the margin on the open forward positions as at 30 April 2019 as disclosed in Note 14 to these financial statements.

### 14. FINANCIAL INSTRUMENTS

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**

The Funds trade in equity, debt securities and financial derivative instruments. All securities present a risk of loss of capital. The Manager moderates this risk through a careful selection of securities within specified limits. The Funds' overall market positions are monitored on a regular basis by the Manager.

The 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 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 VaR of the Vilhena Broad Opportunities Fund is calculated by Insight Investment Management (Global) Limited, as the Investment Manager of the Master Fund, for a one-day holding period using one year of historical data, and scaled up to a one-month holding period by assuming zero autocorrelation. In practice returns may exhibit non-zero autocorrelation (mean aversion or mean reversion), which would result in a higher or lower one-month VaR.

The 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 Fund Manager.

The below table provides the overall VaR calculations for each Fund.

Fund	% Value at Risk (1 Month) - 99% Conf. Level	
	2019	2018
Vilhena Malta Government Bond Fund	2.864	2.712
Vilhena Malta Bond Fund	3.168	2.889
Vilhena Euro Income Fund	1.684	1.613
Vilhena Sterling Income Fund	3.129	3.835
Vilhena High Yield Fund	3.079	2.792
Vilhena Malta Fund	3.161	3.033
Vilhena Global Balanced Multi-Manager Fund	3.645	3.518
Vilhena Maltese Opportunities Fund	4.147	3.237
Vilhena Maltese Equity Focus Fund	4.507	4.261
Vilhena European Multi-Manager Fund	7.303	7.214
Vilhena Far East Opportunities Fund	9.679	8.718
Vilhena Global Themed Fund	10.315	6.973
Vilhena Broad Opportunities Fund	3.437	4.536

The Vilhena Euro Money Market Fund invests primarily in money market instruments and consequently no VaR is calculated for it.

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 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.

### 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 the case of the Vilhena High Yield Fund, the Vilhena Sterling Income Fund and the Vilhena Euro Income Fund, foreign exchange fluctuations are partially hedged through forward foreign exchange contracts.

The table below summarises the Funds' principal exposures to different currencies. Sensitivity to currency risk is included in the overall VaR measure presented above.

30 April 2019		GBP	USD	JPY
	Functional currency	% of net assets	% of net assets	% of net assets
Vilhena Malta Fund	€	-	2.40	-
Vilhena European Multi-Manager Fund	€	15.00	-	-
Vilhena Global Balanced Multi-Manager Fund	€	10.73	42.70	4.13
Vilhena Maltese Opportunities Fund	€	-	4.30	-
Vilhena Maltese Equity Focus Fund	€	-	5.16	-

## Notes to the Financial Statements *(continued)*

30 April 2019	Functional currency	GBP % of net	USD % of net
Vilhena Euro Income Fund			
Total financial assets	€	0.70	3.56
Financial Derivative Instruments (FX Forwards)		(0.66)	(3.36)
Net exposure		0.04	0.19

30 April 2019	Functional currency	GBP % of net assets	USD % of net assets	OTHER % of net assets
Vilhena High Yield Fund	€			
Total financial assets		14.55	55.62	0.42
Financial Derivative Instruments (FX Forwards)		(13.56)	(43.95)	(0.38)
Net exposure		1.00	11.67	0.04

30 April 2019	Functional currency	Euro % of net assets	USD % of net assets
Vilhena Sterling Income Fund	£		
Total financial assets		1.90	1.86
Financial Derivative Instruments (FX Forwards)		(1.44)	(1.73)
Net exposure		0.46	0.13

30 April 2019	Functional currency	Euro % of net assets	GBP % of net assets	JPY % of net assets	DKK % of net assets	AUD % of net assets	SGD % of net assets	HKD % of net assets	OTHER % of net assets
Vilhena Far East Opportunities Fund	\$	-	-	-	-	5.24	15.66	42.07	21.37
Vilhena Global Themed Fund	\$	12.65	6.29	12.29	3.40	-	-	2.18	2.53

30 April 2018	Functional currency	GBP % of net assets	USD % of net assets	JPY % of net assets
Vilhena Malta Fund	€	-	1.32	-
Vilhena European Multi-Manager Fund	€	13.17	-	-
Vilhena Global Balanced Multi-Manager Fund	€	10.07	37.90	4.99
Vilhena Maltese Opportunities Fund	€	-	2.96	-
Vilhena Maltese Equity Focus Fund	€	-	4.12	-

30 April 2018	Functional currency	GBP % of net assets	USD % of net assets
Vilhena Euro Income Fund			
Total financial assets	€	0.06	1.27
Financial Derivative Instruments (FX Forwards)		-	(1.26)
Net exposure		0.06	0.01

30 April 2018	Functional currency	GBP % of net assets	USD % of net assets	OTHER % of net assets
Vilhena High Yield Fund	€			
Total financial assets	€	10.23	47.25	0.90
Financial Derivative Instruments (FX Forwards)		(9.88)	(44.02)	-
Net exposure		0.35	3.23	0.90

30 April 2018	Functional currency	Euro % of net assets	USD % of net assets						
Vilhena Sterling Income Fund	£	6.84	1.16						
Total financial assets	£	6.84	1.16						
Financial Derivative Instruments (FX Forwards)		(6.88)	(1.12)						
Net exposure		(0.04)	0.04						
30 April 2018	Functional currency	Euro % of net assets	GBP % of net assets	JPY % of net assets	DKK % of net Assets	HKD % of net Assets	AUD % of net assets	SGD % of net assets	OTHER % of net assets
Vilhena Far East Opportunities Fund	\$	-	-	-	-	3.88	6.70	44.77	28.10*
Vilhena Global Themed Fund	\$	10.09	6.52	13.27	7.99	-	2.09	5.72	1.91

\* The 'Other' section related to the Vilhena Far East Opportunities Fund relates to a number of currencies which the Fund holds and which individually are of an immaterial nature.

### 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 interest rate risk is summarised in the table below, from which Funds that do not have a material exposure to interest rate risk have been excluded. Sensitivity to interest rate risk is included in the overall VaR measure presented earlier.

	Assets held at fixed rates (as a % of NAV)		Assets held at variable rates (as a % of NAV)	
	2019	2018	2019	2018
Vilhena Malta Fund	58.46%	50.57%	4.55%	6.93%
Vilhena Malta Government Bond Fund	98.01%	92.97%	2.34%	6.76%
Vilhena Malta Bond Fund	97.98%	93.83%	2.79%	5.94%
Vilhena Sterling Income Fund	73.54%	73.23%	28.03%	27.51%
Vilhena High Yield Fund	87.85%	86.97%	13.77%	22.03%
Vilhena Euro Income Fund	87.84%	77.20%	12.58%	22.42%
Vilhena Maltese Opportunities Fund	33.22%	24.83%	1.48%	4.70%
Vilhena Maltese Equity Focus Fund	6.46%	7.63%	9.04%	5.71%
Vilhena Euro Malta Money Fund	59.14%	62.35%	40.77%	37.53%

The direct exposure in interest rate risk is managed through investment in debt securities and term deposits 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 Manager monitors such exposure against these limits on a regular basis.

Maturities of debt securities and term deposits as at 30 April 2019

Carrying amount	up to 1 year	1 to 5 years	5 to 15 years	over 15 years
Vilhena Malta Fund	€272,601	€3,851,760	€17,330,675	€3,756,585
Vilhena Malta Government Bond Fund	€47,184,865	€39,016,731	€149,972,222	€60,263,514
Vilhena Malta Bond Fund	€16,529,686	€23,845,511	€96,161,493	€21,057,968
Vilhena Sterling Income Fund	£829,166	£10,488,396	£30,985,683	£16,862,389
Vilhena High Yield Fund	€1,384,538	€24,462,668	€36,053,924	€4,297,919
Vilhena Euro Income Fund	€178,121	€17,648,454	€12,109,196	€4,815,897
Vilhena Maltese Opportunities Fund	-	€1,032,398	€6,875,652	€1,498,714
Vilhena Maltese Equity Focus Fund	€159,038	€206,587	€639,122	€123,196
Vilhena Euro Malta Money Fund	€29,253,323	€890,618	-	-

## Notes to the Financial Statements *(continued)*

Maturities of debt securities and term deposits as at 30 April 2018

<b>Carrying amount</b>	<b>up to 1 year</b>	<b>1 to 5 years</b>	<b>5 to 15 years</b>	<b>over 15 years</b>
Vilhena Malta Fund	€121,728	€4,563,991	€15,187,935	€3,306,405
Vilhena Malta Government Bond Fund	€31,538,528	€46,664,611	€129,325,161	€61,928,099
Vilhena Malta Bond Fund	€13,725,689	€28,588,503	€93,485,497	€21,051,228
Vilhena Sterling Income Fund	-	£7,578,118	£31,800,367	£26,744,649
Vilhena High Yield Fund	-	€28,164,590	€32,362,005	€2,623,224
Vilhena Euro Income Fund	€762,166	€19,154,222	€17,250,708	€5,456,721
Vilhena Maltese Opportunities Fund	€78,475	€332,851	€6,287,761	€597,894
Vilhena Maltese Equity Focus Fund	-	€380,752	€623,255	€118,365
Vilhena Euro Malta Money Fund	€39,503,988	-	-	-

### **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 Company. Financial instruments, which potentially subject the Funds to credit risk, consist principally of debt securities, derivative instruments and cash balances.

The Company has policies that limit the amount of credit exposure to any single issuer. The Manager monitors the Funds' credit position on a regular basis.

### **Financial assets subject to IFRS 9's impairment requirements**

All bank balances (note 13) and term deposits (note 3.1) are held with reputable local banks.

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.

<b>Vilhena Malta Fund</b>		<b>2019</b>	<b>2018</b>
<i>Bank balances</i>		<b>€1,963,466</b>	€3,179,110
BBB		<b>100.00%</b>	100.00%
		<b>100.00%</b>	100.00%
<b>Vilhena Malta Government Bond Fund</b>		<b>2019</b>	<b>2018</b>
<i>Bank balances</i>		<b>€7,079,682</b>	€19,578,417
BBB		<b>99.99%</b>	100.00%
NR		<b>0.01%</b>	0.00%
		<b>100.00%</b>	100.00%
<i>Term deposits</i>		<b>€47,184,865</b>	€31,538,528
BBB		<b>65.98%</b>	68.24%
NR		<b>34.02%</b>	31.76%
		<b>100.00%</b>	100.00%
<b>Vilhena Global Themed Fund</b>		<b>2019</b>	<b>2018</b>
<i>Bank balances</i>		<b>\$1,131,369</b>	\$1,215,995
BBB		<b>100.00%</b>	100.00%
		<b>100.00%</b>	100.00%
<b>Vilhena European Multi-Manager Fund</b>		<b>2019</b>	<b>2018</b>
<i>Bank balances</i>		<b>€578,666</b>	€1,029,916
BBB		<b>100.00%</b>	100.00%
		<b>100.00%</b>	100.00%

<b>Vilhena Broad Opportunities Fund</b>	<b>2019</b>	<b>2018</b>
<i>Bank balances</i>	€21,497	€27,614
BBB	100.00%	100.00%
	<hr/>	<hr/>
	100.00%	100.00%
	<hr/>	<hr/>
<b>Vilhena Malta Bond Fund</b>	<b>2019</b>	<b>2018</b>
<i>Bank balances</i>	€4,481,182	€9,922,494
BBB	100.00%	100.00%
	<hr/>	<hr/>
	100.00%	100.00%
	<hr/>	<hr/>
<i>Term deposits</i>	€10,553,903	€10,010,988
BBB	47.51%	19.98%
NR	52.49%	80.02%
	<hr/>	<hr/>
	100.00%	100.00%
	<hr/>	<hr/>
<b>Vilhena Sterling Income Fund</b>	<b>2019</b>	<b>2018</b>
<i>Bank balances</i>	£7,450,026	£2,485,194
BBB	100.00%	100.00%
	<hr/>	<hr/>
	100.00%	100.00%
	<hr/>	<hr/>
<b>Vilhena High Yield Fund</b>	<b>2019</b>	<b>2018</b>
<i>Bank balances</i>	€6,035,323	€9,802,699
BBB	100.00%	100.00%
	<hr/>	<hr/>
	100.00%	100.00%
	<hr/>	<hr/>
<b>Vilhena Euro Income Fund</b>	<b>2019</b>	<b>2018</b>
<i>Bank balances</i>	€323,240	€1,240,481
BBB	100.00%	100.00%
	<hr/>	<hr/>
	100.00%	100.00%
	<hr/>	<hr/>
<b>Vilhena Global Balanced Multi-Manager Fund</b>	<b>2019</b>	<b>2018</b>
<i>Bank balances</i>	-	€30,731
BBB	-	100.00%
	<hr/>	<hr/>
	-	100.00%
	<hr/>	<hr/>
<b>Vilhena Far East Opportunities Fund</b>	<b>2019</b>	<b>2018</b>
<i>Bank balances</i>	\$267,336	\$49,552
BBB	100.00%	100.00%
	<hr/>	<hr/>
	100.00%	100.00%
	<hr/>	<hr/>
<b>Vilhena Maltese Opportunities Fund</b>	<b>2019</b>	<b>2018</b>
<i>Bank balances</i>	€420,167	€1,380,200
BBB	99.86%	99.96%
NR	0.14%	0.04%
	<hr/>	<hr/>
	100.00%	100.00%
	<hr/>	<hr/>

## Notes to the Financial Statements *(continued)*

<b>Vilhena Maltese Equity Focus Fund</b>	<b>2019</b>	<b>2018</b>
<i>Bank balances</i>	<b>€1,578,494</b>	€840,963
BBB	<b>66.61%</b>	94.05%
NR	<b>33.39%</b>	5.95%
	<hr/>	<hr/>
	<b>100.00%</b>	100.00%
	<hr/>	<hr/>
<b>Vilhena Euro Malta Money Fund</b>	<b>2019</b>	<b>2018</b>
<i>Bank balances</i>	<b>€14,858,218</b>	€17,361,405
BBB	<b>9.33%</b>	1.72%
NR	<b>90.67%</b>	98.28%
	<hr/>	<hr/>
	<b>100.00%</b>	100.00%
	<hr/>	<hr/>
<i>Term deposits</i>	<b>€26,639,440</b>	€35,499,078
BBB	<b>16.12%</b>	30.12%
BB	<b>18.22%</b>	16.20%
NR	<b>65.66%</b>	53.68%
	<hr/>	<hr/>
	<b>100.00%</b>	100.00%
	<hr/>	<hr/>

Impairment on cash and cash equivalents has been measured on a 12-month expected loss basis and reflects the short maturities of these exposures. The Company considers that its cash and cash equivalents have low credit risk based on the credit ratings of the counterparties. As at 1 May 2018 and 30 April 2019, the Company did not recognise an impairment allowance on the cash and cash equivalents and the term deposits as the provision is deemed not material.

As at 30 April 2019 Vilhena Euro Malta Money Fund has an investment in a sovereign bond amounting to €3,504,501 (30 April 2018: €4,004,910), which is rated BBB according to Fitch. As at 1 May 2018 and 30 April 2019, the Company did not recognise an impairment allowance on the bond as the provision is deemed not material.

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 accounts receivables. Transactions awaiting settlement and derivatives are held with a local reputable bank holding a credit rating of BBB.

### Inputs, assumptions and techniques used for estimating impairment

#### **Internal credit risk grades**

The Company allocates each exposure to a credit risk grade based on variety of data that is determined to be predictive of the risk of default (including audited financial statements, management accounts and available regulation information about borrowers) and applying experienced credit judgement. Credit risk grades are defined using qualitative and quantitative factors that are indicative of the risk of default and are aligned with external credit rating definitions from S&P. Exposures are subject to ongoing monitoring, which may result in an exposure being moved to a different credit risk grade.

#### **Measuring ECL**

The Expected Credit Loss (ECL) is measured on a 12-month basis with the Company availing itself of the low credit risk exemption. Expected credit losses are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD).

To determine the 12-month PDs, the Company uses the PD tables supplied by S&P based on the default history of obligors with the same credit rating. The Company adopts the same approach for rated and unrated investments by mapping its internal risk grades to the equivalent external credit ratings, using the externally rated obligors as anchors, which facilitates interpolation and extrapolation to determine PDs of externally unrated obligors. The PDs are adjusted to reflect forward-looking information as described below. Changes in the rating for a counterparty or exposure lead to a change in the estimate of the associated PD.

LGD is the magnitude of the likely loss if there is a default. The Company assumed an LGD of 100%.

EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the counterparty and represents the gross carrying amount.

**Forward-looking information**

The calculation of ECL incorporate forward-looking information. The Company has performed historical analysis and identified the key economic variables impacting credit risk and expected credit losses for each portfolio.

It formulates a 'base case' view of the future direction of relevant economic variables and a representative range of other possible forecast scenarios based on advice from the risk committee of the Investment Manager and economic experts and consideration of a variety of external actual and forecast information. The Company has identified key drivers of credit risk using an analysis of historical data. The key drivers for credit risk are GDP growth, unemployment rates, inflation, interest rates and house prices.

**Financial assets not subject to IFRS 9's impairment requirements**

The Company is exposed to credit risk on debt instruments. These classes of financial assets are not subject to IFRS 9's impairment requirements as they are measured at FVTPL. The carrying value of these assets, under both IAS 39 (2018) and IFRS 9 (2019) represents the maximum exposure to credit risk on financial instruments not subject to the IFRS 9 impairment requirements on the respective reporting dates.

**Credit quality, collateral and other credit enhancements of financial assets not subject to IFRS 9's impairment requirements**

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 S&P rating or equivalent when not available from S&P.

The percentages below are calculated as a percentage of the debt securities in each Fund.

	Vilhena Malta Fund		Vilhena Malta Government Bond Fund		Vilhena Malta Bond Fund	
	2019	2018	2019	2018	2019	2018
Debt securities	€25,211,621	€23,180,058	€249,252,467	€237,917,872	€147,040,755	€146,839,930
A- to A	55.10%	56.27%	100.00%	100.00%	57.32%	59.76%
BBB- to BBB+	3.77%	4.41%	-	-	7.15%	10.47%
Not rated	41.13%	39.31%	-	-	35.52%	29.77%

	Vilhena Sterling Income Fund		Vilhena High Yield Fund		Vilhena Euro Income Fund	
	2019	2018	2019	2018	2019	2018
Debt securities	£59,165,634	£66,123,135	€66,199,049	€63,149,819	€34,751,668	€42,623,817
AAA	6.67%	4.78%	-	-	17.76%	6.62%
AA- to AA+	12.45%	2.93%	-	-	11.72%	4.20%
A- to A+	23.30%	30.66%	-	-	25.37%	20.48%
BBB- to BBB+	51.38%	59.01%	4.70%	3.98%	36.02%	56.37%
BB- to BB+	5.80%	2.27%	21.47%	17.34%	6.31%	8.86%
B	-	-	66.38%	73.04%	1.97%	1.14%
CCC	-	-	2.77%	4.89%	-	-
Not rated	0.40%	0.35%	4.68%	0.75%	0.85%	2.34%

	Vilhena Maltese Opportunities Fund		Vilhena Equity Focus Fund		Vilhena Euro Malta Money Fund	
	2019	2018	2019	2018	2019	2018
Debt securities	€9,406,764	€7,296,981	€1,127,943	€1,122,372	€3,504,501	€4,004,910
A- to A	54.14%	46.20%	58.26%	59.13%	-	50.00%
BBB to BBB+	1.07%	1.71%	-	-	100.00%	-
Not rated	44.79%	52.09%	41.74%	40.87%	-	50.00%

## Notes to the Financial Statements *(continued)*

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.

The forward foreign exchange contracts (note 3.1) are all transacted with BOV, which is rated BBB (2018: BBB+). Such 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 2019, no variation margin had been posted or received by the Funds.

### **Offsetting financial assets and financial liabilities**

The Funds have not offset any financial assets and financial liabilities in the statement of financial position. The disclosures set out in the tables below include financial assets and financial liabilities that are subject to an enforceable master netting agreement that covers derivatives.

The ISDA master netting agreements do not meet the criteria for offsetting in the statement of financial position. This is because the Funds do not have any currently legally enforceable right to offset recognised amounts, because the right to offset is enforceable only on the occurrence of future events such as a default of the Fund or the counterparty or other credit events.

The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements.

	Gross and net amounts of financial instruments in the statement of financial position	Related financial instruments that are not offset	Net amount
<b>30 April 2019</b>			
<b>Financial assets at fair value through profit or loss (note 3.1)</b>			
<b>Financial assets held for trading (derivatives)</b>			
Forward Foreign Exchange Contracts			
- Vilhena Sterling Income Fund	£1,698	(£1,698)	-
- Vilhena High Yield Fund	€91,422	(€91,422)	-
- Vilhena Euro Income Fund	€818	(€818)	-
<b>Financial liabilities at fair value through profit or loss (note 3.1)</b>			
<b>Financial liabilities held for trading (derivatives)</b>			
Forward Foreign Exchange Contracts			
- Vilhena Sterling Income Fund	(£27,998)	£1,698	(£26,300)
- Vilhena High Yield Fund	(€447,522)	€91,422	(€356,100)
- Vilhena Euro Income Fund	(€9,592)	€818	(€8,774)
	Gross and net amounts of financial instruments in the statement of financial position	Related financial instruments that are not offset	Net amount
<b>30 April 2018</b>			
<b>Financial assets at fair value through profit or loss (note 3.1)</b>			
<b>Financial assets held for trading (derivatives)</b>			
Forward Foreign Exchange Contracts			
- Vilhena Sterling Income Fund	£1,325	(£1,325)	-
- Vilhena High Yield Fund	€202,232	(€202,232)	-
- Vilhena Euro Income Fund	-	-	-

**Financial liabilities at fair value through profit or loss (note 3.1)****Financial liabilities held for trading (derivatives)**

Forward Foreign Exchange Contracts			
- Vilhena Sterling Income Fund	(£20,178)	£1,325	(£18,853)
- Vilhena High Yield Fund	(€868,708)	€202,232	(€666,476)
- Vilhena Euro Income Fund	(€13,743)	-	(€13,743)

**Liquidity Risk**

The Funds are exposed to daily cash redemptions of redeemable shares.

The Manager monitors the Funds' liquidity position on a regular basis. Redeemable shares are redeemed on demand at the holder's option and settled by the respective Fund within 14 business days of the redemption date. In accordance with the constitutional documents of the respective Funds, the Directors have 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 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 Manager to be in a position to meet daily redemption requests.

**Fair Value Estimation**

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

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

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 corporate debt securities having no quoted price available at the measurement date is based on the last price available adjusted by a discount for additional credit risk, lack of marketability, illiquidity and pricing uncertainty (Level 3). The fair value of mortgage-backed securities and collateralised loan obligations having no quoted price available at the measurement date is based on dealer and broker quotes and evaluated prices from third-party valuation services.

The fair value of investments in units of unlisted open-ended investment funds that are redeemable at the reportable net asset value at, or approximately at, the measurement date is determined using, as applicable, the unadjusted net asset value, redemption price or investment manager's bid price (Level 2). The fair value of unlisted equity investments is determined on the basis of the investee's net asset value and a market-to-book multiple (Level 3).

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.

The following table presents the Company's assets that are measured at fair value at 30 April 2019:

	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Vilhena Malta Fund</b>				
<b>Assets</b>				
Fair value through profit or loss				
- Quoted equities	8,069,758	6,128,238	-	14,197,996
- Quoted bonds	14,111,015	11,100,606	-	25,211,621
- Exchange Traded Funds	2,066,251	-	-	2,066,251

## Notes to the Financial Statements *(continued)*

	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Vilhena Malta Government Bond Fund</b>				
<b>Assets</b>				
Fair value through profit or loss				
- Quoted bonds	249,252,467	-	-	249,252,467
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Vilhena Global Themed Fund</b>				
<b>Assets</b>				
Fair value through profit or loss				
- Quoted equities	24,742,224	-	-	24,742,224
	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Vilhena European Multi-Manager Fund</b>				
<b>Assets</b>				
Fair value through profit or loss				
- Collective investment schemes	22,745,983	-	-	22,745,983
- Exchange Traded Funds	3,323,185	-	-	3,323,185
	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Vilhena Broad Opportunities Fund</b>				
<b>Assets</b>				
Fair value through profit or loss				
- Collective investment schemes	3,259,563	-	-	3,259,563
	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Vilhena Malta Bond Fund</b>				
<b>Assets</b>				
Fair value through profit or loss				
- Quoted bonds	85,622,897	61,417,858	-	147,040,755
	Level 1 £	Level 2 £	Level 3 £	Total £
<b>Vilhena Sterling Income Fund</b>				
<b>Assets</b>				
Fair value through profit or loss				
- Quoted bonds	54,552,862	2,766,501	1,846,271	59,165,634
- Foreign exchange contracts	-	1,698	-	1,698
<b>Liabilities</b>				
Fair value through profit or loss				
- Foreign exchange contracts	-	(27,988)	-	(27,988)
	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Vilhena High Yield Fund</b>				
<b>Assets</b>				
Fair value through profit or loss				
- Quoted bonds	61,828,688	4,370,361	-	66,199,049
- Foreign exchange contracts	-	91,422	-	91,422

**Liabilities**

Fair value through profit or loss

- Foreign exchange contracts	-	(447,522)	-	(447,522)
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	Level 1	Level 2	Level 3	Total
	€	€	€	€

**Vilhena Euro Income Fund****Assets**

Fair value through profit or loss

- Quoted bonds	34,296,928	454,740	-	34,751,668
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- Foreign exchange contracts	-	818	-	818
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**Liabilities**

Fair value through profit or loss

- Foreign exchange contracts	-	(9,592)	-	(9,592)
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	Level 1	Level 2	Level 3	Total
	€	€	€	€

**Vilhena Global Balanced Multi-Manager Fund****Assets**

Fair value through profit or loss

- Exchange Traded Funds	2,711,860	-	-	2,711,860
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- Collective investment schemes	8,352,004	-	-	8,352,004
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	Level 1	Level 2	Level 3	Total
	\$	\$	\$	\$

**Vilhena Far East Opportunities Fund****Assets**

Fair value through profit or loss

- Quoted equities	3,728,855	-	-	3,728,855
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- Collective investment schemes	159,476	-	-	159,476
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	Level 1	Level 2	Level 3	Total
	€	€	€	€

**Vilhena Maltese Opportunities Fund****Assets**

Fair value through profit or loss

- Quoted equities	9,492,447	7,529,583	-	17,022,030
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- Unlisted equity investments	-	-	180,812	180,812
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- Quoted bonds	5,143,800	4,262,964	-	9,406,764
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- Exchange Traded Funds	1,136,753	-	-	1,136,753
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	Level 1	Level 2	Level 3	Total
	€	€	€	€

**Vilhena Maltese Equity Focus Fund****Assets**

Fair value through profit or loss

- Quoted equities	6,611,823	6,447,737	-	13,059,560
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- Quoted bonds	657,182	470,761	-	1,127,943
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- Exchange Traded Funds	1,608,448	-	-	1,608,448
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## Notes to the Financial Statements *(continued)*

The following table presents the Company's assets that are measured at fair value at 30 April 2018:

	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Vilhena Malta Fund</b>				
<b>Assets</b>				
Fair value through profit or loss				
- Quoted equities	5,066,431	10,681,643	-	15,748,074
- Quoted bonds	13,043,886	10,055,816	80,356	23,180,058
- Exchange Traded Funds	3,659,372	-	-	3,659,372
	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Vilhena Malta Government Bond Fund</b>				
<b>Assets</b>				
Fair value through profit or loss				
- Quoted bonds	237,917,872	-	-	237,917,872
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Vilhena Global Themed Fund</b>				
<b>Assets</b>				
Fair value through profit or loss				
- Quoted equities	23,686,386	-	-	23,686,386
	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Vilhena European Multi-Manager Fund</b>				
<b>Assets</b>				
Fair value through profit or loss				
- Collective investment schemes	3,339,484	-	-	3,339,484
- Exchange Traded Funds	22,352,871	-	-	22,352,871
	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Vilhena Broad Opportunities Fund</b>				
<b>Assets</b>				
Fair value through profit or loss				
- Collective investment schemes	3,514,052	-	-	3,514,052
	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Vilhena Malta Bond Fund</b>				
<b>Assets</b>				
Fair value through profit or loss				
- Quoted bonds	86,391,403	59,789,140	659,387	146,839,930
	Level 1 £	Level 2 £	Level 3 £	Total £
<b>Vilhena Sterling Income Fund</b>				
<b>Assets</b>				
Fair value through profit or loss				
- Quoted bonds	63,114,751	-	3,008,384	66,123,135
- Foreign exchange contracts	-	1,325	-	1,325
<b>Liabilities</b>				
Fair value through profit or loss				
- Foreign exchange contracts	-	(20,178)	-	(20,178)

	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Vilhena High Yield Fund</b>				
<b>Assets</b>				
Fair value through profit or loss				
- Quoted equities	297,550	-	-	297,550
- Quoted bonds	62,322,142	827,678	-	63,149,820
- Foreign exchange contracts	-	202,231	-	202,231
	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Liabilities</b>				
Fair value through profit or loss				
- Foreign exchange contracts	-	(868,708)	-	(868,708)
	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Vilhena Euro Income Fund</b>				
<b>Assets</b>				
Fair value through profit or loss				
- Quoted bonds	42,623,817	-	-	42,623,817
- Foreign exchange contracts	-	-	-	-
	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Liabilities</b>				
Fair value through profit or loss				
- Foreign exchange contracts	-	(13,743)	-	(13,743)
	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Vilhena Global Balanced Multi-Manager Fund</b>				
<b>Assets</b>				
Fair value through profit or loss				
- Exchange Traded Funds	11,932,388	-	-	11,932,388
	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
<b>Vilhena Far East Opportunities Fund</b>				
<b>Assets</b>				
Fair value through profit or loss				
- Quoted equities	4,197,843	-	-	4,197,843
- Collective investment schemes	185,994	-	-	185,994
	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Vilhena Maltese Opportunities Fund</b>				
<b>Assets</b>				
Fair value through profit or loss				
- Quoted equities	4,937,373	12,369,547	-	17,306,920
- Unlisted equity investments	-	-	175,299	175,299
- Quoted bonds	3,371,064	3,925,917	-	7,296,981
- Exchange Traded Funds	3,047,813	-	-	3,047,813

## Notes to the Financial Statements *(continued)*

	Level 1 €	Level 2 €	Level 3 €	Total €
<b>Vilhena Maltese Equity Focus Fund</b>				
<b>Assets</b>				
Fair value through profit or loss				
- Quoted equities	2,764,238	8,423,361	-	11,187,599
- Quoted bonds	663,668	428,854	29,850	1,122,372
- Exchange Traded Funds	1,488,134	-	-	1,488,134

The reconciliation of Level 3 fair value measurements of financial assets is disclosed below:

<b>Vilhena Malta Fund</b>	2019 €	2018 €
Opening balance	80,356	-
Movements from Level 1	-	249,849
Disposals	(146,637)	(108,943)
Total gain/(loss) recognised in profit or loss	66,281	(60,550)
Closing balance	-	80,356

<b>Vilhena Malta Bond Fund</b>	2019 €	2018 €
Opening balance	659,387	-
Movements from Level 1	-	1,282,793
Disposals	(1,205,003)	(109,099)
Total gain/(loss) recognised in profit or loss	545,616	(514,307)
Closing balance	-	659,387

<b>Vilhena Maltese Opportunities Fund</b>	2019 €	2018 €
Opening balance	175,299	-
Movements from Level 2	-	191,440
Total gain/(loss) recognised in profit or loss	5,513	(16,141)
Closing balance	180,812	175,299

<b>Vilhena Maltese Equity Focus Fund</b>	2019 €	2018 €
Opening balance	29,850	-
Movements from Level 1	-	159,750
Disposals	(50,000)	(100,000)
Total gain/(loss) recognised in profit or loss	20,150	(29,900)
Closing balance	-	29,850

<b>Vilhena Sterling Income Fund</b>	2019 £	2018 £
Opening balance	3,008,384	3,638,181
Movements from Level 1	505,700	-
Acquisitions	87,047	-
Disposals	(1,324,786)	(665,561)
Total (loss)/gain recognised in profit or loss	(430,074)	35,764
Closing balance	1,846,271	3,008,384

The change in unrealised gains or losses (net gain) for the year included in profit or loss relating to those assets and liabilities held at the reporting date amounted to the following:

- Vilhena Maltese Opportunities Fund: gain €5,513 (2018: loss €16,141)
- Vilhena Malta Bond Fund: gain €545,616 (2018: loss €514,306)
- Vilhena Malta Fund: gain €66,281 (2018: loss €60,551)
- Vilhena Maltese Equity Focus Fund: gain €20,150 (2018: loss €29,900)
- Vilhena Sterling Income Fund: loss £430,074 (2018: gain £35,764)

These gains and losses are recognised in profit or loss as Income/(expense) on financial assets at fair value through income

*Significant unobservable inputs used in measuring fair value*

The table below sets out information about significant unobservable inputs used at 30 April 2019 in measuring the financial instruments categorised as Level 3 in the fair value hierarchy.

<i>Description</i>	<i>Unlisted equity investments</i>	<i>Corporate debt securities having no quoted price</i>
Fair value at 30 April 2019		
- Vilhena Maltese Opportunities Fund	180,812	-
- Vilhena Sterling Income Fund	-	1,846,271
Valuation technique	Adjusted net asset value	Market approach
Significant unobservable input	Market-to-book multiple	Discount for additional credit risk, lack of marketability, illiquidity and pricing uncertainty
Estimate for unobservable input	1.00x	40%
Sensitivity to changes in significant	The estimated fair value unobservable inputs would increase (decrease) if the market-to-book multiple were higher (lower)	A decrease (increase) in discount would result in a higher (lower) fair value.

The table below sets out information about significant unobservable inputs used at 30 April 2018 in measuring the financial instruments categorised as Level 3 in the fair value hierarchy.

<i>Description</i>	<i>Unlisted equity investments</i>	<i>Corporate debt securities having no quoted price</i>
Fair value at 30 April 2018		
- Vilhena Maltese Equity Opportunities Fund	€ 175,299	-
- Vilhena Malta Bond Fund	-	€659,387
- Vilhena Malta Fund	-	€80,356
- Vilhena Maltese Equity Focus Fund	-	€29,850
- Vilhena Sterling Income Fund	-	£3,008,384
Valuation technique	Adjusted net asset value	Market approach
Significant unobservable input	Market-to-book multiple	Discount for additional credit risk, lack of marketability, illiquidity and pricing uncertainty
Estimate for unobservable input	1.00x	40%
Sensitivity to changes in significant unobservable inputs	The estimated fair value would increase (decrease) if the market-to-book multiple were higher (lower)	A decrease (increase) in discount would result in a higher (lower) fair value.

## Notes to the Financial Statements *(continued)*

The significant unobservable inputs are determined by the Investment Manager based on its judgement after considering market- and company-specific factors.

Dealer and broker quotes and evaluated prices from third-party valuation services for mortgage-backed securities and collateralised loan obligations are generally based on discounted cash flow models incorporating multiple unobservable inputs including expected principal repayment profiles, delinquency rates, recovery rates, credit spreads and liquidity adjustments. The inputs to these valuation were not developed by the Funds but were externally developed. The Funds do not provide these third parties with any inputs and assumptions to use in their models.

### **Sensitivity of fair value measurement to changes in unobservable inputs for Level 3 financial instruments**

Although the Investment Manager believes that its estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurements of fair value. For fair value measurements in Level 3, changing one or more of the assumptions used to reasonably possible alternative assumptions would have the following effects on net assets attributable to shareholders.

	Favourable	Unfavourable
<b>30 April 2019</b>		
<b>Unlisted equity investments</b>		
<i>Reasonably possible alternative assumption:</i>		
Market-to-book multiple	1.3x	0.7x
Vilhena Maltese Opportunities Fund	€54,244	€(54,244)
<b>Debt securities with no quoted price</b>		
<i>Reasonably possible alternative assumption:</i>		
<i>Discount for additional credit risk, lack of marketability, illiquidity and pricing uncertainty</i>		
	20%	45%
Vilhena Sterling Income Fund	£615,424	£(153,856)
<b>30 April 2018</b>		
<b>Unlisted equity investments</b>		
<i>Reasonably possible alternative assumption:</i>		
Market-to-book multiple	1.2x	0.8x
Vilhena Maltese Opportunities Fund	€35,060	€(35,060)
<b>Debt securities with no quoted price</b>		
<i>Reasonably possible alternative assumption:</i>		
<i>Discount for additional credit risk, lack of marketability, illiquidity and pricing uncertainty</i>		
	20%	45%
Vilhena Malta Fund	€26,785	€(6,696)
Vilhena Malta Bond Fund	€219,796	€(54,949)
Vilhena Maltese Equity Focus Fund	€9,950	€(2,488)
Vilhena Sterling Income Fund	£1,002,795	£(250,699)

### **Fair value hierarchy for financial instruments not measured at fair value**

The financial assets and financial liabilities not measured at fair value through profit or loss include:

- financial assets held to maturity, other investments - term deposits, accrued income, other receivables/payables, cash and cash equivalents and overdrawn bank balances. These are short-term financial assets and financial liabilities whose carrying amounts approximate fair value, because of their relatively short-term nature and the high credit quality of counterparties; and
- net assets attributable to holders of redeemable shares. The Funds routinely issue and redeem redeemable shares at the amount equal to the proportionate share of net assets of the respective Fund at the time of issue or redemption, calculated on a basis consistent with that used in these financial statements. Accordingly, the carrying amount of net assets attributable to holders of redeemable shares approximates their fair value. The shares are categorised into Level 2 of the fair value hierarchy.



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## Independent Auditors' Report

To the Shareholders of Vilhena Funds SICAV p.l.c.

### 1 Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the financial statements of Vilhena Funds SICAV p.l.c. (the "Company") combined for all its sub-funds (the "financial statements"), which comprise the statement of financial position as at 30 April 2019, the statements of changes in net assets attributable to holders of redeemable shares, comprehensive income, and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements:

- (a) give a true and fair view of the financial position of the Company as at 30 April 2019, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU; and
- (b) have been properly prepared in accordance with the provisions of the Companies Act, 1995 (Chapter 386, Laws of Malta) (the "Act").

#### *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 *Auditors' responsibilities for the audit of the financial statements* section of our report. During the course of our audit, we maintained our independence from the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants*, together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the *Accountancy Profession (Code of Ethics for Warrant Holders) Directive* issued in terms of the Accountancy Profession Act (Chapter 281, Laws of Malta) ("APA"), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgement were of most significance in our audit of the financial statements of the current period (selected from those communicated to the board of directors), and include a description of the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We summarise below the key audit matter, together with our response by way of the audit procedures we performed to address that matter in our audit and key observations arising with respect to such risks of material misstatement.

#### *Our audit approach to investments*

Accounting policy 3 to the financial statements and notes 3.1 and 14 for further disclosures.

'Financial assets at fair value through profit or loss' (€717,120,414)

'Financial assets at amortised cost' (€3,504,501)

'Term deposits at amortised cost' (€84,378,208)

'Financial liabilities at fair value through profit or loss' (€489,671)

The captions noted above are collectively referred to as "investments".

The sub-funds' investments, in the main, represent liquid investments, collective investment schemes, term deposits and foreign exchange contracts. We do not consider these investments to be subject to a high risk of material misstatement resulting from judgement. Notwithstanding the lower risk of material misstatement, the procedures performed in relation to the investments were considered of most significance in our audit, as these involved a significant audit effort.



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## **Independent Auditors' Report (continued)**

### **To the Shareholders of Vilhena Funds SICAV p.l.c.**

#### *Our response*

As part of our procedures in relation to the investments:

- we obtained external confirmations of each sub-fund's investment holdings from the custodian;
- specifically in relation to unsettled movements in investment positions, we agreed those movements to supporting documentation to assess whether they are appropriately recorded in the correct accounting period;
- specifically in relation to financial instruments recognised at fair value through profit or loss and 'financial assets at amortised cost', we evaluated the valuation of each sub-fund's investment portfolio by comparing the Company's pricing of investments to external pricing sources;
- specifically in relation to 'term deposits at amortised cost', we evaluated the credit risk assessment for each counterparty by reference to the respective counterparty credit ratings and other external information; and
- we assessed the relevant disclosures in the financial statements in accordance with the applicable financial reporting framework.

We have no key observations to report, specific to this matter.

#### ***Other information***

The directors are responsible for the other information which comprises:

- the 'Management and Administration';
- the 'General Information';
- the 'Investment Manager's Report';
- the 'Directors' Report';
- the 'Report of the Custodian'; and
- the 'Unaudited Supplementary Disclosures',

but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and, other than in the case of the directors' report on which we report separately below in our 'Opinion on the Directors' Report', we do not express any form of assurance conclusion thereon.

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

#### ***Responsibilities of the directors for the financial statements***

The directors are responsible for the preparation of financial statements that (a) give a true and fair view in accordance with IFRS as adopted by the EU, and (b) are properly prepared in accordance with the provisions of the Act, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are also responsible for overseeing the financial reporting process.



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## Independent Auditors' Report (continued)

### To the Shareholders of Vilhena Funds SICAV p.l.c.

#### *Auditors' 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 auditors' report that includes our opinion. 'Reasonable assurance' is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. In determining the overall audit approach, we assess the risks of material misstatement for each sub-fund, taking into account the nature, likelihood and magnitude of such misstatements.

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

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Consider the extent of compliance with those laws and regulations that directly affect the financial statements, as part of our procedures on the related financial statement items. For the remaining laws and regulations, we make enquiries of directors and other management, and inspect correspondence with the regulatory authority, as well as legal correspondence. As with fraud, there remains a higher risk of non-detection of other irregularities (whether or not these relate to an area of law directly related to the financial statements), as these may likewise involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company 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 directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



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## Independent Auditors' Report (continued)

To the Shareholders of Vilhena Funds SICAV p.l.c.

### 2 Opinion on the Directors' Report

The directors are responsible for preparing a directors' report in accordance with the provisions of article 177 of the Act.

We are required to consider whether the information given in the directors' report for the accounting period for which the financial statements are prepared is consistent with those financial statements; and, if we are of the opinion that it is not, we shall state that fact in our report. We have nothing to report in this regard.

Pursuant to article 179(3) of the Act, we are also required to:

- express an opinion on whether the directors' report has been prepared in accordance with the applicable legal requirements; and
- state whether, in the light of the knowledge and understanding of the entity and its environment obtained in the course of our audit of the financial statements, we have identified material misstatements in the directors' report, giving an indication of the nature of any such misstatements.

In such regards:

- in our opinion, the directors' report has been prepared in accordance with the applicable legal requirements; and
- we have not identified material misstatements in the directors' report.

### 3 Report on Other Legal and Regulatory Requirements

#### *Matters on which we are required to report by the Act, specific to public-interest entities*

Pursuant to article 179B(1) of the Act, we report as under matters not already reported upon in our 'Report on the Audit of the Financial Statements':

- we were first appointed as auditors by the shareholders on 24 April 2018. The period of uninterrupted engagement is two years;
- our opinion on our audit of the financial statements is consistent with the additional report, required to be issued by the Audit Regulation (as referred to in the Act), and provided to the board of directors; and
- we have not provided any of the prohibited services as set out in the APA.

#### *Matters on which we are required to report by exception by the Act*

Pursuant to articles 179(10) and 179(11) of the Act, we have nothing to report to you with respect to the following matters:

- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not obtained all the information and explanations which, to the best of our knowledge and belief, we require for the purpose of our audit.

The Principal authorised to sign on behalf of KPMG on the audit resulting in this independent auditors' report is Claude Ellul.

KPMG  
Registered Auditors

11 July 2019

# Unaudited Supplementary Disclosures

# Portfolio Statements

as at 30 April 2019

	<b>Market value 30.4.2019</b>	<b>% of net assets</b>
<b>Vilhena Malta Fund</b>	<b>€</b>	
<b>Quoted Equities</b>		
Bank of Valletta p.l.c.	1,462,599	3.39
BMIT Technologies p.l.c.	411,439	0.95
FIMBank p.l.c.	978,108	2.27
GO p.l.c.	1,525,144	3.54
Grand Harbour Marina p.l.c.	39,142	0.09
HSBC Bank Malta p.l.c.	1,660,066	3.85
International Hotel Investments p.l.c.	974,790	2.26
Lombard Bank Malta p.l.c.	284,857	0.66
Main Street Complex p.l.c.	134,820	0.31
Malita Investments p.l.c.	193,265	0.45
Malta International Airport p.l.c.	2,585,275	6.00
Malta Properties Company p.l.c.	170,105	0.39
MaltaPost p.l.c.	131,929	0.31
Mapfre Middlesea p.l.c.	680,447	1.58
Medserv p.l.c.	150,150	0.35
MIDI p.l.c.	340,864	0.79
PG p.l.c.	425,235	0.99
Plaza Centres p.l.c.	163,115	0.38
RS2 Software p.l.c.	694,409	1.61
Santumas Shareholdings p.l.c.	26,649	0.06
Simonds Farsons Cisk p.l.c.	706,793	1.64
Tigne Mall p.l.c.	356,238	0.83
Trident Estates p.l.c.	102,557	0.24
<b>Exchange Traded Funds</b>		
Ishares Dj Sxx 600	305,910	0.71
Ishares Msci World EUR-H	1,129,964	2.62
SSGA SPDR E2 US	321,300	0.75
Lyxor Intl Am Stoxx EU 600	309,077	0.72
<b>Quoted Corporate Bonds</b>		
5.10% 1923 Investments 2024	293,133	0.68
6.00% AX Investments 2024	397,542	0.92
3.50% Bank of Valletta 2030 (Series 1)	146,754	0.34
3.50% Bank of Valletta 2030 (Series 2)	711,491	1.65
4.25% Bank of Valletta Notes 2019 Series 2 Tranche 1	41,846	0.10
4.80% Bank of Valletta Sub 2020	50,755	0.12
3.75% Bortex Group Finance 2027	189,448	0.44
4.25% Corinthia Finance 2026	206,776	0.48
6.00% Corinthia Finance 2019/22	45,045	0.10
5.00% Dizz Finance 2026	108,900	0.25
4.00% Eden Finance 2027	753,480	1.75
4.50% Endo Finance 2029	101,000	0.23
4.00% Exalco Finance 2028	59,181	0.14
3.65% Gap Group 2022	446,463	1.04
4.90% Gasan Finance 2019/21	469,310	1.09
4.50% Grand Harbour Marina 2027	243,568	0.57
5.00% Halmann Vella Group 2024	57,216	0.13
3.85% Hili Bonds 2028	219,575	0.51
4.50% Hili Properties 2025	192,150	0.45
4.35% Hudson Malta 2026	51,950	0.12
4.00% International Hotel Investments 2026 (secured)	330,218	0.77
4.00% International Hotel Investments 2026 (unsecured)	409,114	0.95
4.00% International Hotel Investments 2026 FI	100,787	0.23
5.75% International Hotel Investments 2025	235,725	0.55

	<b>Market value 30.4.2019</b>	<b>% of net assets</b>
5.80% International Hotel Investments 2021	131,004	0.30
5.80% International Hotel Investments 2023	14,892	0.04
6.00% International Hotel Investments 2024	205,718	0.48
5.30% Mariner Finance 2024	319,236	0.74
4.80% Med Maritime Hub Finance 2026	107,100	0.25
6.00% MeDirect Bank (Malta) 2019/24	155,540	0.36
7.50% MeDirect Bank (Malta) 2019	180,000	0.42
4.50% Medserv 2026	236,711	0.55
6.00% Medserv 2023	128,433	0.30
3.75% Mercury Projects Finance 2027	74,220	0.17
4.25% Mercury Projects Finance 2031	49,168	0.11
4.00% MIDI 2026	369,775	0.86
4.75% Orion Finance 2027	102,500	0.24
5.50% Pendergardens Developments 2020	294,338	0.68
6.00% Pendergardens Developments 2022	198,330	0.46
4.15% Phoenicia Finance Company 2023/28	148,512	0.34
3.90% Plaza Centres 2026	203,000	0.47
3.75% Premier Capital 2026	588,398	1.36
4.35% SD Finance 2027	586,197	1.36
3.50% Simonds Farsons Cisk 2027	135,362	0.31
4.00% Stivala Group Finance 2027	249,496	0.58
5.00% Tumas Investments 2024	185,033	0.43
3.75% Tumas Investments 2027	362,232	0.84
5.30% United Finance 2023	21,833	0.05
3.75% Virtu Finance 2027	142,754	0.33
4.40% Von Der Heyden Group Finance 2024	268,975	0.62
<b>Quoted Malta Government Bonds (1 to 5 years)</b>		
5.00% MGS 2021(I)	968,598	2.25
4.30% MGS 2022 (II)	197,995	0.46
5.50% MGS 2023 (I)	269,003	0.62
3.30% MGS 2024 (I)	54,074	0.13
1.40% MGS 2024 (III)	638,040	1.48
<b>Quoted Malta Government Bonds (5 to 15 years)</b>		
1.50% MGS 2027 (I)	10,600	0.02
4.80% MGS 2028 (I)	492,752	1.14
4.50% MGS 2028 (II)	1,162,745	2.70
5.10% MGS 2029 (I)	419,959	0.97
2.30% MGS 2029 (II)	560,639	1.30
1.85% MGS 2029 (III)	237,886	0.55
5.25% MGS 2030 (I)	2,054,770	4.76
5.20% MGS 2031 (I)	998,131	2.31
4.65% MGS 2032 (I)	630,893	1.46
4.45% MGS 2032 (II)	736,763	1.71
4.30% MGS 2033 (I)	702,013	1.63
4.10% MGS 2034 (I)	952,859	2.21
<b>Quoted Malta Government Bonds ( Over 15 years)</b>		
2.20% MGS 2035 (I)	21,810	0.05
2.50% MGS 2036 (I)	924,787	2.14
2.10% MGS 2039 (I)	543,001	1.26
3.00% MGS 2040 (I)	749,633	1.74
2.40% MGS 2041 (I)	564,489	1.31

## Portfolio Statements *(continued)*

	Market value 30.4.2019	% of net assets
<b>Vilhena Malta Government Bond Fund</b>		
<b>€</b>		
<b>Quoted Malta Government Bonds (1 to 5 years)</b>		
5.00% MGS 2021 (I)	11,083,163	3.66
5.10% MGS 2022 (I)	4,646,467	1.54
4.30% MGS 2022 (II)	4,689,879	1.55
1.50% MGS 2022 (IV)	4,750,442	1.57
5.50% MGS 2023 (I)	5,383,579	1.78
1.40% MGS 2023 (III)	8,463,200	2.80
3.30% MGS 2024 (I)	907,575	0.30
1.40% MGS 2024 (III)	5,317,000	1.76
1.40% MGS 2024 (III) FI	5,317,000	1.76
<b>Quoted Malta Government Bonds (5 to 15 years)</b>		
1.50% MGS 2027 (I)	4,770,000	1.58
4.80% MGS 2028 (I)	7,824,656	2.59
4.50% MGS 2028 (II)	19,109,957	6.32
5.10% MGS 2029 (I)	6,610,251	2.19
2.30% MGS 2029 (II)	10,970,001	3.63
1.85% MGS 2029 (III)	2,162,600	0.72
5.25% MGS 2030 (I)	34,173,857	11.30
5.20% MGS 2031 (I)	16,837,121	5.57
4.65% MGS 2032 (I)	11,084,317	3.66
4.45% MGS 2032 (II)	12,648,728	4.18
4.30% MGS 2033 (I)	12,239,159	4.05
4.10% MGS 2034 (I)	15,930,112	5.27
<b>Quoted Malta Government Bonds (Over 15 years)</b>		
2.20% MGS 2035 (I)	544,050	0.18
2.50% MGS 2036 (I)	14,289,121	4.72
2.10% MGS 2039 (I)	8,907,780	2.95
3.00% MGS 2040 (I)	11,302,528	3.74
2.40% MGS 2041 (I)	9,289,924	3.07
<b>Term Deposits</b>		
APS Bank p.l.c.	16,053,694	5.31
Bank of Valletta p.l.c.	31,131,171	10.29
<b>Vilhena Global Themed Fund</b>		
<b>\$</b>		
<b>Quoted Equities</b>		
<i>China</i>		
Zhejiang Expressway Co-H	563,854	2.18
<i>Denmark</i>		
Novo Nordisk A/S-B	879,513	3.40
<i>Germany</i>		
Bayer AG NPV	219,391	0.85
<i>Japan</i>		
Asahi Group Holdings NPV	737,086	2.85
East Japan Railway	497,998	1.93
Kddi Corporation	693,434	2.68
Keyence	620,606	2.40
Showa Denko KK	628,768	2.43
<i>Netherlands</i>		
Koninklijke Philips Nv	893,494	3.45

	<b>Market value 30.4.2019</b>	<b>% of net assets</b>
<i>South Korea</i>		
Samsung Electr-Gdr	675,410	2.61
<i>Switzerland</i>		
Novartis AG	653,281	2.53
<i>United Kingdom</i>		
British American Tobacco p.l.c.	584,685	2.26
Diageo	885,221	3.42
Royal Dutch Shell	781,979	3.02
<i>United States</i>		
Amazon.Com Inc	1,117,382	4.32
American Tower Corp.	742,140	2.87
Apple Inc	521,742	2.02
AT & T	619,200	2.39
Baidu Inc	548,559	2.12
Becton Dickinson And Co	842,590	3.26
Berkshire Hathaway Inc	520,104	2.01
Biogen Inc	527,252	2.04
EOG Resources Inc	585,905	2.27
Home Depot	835,170	3.23
Honeywell International Inc	989,691	3.83
Illumina Inc	499,200	1.93
Intuit	602,544	2.33
JP Morgan Chase & Co.	858,770	3.32
Linde Com	830,492	3.21
Lockheed Martin Co.	533,328	2.06
Microsoft Corp	1,227,640	4.75
Salesforce.com	975,565	3.77
Schlumberger NV	524,964	2.03
Union Pacific	637,344	2.46
Visa Inc	887,922	3.43
<b>Vilhena European Multi-Manager Fund</b>	<b>€</b>	
<b>Exchange Traded Funds</b>		
HSBC Euro Stoxx 50 (SWT)	3,323,185	12.46
<b>Collective Investment Schemes</b>		
Baring European Select Trust	3,998,433	14.99
FP Crux European Fund Ieurri	3,518,334	13.19
Magallanes Value Investors UCITS European Equity	3,581,201	13.43
Odey-European Focus	3,849,150	14.43
Ram Lux Sys-European Equity	3,826,719	14.35
TB Wise Evenlode	3,972,146	14.89
<b>Vilhena Broad Opportunities Fund</b>	<b>€</b>	
<b>Collective Investment Schemes</b>		
Absolute Insight Funds p.l.c.	3,259,563	100.20
<b>Vilhena Malta Bond Fund</b>	<b>€</b>	
<b>Quoted Corporate Bonds</b>		
6.00% AX Investments 2024	2,468,324	1.53
3.50% Bank of Valletta 2030 (Series 1)	804,988	0.50
3.50% Bank of Valletta 2030 (Series 2)	4,509,450	2.80
4.25% Bank of Valletta Notes 2019 Series 2 Tranche 1	1,389,738	0.86

## Portfolio Statements *(continued)*

	<b>Market value 30.4.2019</b>	<b>% of net assets</b>
4.80% Bank of Valletta 2020	2,624,744	1.63
5.35% Bank of Valletta 2019	1,190,300	0.74
3.75% Bortex Group Finance 2027	732,786	0.46
4.40% Central Business Centres 2027	620,400	0.39
5.75% Central Business Centres 2021	3,180	0.00
4.25% Corinthia Finance 2026	1,454,943	0.90
6.00% Corinthia Finance 2019/22	75,075	0.05
5.00% Dizz Finance 2026	326,700	0.20
4.00% Eden Finance 2027	3,785,355	2.35
4.50% Endo Finance 2029	505,000	0.31
4.00% Exalco Bonds 2028	493,638	0.31
3.65% Gap Group 2022	2,341,134	1.46
4.90% Gasan Finance 2019/21	800,993	0.50
4.50% Grand Harbour Marina 2027	939,120	0.58
5.00% Halmann Vella Group 2024	375,723	0.23
3.85% Hili Finance Company 2028	1,333,618	0.83
4.50% Hili Properties 2025	777,945	0.48
4.35% Hudson Malta 2026	373,521	0.23
4.00% International Hotel Investments 2026	1,442,618	0.90
4.00% International Hotel Investments 2026	3,525,381	2.19
4.00% International Hotel Investments 2026 FI	542,849	0.34
5.75% International Hotel Investments 2025	767,340	0.48
5.80% International Hotel Investments 2021	797,040	0.50
5.80% International Hotel Investments 2023	417,195	0.26
6.00% International Hotel Investments 2024	585,250	0.36
5.30% Mariner Finance 2024	1,715,172	1.07
4.80% Mediterranean Maritime Hub Finance 2026	455,940	0.28
5.00% MeDirect (Malta) 2022/27	67,600	0.04
6.00% MeDirect (Malta) 2019/24	806,990	0.50
7.50% MeDirect (Malta) 2019	771,000	0.48
5.00% Mediterranean Investment Holdings 2022	55,275	0.03
5.50% Mediterranean Investment Holdings 2020	549,851	0.34
6.00% Mediterranean Investment Holdings 2021	105,000	0.07
4.50% Medserv p.l.c. 2026	1,748,912	1.09
6.00% Medserv p.l.c. 2023	670,863	0.42
3.75% Mercury Projects Finance 2027	389,959	0.24
4.25% Mercury Projects Finance 2031	259,979	0.16
4.00% MIDI 2026	1,837,719	1.14
4.75% Orion Finance 2027	410,000	0.25
5.50% Pendergardens Developments 2020	1,351,121	0.84
6.00% Pendergardens Developments 2022	882,530	0.55
4.15% Phoenicia Finance Company 2023/28	846,664	0.53
3.90% Plaza Centres 2026	558,250	0.35
3.75% Premier Capital 2026	2,799,365	1.74
5.10% 1923 Investments 2024	2,009,995	1.25
4.35% SD Finance 2027	2,838,594	1.76
3.50% Simonds Farsons Cisk 2027	670,844	0.42
4.00% Stivala Group Finance 2027	1,366,456	0.85
3.75% Tumas Investments 2027	829,088	0.52
5.00% Tumas Investments 2024	451,422	0.28
5.30% United Finance 2023	28,223	0.02
3.75% Virtu Finance 2027	774,206	0.48
4.40% Von Der Heyden Group Finance 2024	1,496,110	0.93
<b>Quoted Malta Government Bonds (1 to 5 years)</b>		
5.00% MGS 2021 (I)	4,078,122	2.54
5.10% MGS 2022 (I)	389,302	0.24
4.30% MGS 2022 (II)	952,639	0.59

	<b>Market value 30.4.2019</b>	<b>% of net assets</b>
1.50% MGS 2022 (IV)	2,096,400	1.30
5.50% MGS 2023 (I)	2,488,705	1.55
1.40% MGS 2023 (III)	1,798,430	1.12
3.30% MGS 2024 (I)	340,793	0.21
1.40% MGS 2024 (III)	1,595,100	0.99
1.40% MGS 2024 (III) FI	2,126,800	1.32
<b>Quoted Malta Government Bonds (5 to 15 years)</b>		
1.50% MGS 2027 (I)	959,300	0.60
4.80% MGS 2028 (I)	3,059,446	1.90
4.50% MGS 2028 (II)	6,573,899	4.09
5.10% MGS 2029 (I)	1,766,772	1.10
2.30% MGS 2029 (II)	3,625,801	2.25
1.85% MGS 2029 (III)	1,081,300	0.67
5.25% MGS 2030 (I)	12,226,308	7.60
5.20% MGS 2031 (I)	5,786,741	3.60
4.65% MGS 2032 (I)	3,581,860	2.23
4.45% MGS 2032 (II)	4,267,811	2.65
4.30% MGS 2033 (I)	4,435,784	2.76
4.10% MGS 2034 (I)	5,476,455	3.40
<b>Quoted Malta Government Bonds (over 15 years)</b>		
2.20% MGS 2035 (I)	157,032	0.10
2.50% MGS 2036 (I)	5,139,859	3.20
2.10% MGS 2039 (I)	3,093,720	1.92
3.00% MGS 2040 (I)	4,590,450	2.85
2.40% MGS 2041 (I)	2,600,450	1.62
<b>Term Deposits</b>		
APS Bank p.l.c.	5,539,253	3.44
Bank of Valletta p.l.c.	5,014,650	3.12
<b>Vilhena Sterling Income Fund</b>		
	<b>£</b>	
<b>Quoted 'AAA' Rated Bonds</b>		
4.875% Bank Of Scotland Plc 2024	951,964	1.45
5.75% Kfw 2032	1,632,727	2.49
1.09875% Santander Uk Plc 2022	1,359,915	2.07
<b>Quoted 'AA' Rated Bonds</b>		
1.20975% Alba 2005-1 B 2042	474,107	0.72
1.875% Deutsche Bahn Fin Gmbh 2026	835,456	1.27
1.974% Land Securities Cm Plc 2024	298,116	0.45
2.399% Land Securities Cm Plc 2029	246,354	0.38
2.625% Land Securities Cm Plc 2037	131,001	0.20
2.75% Land Securities Cm Plc 2057	263,542	0.40
1.625% New York Life Global Fdg 2023	1,002,580	1.53
5.3887% Telereal Securitisation 2031	288,835	0.44
0.75% Uk Tsy 3/4% 2023 2023	2,988,600	4.56
4.25% Uk Tsy 4 1/4% 2032 2032	840,062	1.28
<b>Quoted 'A' Rated Bonds</b>		
3.5% A2Dominion Hous Grp Ltd 2028	475,971	0.73
6.25% Abp Finance Plc 2026	1,046,656	1.60
2.25% Anheuser-Busch Inbev Sa/ 2029	251,751	0.38
2.85% Anheuser-Busch Inbev Sa/ 2037	58,144	0.09
2.05% Arwc 2018-1 C 2030	86,461	0.13
1.375% Basf Se 2022	355,563	0.54

## Portfolio Statements *(continued)*

	<b>Market value 30.4.2019</b>	<b>% of net assets</b>
5.578% BI Superstore Finance 2025	284,952	0.43
3.375% Bnp Paribas 2026	1,088,017	1.66
1.75% Diageo Finance Plc 2026	410,268	0.63
0.182% Ditas 2008-1 A 2023	471,079	0.72
6.25% Electricite De France Sa 2028	922,933	1.41
6.697% Eversholt Funding Plc 2035	292,694	0.45
3% Hsbc Holdings Plc 2028	750,391	1.14
2.9945% Imt 2005-1G A 2036	313,941	0.48
3.875% Intu (Sgs) Finance Plc 2023	402,482	0.61
4.25% Intu (Sgs) Finance Plc 2030	311,476	0.47
4.125% Intu Metrocentre Finance 2023	447,652	0.68
5.875% Legal & General Fin Plc 2033	140,108	0.21
2.25% London & Quadrant Housin 2029	377,196	0.58
2.625% London Power Networks 2029	611,049	0.93
4.791% Longstone Finance Plc 2030	159,428	0.24
3.875% Santander Uk Plc 2029	460,738	0.70
4.75% Society Of Lloyd'S 2024	434,515	0.66
4.875% Society Of Lloyd'S 2047	155,346	0.24
1.25% Ubs Ag London 2020	432,491	0.66
2.625% United Utilities Wat Fin 2031	391,092	0.60
2% Wells Fargo & Company 2025	303,352	0.46
2.125% Wells Fargo & Company 2022	289,374	0.44
5.25% Western Power Dist East 2023	225,408	0.34
3.875% Wstrn Pwr Distr West Mid 2024	1,036,481	1.58
3% Yorkshire Building Soc 2025	301,587	0.46
2.75% Yorkshire Water Finance 2041	495,810	0.76
<b>Quoted 'BBB' Rated Bonds</b>		
2.75% Aa Bond Co Ltd 2023	578,788	0.88
4.875% Aa Bond Co Ltd 2024	489,693	0.75
6.269% Aa Bond Co Ltd 2025	906,155	1.38
2.625% Anglian Water Serv Fin 2027	367,280	0.56
2.646% Annington Funding Plc 2025	243,721	0.37
3.184% Annington Funding Plc 2029	296,149	0.45
3.375% Asr Nederland Nv 2049	155,988	0.24
6.416% Assicurazioni Generali Perpetual	52,553	0.08
5.5% At&T Inc 2027	300,602	0.46
5.9021% Aviva Plc Perpetual	207,908	0.32
6.125% Aviva Plc Perpetual	996,452	1.52
5.625% Axa Sa 2054	147,533	0.22
10% Barclays Bank Plc 2021	932,389	1.42
3.25% Barclays Plc 2033	1,051,704	1.60
1.75% Bat Intl Finance Plc 2021	233,979	0.36
5.25% Bpce Sa 2029	588,181	0.90
2.706% Channel Link 2050	166,751	0.25
3.043% Channel Link 2050	303,006	0.46
2.75% Citigroup Inc 2024	213,119	0.32
5.15% Citigroup Inc 2026	713,282	1.09
3.588% Cpuk Finance Ltd 2025	247,312	0.38
3.69% Cpuk Finance Ltd 2028	713,886	1.09
2.75% Cred Suis Gp Fun Ltd 2025	150,521	0.23
3% Cred Suis Gp Fun Ltd 2022	830,081	1.27
4% Cybg Plc 2026	101,388	0.15
2.66988% Dkfld 1 D 2045	500,684	0.76
5.75% Enel Finance Intl Nv 2040	225,217	0.34
4.535% Ford Motor Credit Co Llc 2025	1,306,297	1.99
6.125% Gatwick Funding Limited 2026	124,117	0.19
4.875% General Electric Co 2037	549,499	0.84

	<b>Market value 30.4.2019</b>	<b>% of net assets</b>	
5.375% General Electric Co 2040	156,441	0.24	
3.125% Glencore Finance Europe 2026	565,584	0.86	
3.125% Goldman Sachs Group Inc 2029	882,679	1.35	
6.875% Goldman Sachs Group Inc 2038	403,961	0.62	
6.5% Great Rolling Stock Ltd 2031	698,017	1.06	
3.593% Greene King Finance Plc 2035	549,383	0.84	
4.0643% Greene King Finance Plc 2035	594,889	0.91	
3% Hastings Group Finance 2025	783,817	1.20	
6% Heathrow Funding Ltd 2020	104,008	0.16	
5.844% Hsbc Bnk Cao Fnd Ster 1 Perpetual	333,165	0.51	
7% Hsbc Holdings Plc 2038	1,145,023	1.75	
6% Italy Gov'T Int Bond 2028	344,542	0.53	
5% Koninklijke Kpn Nv 2026	276,895	0.42	
2.95% Mcdonald'S Corp 2034	616,644	0.94	
3.875% Mondelez International 2045	107,698	0.16	
4.5% Mondelez International 2035	164,523	0.25	
2.625% Morgan Stanley 2027	235,013	0.36	
4.125% Nationwide Bldg Society 2032	407,393	0.62	
3.85% Newell Brands Inc 2023	304,110	0.46	
4.2% Newell Brands Inc 2026	196,399	0.30	
3.75% Petroleos Mexicanos 2025	93,714	0.14	
5.75% Phoenix Grp Hld Plc Perpetual	704,983	1.07	
5% Prudential Plc 2055	233,275	0.36	
5.625% Prudential Plc 2051	999,999	1.52	
5.7% Prudential Plc 2063	241,340	0.37	
4.87% Rac Bond Co Plc 2026	1,142,641	1.74	
5.5% Scottish Widows Ltd 2023	110,613	0.17	
7% Scottish Widows Ltd 2043	227,113	0.35	
4.875% Severn Trent Water Util 2042	156,734	0.24	
2.6663% Student Finance Plc 2024	770,065	1.17	
5.289% Telefonica Emisiones Sau 2022	336,612	0.51	
5.597% Telefonica Emisiones Sau 2020	725,158	1.11	
5.4252% Telereal Securitisation 2031	281,094	0.43	
6.1645% Telereal Securitisation 2031	475,513	0.72	
5.625% United Mexican States 2114	205,833	0.31	
2.5% Verizon Communications 2031	530,903	0.81	
4.75% Verizon Communications 2034	149,026	0.23	
4.125% Volkswagen Intl Fin Nv 2031	213,506	0.33	
3.375% Yorkshire Building Soc 2028	236,316	0.36	
<b>Quoted 'BB' Rated Bonds</b>			
6.125% Abanca Corp Bancaria Sa 2029	355,827	0.54	
5% Cybg Plc 2026	422,641	0.64	
6% Electricite De France Sa Perpetual	951,114	1.45	
5.1576% Marstons Issuer Plc 2027	942,000	1.44	
2.5% Tesco Corp Treasury Serv 2025	400,268	0.61	
5.744% Tesco Property Fin 3 Plc 2040	239,878	0.37	
5.8006% Tesco Property Fin 4 Plc 2040	121,370	0.19	
<b>Non-Rated Bonds</b>			
6.067% Delamare Finance Plc 2029	236,014	0.36	
<b>Derivatives - Forward Forex Contracts</b>			
	<b>Notional Amount</b>	<b>Fair Value</b>	
Purchase of United States Dollar against Sterling maturing on 10 May 2019	(138,000)	688	0.00
Sale of United States Dollar against Sterling maturing on 10 May 2019	1,004,000	(13,536)	(0.02)
Sale of Euro against Sterling maturing on 15 May 2019	146,000	82	0.00
Purchase of Euro against Sterling maturing on 15 May 2019	(115,000)	(76)	0.00

## Portfolio Statements *(continued)*

	<b>Market value 30.4.2019</b>	% of net assets	
	<i>Notional Amount</i>	<i>Fair Value</i>	
Sale of Euro against Sterling maturing on 31 May 2019	669,000	(2,042)	0.00
Sale of United States Dollar against Sterling maturing on 5 June 2019	897,000	(10,142)	(0.02)
Sale of Euro against Sterling maturing on 27 June 2019	395,000	928	0.00
Purchase of United States Dollar against Sterling maturing on 28 June 2019	(279,000)	(2,192)	0.00
<b>Vilhena High Yield Fund</b>			
<b>Quoted 'BBB' Rated Bonds</b>			
6.625% Barmenco Finance Pty Ltd 2022	915,722		1.29
3.85% Newell Brands Inc 2023	884,388		1.24
5.05425% Xlit Ltd	1,310,007		1.84
<b>Quoted 'BB' Rated Bonds</b>			
7% Adient Us Llc 2026	911,261		1.28
5.75% Antero Midstream Part/Fi 2027	681,773		0.96
7% Ascent Resources/Aru Fin 2026	1,084,702		1.53
7.5% C&W Senior Financing Dac 2026	399,844		0.56
5.5% Commscope Inc 2024	931,338		1.31
5.875% Indika Energy Iii Pte 2024	630,744		0.89
7.25% Jbs Investments Gmbh 2024	921,299		1.30
7.75% Jsl Europe 2024	888,953		1.25
7.125% Kosmos Energy Ltd 2026	1,408,750		1.98
3.625% Lincoln Financing Sarl 2024	1,372,221		1.93
7% Marb Bondco Plc 2024	913,697		1.29
5.641% Marstons Issuer Plc 2035	953,796		1.34
6.5% Mattamy Group Corp 2025	1,140,470		1.60
6.625% Neptune Energy Bondco 2025	698,548		0.98
6.875% Sable Intl Finance Ltd 2022	409,736		0.58
4.75% Viridian Group/Vir Power 2024	866,156		1.22
<b>Quoted 'B' Rated Bonds</b>			
7.625% Altice Luxembourg Sa 2025	832,069		1.17
8.75% Ard Securities Finance 2023	960,503		1.35
4.75% Avantor Inc 2024	741,048		1.04
8.5% Bausch Health Americas 2027	1,458,910		2.05
7.5% Bombardier Inc 2024	1,132,105		1.59
8.875% Bracken Midco One 2023	806,572		1.13
7.5% Century Aluminum Company 2021	888,953		1.25
10.75% Citgo Holding Inc 2020	915,722		1.29
6.25% Citgo Petroleum Corp 2022	667,552		0.94
5.875% Cleveland-Cliffs Inc 2027	857,723		1.21
8.25% Commscope Inc 2027	256,340		0.36
11.75% Corral Petroleum Holding 2021	1,218,874		1.71
12.25% Corral Petroleum Holding 2021	299,881		0.42
4.25% Cpuk Finance Ltd 2022	1,065,522		1.50
9.375% Dkt Finance Aps 2023	1,521,739		2.14
3.5% Eircom Finance Dac 2026	554,180		0.78
9.25% Emeco Pty Ltd 2022	706,868		0.99
7% Evoca Spa 2023	843,184		1.19
8.125% Exterran Nrg Solutions/F 2025	1,390,314		1.96
5.125% Garret Lx I / Borrowing 2026	1,226,563		1.73
6.25% Grp Ecore Hold Sas 2023	737,190		1.04
5.625% Ineos Group Holdings Sa 2024	203,928		0.29
5.25% Kraton Polymers Llc/Cap 2026	780,045		1.10
6.5% Lecta Sa 2023	541,674		0.76

	<b>Market value 30.4.2019</b>	<b>% of net assets</b>	
4.5% Loxam Sas 2027	703,759	0.99	
9% Manitowoc Company Inc 2026	450,054	0.63	
6.5% Mulhacen Pte Ltd 2023	1,771,875	2.49	
7.5% Ngl Enrgy Part Lp/Fin Co 2023	742,393	1.04	
4.375% Panther Bf Aggregator 2 2026	513,660	0.72	
8.5% Panther Bf Aggregator 2 2027	1,612,274	2.27	
5.5% Parts Europe Sa 2022	753,848	1.06	
7.369% Punch Taverns Finance B 2021	327,149	0.46	
5% Rac Bond Co Plc 2022	968,595	1.36	
5.625% Schmolz+Bicken Lx Fin Sa 2022	660,751	0.93	
4.625% Sgl Carbon Se 2024	620,796	0.87	
6.5% Starfruit Finco/Star Us 2026	1,026,240	1.44	
6% Superior Industries Inte 2025	454,980	0.64	
8.25% Synlab Unsecured Bondco 2023	634,948	0.89	
9.125% Topaz Marine Sa 2022	1,689,734	2.38	
6.25% Transdigm Inc 2026	926,876	1.30	
6.125% Transocean Pontus Ltd 2025	344,878	0.49	
6.875% Transocean Poseidon Ltd 2027	744,234	1.05	
5.75% Tronox Finance Plc 2025	547,225	0.77	
7% Tullow Oil Plc 2025	906,799	1.28	
6.464% Unique Pub Finance Co 2032	1,480,136	2.08	
6.125% Unitymedia Gmbh 2025	1,477,648	2.08	
5.5% Upc Holding Bv 2028	1,346,814	1.89	
8.5% Virgin Australia Holding 2019	468,815	0.66	
5.5% Virgin Media Receivable 2024	1,198,765	1.69	
5.75% Virgin Media Receivable 2023	960,705	1.35	
<b>Quoted 'CCC' Rated Bonds</b>			
9% Avantor Inc 2025	726,109	1.02	
5.25% Ceramtec Bondco Gmbh 2025	1,110,109	1.56	
<b>Non-Rated Bonds</b>			
8.75% Dno Asa 2023	1,379,871	1.94	
6.75% Esure Group Plc 2024	857,153	1.21	
7.75% Punch Taverns Finance B 2025	860,992	1.21	
0% Start Up As 2020	0.00	0.00	
<b>Derivatives - Forward Forex Contracts</b>			
	<b>Notional Amount</b>	<b>Fair Value</b>	
Purchase of United States Dollar against Euro maturing on 10 May 2019	(4,140,000)	44,640	0.06
Sale of United States Dollar against Euro maturing on 10 May 2019	8,872,000	(133,047)	(0.19)
Purchase of Sterling against Euro maturing on 13 May 2019	(50,000)	(59)	0.00
Sale of Sterling against Euro maturing on 13 May 2019	8,339,000	11,726	0.02
Purchase of United States Dollar against Euro maturing on 23 May 2019 (Class USDA)	(4,465,000)	15,139	0.02
Sale of Swedish Krona against Euro maturing on 23 May 2019	2,903,000	1,976	0.00
Purchase of United States Dollar against Euro maturing on 24 May 2019	(750,000)	6,706	0.01
Sale of United States Dollar against Euro maturing on 24 May 2019	25,300,000	(245,949)	(0.35)
Sale of United States Dollar against Euro maturing on 5 June 2019	6,750,000	(45,147)	(0.06)
Sale of United States Dollar against Euro maturing on 19 June 2019	2,555,000	(11,648)	(0.02)
Sale of United States Dollar against Euro maturing on 28 June 2019	978,000	(437)	0.00
<b>Vilhena Euro Income Fund</b>			<b>€</b>
<b>Quoted Euro Dominated Bonds</b>			
0.875% Abbott Ireland Financing 2023		116,275	0.33
2.5% Achmea Bv 2020		207,882	0.60
1.5% Adler Real Estate Ag 2022		100,870	0.29

## Portfolio Statements *(continued)*

	<b>Market value 30.4.2019</b>	<b>% of net assets</b>
1.875% Adler Real Estate Ag 2023	101,069	0.29
2.125% Aeroports De Paris 2038	110,221	0.32
3.25% Ageas 2049	100,922	0.29
1.75% Akelius Residential Ab 2025	308,067	0.88
0.875% Ald Sa 2022	202,594	0.58
0.5% Allergan Funding Scs 2021	332,251	0.95
1% Altria Group Inc 2023	197,625	0.57
1.25% Amgen Inc 2022	103,285	0.30
1.65% Anheuser-Busch Inbev Sa 2031	170,845	0.49
2.75% Anheuser-Busch Inbev Sa 2036	67,062	0.19
3.25% Anheuser-Busch Inbev Sa 2033	143,930	0.41
1.65% Annington Funding p.l.c. 2024	114,217	0.33
1.25% Aprr Sa 2028	207,082	0.59
1.625% Aroundtown Sa 2028	97,319	0.28
0.321% Asahi Group Holdings Ltd 2021	134,730	0.39
1.4% Asian Development Bank 2037	460,841	1.32
3.375% Asr Nederland Nv 2049	100,250	0.29
10.125% Assicurazioni Generali 2042	125,919	0.36
3.25% Axa Sa 2049	258,152	0.74
1.625% Banco De Sabadell Sa 2024	204,270	0.58
1.379% Bank Of America Corp 2025	197,119	0.56
0.875% Bankia Sa 2024	101,155	0.29
3.75% Bankia Sa 2029	206,778	0.59
0.875% Bankinter Sa 2024	101,855	0.29
2% Barclays p.l.c. 2028	272,594	0.78
1.125% Bat Capital Corp 2023	172,471	0.49
1.5% Bayer Capital Corp Bv 2026	102,787	0.29
1.4% Blackstone Pp Eur Hold 2022	176,521	0.51
2.125% Bnp Paribas 2027	106,614	0.31
1% Bnp Paribas Cardif 2024	196,072	0.56
1.117% Bp Capital Markets p.l.c. 2024	104,185	0.30
1.953% Bp Capital Markets p.l.c. 2025	270,531	0.77
0.625% Bpce Sa 2023	304,839	0.87
0.875% Bpce Sa 2024	202,920	0.58
2.875% Bpce Sa 2026	110,948	0.32
0.875% British Telecommunicatio 2023	101,465	0.29
5.5% Bundesrepub. Deutschland 2031	767,447	2.20
1.75% Caixabank Sa 2023	102,856	0.29
1.875% Carnival Corp 2022	316,669	0.91
2.75% Cemex Sab De Cv 2024	102,117	0.29
3% Cez As 2028	111,359	0.32
1.55% Chubb Ina Holdings Inc 2028	145,796	0.42
2.5% Chubb Ina Holdings Inc 2038	176,890	0.51
0.5% Citigroup Inc 2022	217,376	0.62
0.75% Citigroup Inc 2023	205,291	0.59
0.875% Ck Hutchison Fin 16 li 2024	118,037	0.34
0.5% Commerzbank Ag 2023	213,360	0.61
0.75% Cooperatieve Rabobank Ua 2023	101,953	0.29
1.22% Cred Suis Gp Fun Ltd 2022	220,063	0.63
1.25% Cred Suis Gp Fun Ltd 2022	103,141	0.30
4.25% Credit Agricole Assrnces Perpetual	216,294	0.62
1.75% Credit Agricole London 2029	103,891	0.30
1.875% Credit Mutuel Arkea 2029	194,674	0.56
3.375% Credit Mutuel Arkea 2031	104,603	0.30
1.375% Criteria Caixa Sa 2024	100,968	0.29
0.75% De Volksbank Nv 2023	304,719	0.87
0.375% Deutsche Telekom Int Fin 2021	350,113	1.00
1.7% Dh Europe Finance Sa 2022	125,302	0.36

	<b>Market value 30.4.2019</b>	<b>% of net assets</b>
1.5% Diageo Finance p.l.c. 2027	106,304	0.30
0% Efsf 2024	1,508,460	4.32
3% Efsf 2034	340,005	0.97
4% Electricite De France Sa Perpetual	210,596	0.60
4.625% Electricite De France Sa 2030	134,190	0.38
1.5% Enexis Holding Nv 2023	121,439	0.35
0.375% Erste Group Bank Ag 2024	100,201	0.29
2.125% Esb Finance Dac 2033	107,646	0.31
0.75% Euro Stability Mechanism 2027	1,579,611	4.52
0.25% Eurofima 2023	506,215	1.45
1.625% Eurogrid Gmbh 2023	105,895	0.30
1% Euronext Nv 2025	142,926	0.41
0.375% European Investment Bank 2022	725,936	2.08
0.875% European Investment Bank 2028	337,683	0.97
1.125% European Investment Bank 2033	337,744	0.97
2.125% European Investment Bank 2024	877,016	2.51
2.625% European Investment Bank 2035	367,995	1.05
2.75% European Union 2022	1,527,680	4.37
0.021% Fca Bank Spa Ireland 2021	385,566	1.10
1% Fca Bank Spa Ireland 2021	101,845	0.29
1.413% Fcc Aqualia Sa 2022	132,779	0.38
2.629% Fcc Aqualia Sa 2027	125,647	0.36
0.422% Ford Motor Credit Co Llc 2023	112,996	0.32
1.375% Galp Gas Natural Distrib 2023	103,171	0.30
2.125% General Electric Co 2037	140,627	0.40
2% Goldman Sachs Group Inc 2028	66,074	0.19
3.25% Goldman Sachs Group Inc 2023	264,500	0.76
1.3% Honeywell International 2023	105,091	0.30
1.25% Ibm Corp 2027	209,711	0.60
2.875% Ie2 Holdco 2026	109,140	0.31
0.625% Iliad Sa 2021	296,196	0.85
0.5% Imperial Brands Fin p.l.c. 2021	142,046	0.41
2.125% Imperial Brands Fin p.l.c. 2027	102,039	0.29
1% Ing Groep Nv 2023	102,346	0.29
1.625% Ing Groep Nv 2029	99,613	0.29
1.625% Inmobiliaria Colonial So 2025	101,658	0.29
2% Inmobiliaria Colonial So 2026	103,321	0.30
5.75% Innogy Finance Bv 2033	34,394	0.10
1.125% Intesa Sanpaolo Spa 2022	101,421	0.29
1.8% Intl Flavor & Fragrances 2026	108,006	0.31
0% Johnson Controls Intl PI 2020	100,882	0.29
1.638% Jpmorgan Chase & Co 2028	209,144	0.60
2.75% Jpmorgan Chase & Co 2022	250,022	0.72
0.5% Lg Chem Ltd 2023	100,527	0.29
3.625% Lincoln Financing Sarl 2024	102,481	0.29
3.25% Logikor Financing Sarl 2028	158,042	0.45
1.349% Marsh & McLennan Cos Inc 2026	102,078	0.29
1.979% Marsh & McLennan Cos Inc 2030	103,708	0.30
1% Mcdonald'S Corp 2023	103,505	0.30
1.875% Merck & Co Inc 2026	186,069	0.53
0.375% Met Life Glob Funding I 2024	163,189	0.47
1.342% Morgan Stanley 2026	128,856	0.37
6.5% Mulhacen Pte Ltd 2023	101,250	0.29
1.25% Mylan Nv 2020	101,255	0.29
1.75% Nasdaq Inc 2029	111,105	0.32
2.75% Netherlands Government 2047	212,323	0.61
1.168% Opel Finance Internation 2020	102,971	0.29
3% Orange Sa 2022	218,819	0.63

## Portfolio Statements *(continued)*

	<b>Market value 30.4.2019</b>	<b>% of net assets</b>
0.875% Ppg Industries Inc 2022	153,455	0.44
1.875% Procter & Gamble Co 2038	109,615	0.31
1.375% Prologis Lp 2021	184,657	0.53
1.75% Ren Finance Bv 2028	144,971	0.42
1.625% Roadster Finance Dac 2024	98,175	0.28
2.375% Roadster Finance Dac 2027	99,327	0.28
1.5% Royal Schiphol Group Nv 2030	105,990	0.30
2.125% Rte Reseau De Transport 2038	109,400	0.31
1.625% Sap Se 2031	105,857	0.30
2.875% Schaeffler Ag 2027	94,124	0.27
1.75% Siemens Financieringsmat 2039	148,568	0.43
1.5% Sika Capital Bv 2031	102,063	0.29
3.1261% Silverback Finance 2037	324,860	0.93
2.5% Sky Ltd 2026	235,091	0.67
1.875% Societe Fonciere Lyonnai 2021	103,680	0.30
0.75% Societe Generale 2023	102,105	0.29
1.25% Societe Generale 2024	102,266	0.29
1.75% Societe Generale 2029	101,512	0.29
2.125% Stryker Corp 2027	110,056	0.32
1.125% Svenska Handelsbanken Ab 2022	238,703	0.68
2.534% Swiss Re Finance Lux 2050	102,064	0.29
2.75% Sydney Airport Finance 2024	211,613	0.61
4.375% Telefonica Europe Bv Perpetual	313,502	0.90
2.125% Telia Co Ab 2034	102,344	0.29
2.2% Terega Sa 2025	214,259	0.61
1.5% Thermo Fisher Scientific 2020	102,044	0.29
1.75% Total Sa Perpetual	173,195	0.50
2.625% Total Sa Perpetual	138,503	0.40
2.125% Trinity Acquisition p.l.c. 2022	270,670	0.77
0.125% Ubs Ag London 2021	301,734	0.86
0.25% Ubs Ag London 2022	201,210	0.58
1.75% Ubs Group Funding Switze 2022	210,744	0.60
0.375% Unilever Nv 2023	103,569	0.30
0.5% Unilever Nv 2024	132,366	0.38
1.375% United Mexican States 2025	140,174	0.40
3% United Mexican States 2045	221,393	0.63
1.25% Verizon Communications 2030	185,247	0.53
2.875% Verizon Communications 2038	112,437	0.32
2.375% Vivat Nv 2024	158,373	0.45
0.11% Volkswagen Bank Gmbh 2021	99,641	0.29
0.75% Volkswagen Bank Gmbh 2023	78,317	0.22
0.875% Volkswagen Fin Serv Ag 2023	198,036	0.57
1.375% Volkswagen Fin Serv Ag 2023	173,406	0.50
4.125% Volkswagen Intl Fin Nv 2038	113,044	0.32
1.625% Volkswagen Leasing Gmbh 2025	153,482	0.44
1.8% Vonovia Finance Bv 2025	106,425	0.30
1.75% Zapadoslovenska Enrg As 2028	105,438	0.30
2.425% Zimmer Biomet Holdings 2026	236,838	0.68
<b>Quoted Sterling Dominated Bonds</b>		
6.25% Jerrold Finco p.l.c. 2021	236,328	0.68
<b>Quoted United States Dollar Dominated Bonds</b>		
6.75% Alcoa Nederland Holding 2024	188,275	0.54
5.375% Antero Resources Corp 2021	179,352	0.51
3.5% Celanese Us Holdings Llc 2024	51,699	0.15
7.5% Century Aluminum Company 2021	222,234	0.64
6.875% Marfrig Holding Europe B 2019	178,121	0.51

	<b>Market value 30.4.2019</b>	% of net assets
9.125% Topaz Marine Sa 2022	180,914	0.52
5.5% Upc Holding Bv 2028	179,575	0.51
5.25% Xlit Ltd 2043	61,221	0.18

**Derivatives - Forward forex Contracts**

	<b>Notional Amount</b>	<b>Fair Value</b>	
Sale of United States Dollar against Euro maturing on 10 May 2019	204,000	(2,886)	(0.01)
Sale of Sterling Dollar against Euro maturing on 13 May 2019	199,000	818	0.00
Sale of United States Dollar against Euro maturing on 24 May 2019	183,000	(1,947)	(0.01)
Sale of United States Dollar against Euro maturing on 5 June 2019	337,000	(2,037)	(0.01)
Sale of United States Dollar against Euro maturing on 19 June 2019	597,000	(2,722)	(0.01)

**Vilhena Global Balanced Multi-Manager Fund**

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**Exchange Traded Funds**

Ishares Euro Govt 1-3 y	479,299	4.35
Ishares Euro Govt 3-5 y	612,895	5.57
Ishares Usd Treasury Bond 1-3 y	577,828	5.25
Ishares Usd Short Dur USD D	650,422	5.91
Vanguard S&P 500 UCITS ETF	391,416	3.55

**Collective Investment Schemes**

Baring Europe Sel-I Eur Inc	405,603	3.68
Fundsmith Equity Fund-I Inc	662,457	6.02
Hermes Asia Ex-Jp E-F-A USD	267,947	2.43
Hermes Multi Strategy Credit Fund	743,665	6.75
Investments co Global Bond-A Dis	749,663	6.81
Lindsell Train-Japanese Eq-Bd	452,082	4.11
Odey Investment Funds p.l.c.	547,503	4.97
Pictet-Global Bonds-Pdy Eur	561,851	5.10
Pimco-Global Bond-Usdins Inc	898,946	8.16
Polar Capital North American Fund	434,862	3.95
Ram Lux Sys-European Eqty-P	398,291	3.62
Rwc Global Emerg Mktsb Eur	317,823	2.89
Schroder Asian Alp PI-Z Acc	280,878	2.55
T Rowe Price-Euro Corp Bd-Q	672,135	6.10
Tb Wise Evenlode Inc-Ci	234,232	2.13
Waverton Global Strg Bd-Ausd	724,066	6.58

**Vilhena Far East Opportunities Fund**

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**Quoted Equities***China*

Travelsky Technology CLS H CNY1	155,516	3.84
Zhejiang Expressway Co-H	205,817	5.09

*Hong Kong*

A Living Services	79,665	1.97
CK Infrastructure Holdings L	159,067	3.93
China Meidong Auto Holdings	328,342	8.11
Cross Harbour Holdings Ltd.	105,157	2.60
Geely Auto Holdings Ltd.	116,564	2.88
VTECH Holdings	109,440	2.71
Xinga Int'L Holdings	229,151	5.66
Xinyi Glass Holdings Ltd.	134,993	3.34
Zhongsheng Group Holding	78,772	1.95

## Portfolio Statements *(continued)*

	<b>Market value 30.4.2019</b>	<b>% of net assets</b>
<i>Malaysia</i>		
MY EG Services BHD NPV	168,341	4.16
<i>New Zealand</i>		
Xero Ltd.	212,130	5.24
<i>Philippines</i>		
Robinsons Retail Holdings In	166,431	4.11
<i>Singapore</i>		
Ascendas Real Estate INV NPV	190,638	4.71
Silverlake Axis Ltd	331,967	8.20
Venture Corporation Ltd. NPV	110,954	2.74
<i>South Korea</i>		
Samsung Electronics - Pref	152,857	3.78
SK HYNIX Inc	121,731	3.01
<i>Taiwan</i>		
Chailease Holding TWD	144,688	3.58
Pharmaengine Inc	110,853	2.74
<i>United States</i>		
Alibaba Group Holding	173,322	4.28
Baidu Inc - Spon Adr	142,459	3.52
<b>Collective Investment Schemes</b>		
Ocean Dial Gateway Ind - Ausd	159,476	3.94
<b>Vilhena Maltese Opportunities Fund</b>		
	<b>€</b>	
<b>Quoted Equities</b>		
Bank of Valletta p.l.c.	1,748,384	6.17
BMIT Technologies p.l.c.	503,765	1.78
FIMbank p.l.c.	1,145,091	4.04
GO p.l.c.	1,828,514	6.46
Grand Harbour Marina p.l.c.	50,623	0.18
HSBC Bank Malta p.l.c.	1,967,891	6.95
International Hotel Investments p.l.c.	1,119,539	3.95
Lombard Bank Malta p.l.c.	337,022	1.19
Main Street Complex p.l.c.	157,500	0.56
Malita Investments p.l.c.	231,403	0.82
Malta International Airport p.l.c.	2,854,743	10.08
Malta Properties Company p.l.c.	204,021	0.72
MaltaPost p.l.c.	150,158	0.53
Mapfre Middlesea p.l.c.	765,080	2.70
Medserv p.l.c.	255,154	0.90
Midi p.l.c.	435,600	1.54
PG p.l.c.	589,150	2.08
Plaza Centres p.l.c.	239,111	0.84
RS2 Software p.l.c.	852,060	3.01
Santumas Shareholding p.l.c.	32,376	0.11
Simonds Farsons Cisk p.l.c.	1,020,331	3.60
Tigne Mall p.l.c.	396,139	1.40
Trident Estates p.l.c.	138,378	0.49
<b>Exchange Traded Funds</b>		
Ishares Msci World Eur-H	1,136,753	4.01

	<b>Market value 30.4.2019</b>	<b>% of net assets</b>
<b>Unquoted Equities</b>		
Citadel Insurance	180,812	0.64
<b>Quoted Corporate Bonds</b>		
6.00% AX Investments 2024	102,424	0.36
3.50% Bank of Valletta 2030	100,210	0.35
3.75% Bortex Group Finance 2027	117,030	0.41
4.25% Corinthia Finance 2026	233,676	0.83
4.00% Eden Finance 2027	284,130	1.00
4.50% Endo Finance 2029	50,500	0.18
4.00% Exalco Bonds 2028	16,788	0.06
3.65% Gap Group 2022	117,972	0.42
4.90% Gasan Finance 2019/21	133,969	0.47
4.50% Grand Harbour Marina 2027	164,528	0.58
5.00% Halmann Vella Group 2024	18,723	0.07
3.85% Hili Finance Company 2028	50,671	0.18
4.35% Hudson Malta 2026	10,390	0.04
4.00% International Hotel Investments 2026	75,808	0.27
4.00% International Hotel Investments 2026	30,694	0.11
5.75% International Hotel Investments 2025	55,755	0.20
5.80% International Hotel Investments 2021	27,000	0.10
5.80% International Hotel Investments 2023	87,381	0.31
6.00% International Hotel Investments 2024	19,740	0.07
5.30% Mariner Finance 2024	83,250	0.29
6.00% MeDirect Bank (Malta) 2019/24	254,520	0.90
6.00% Medserv 2023	1,230	0.00
4.50% Medserv 2026	84,575	0.30
4.80% Med Maritime Hub Finance 2026	91,800	0.32
3.75% Mercury Projects Finance 2027	19,371	0.07
4.25% Mercury Projects Finance 2031	13,098	0.05
4.00% MIDI 2026	147,722	0.52
5.50% Pendergardens Developments p 2020	195,130	0.69
6.00% Pendergardens Developments 2022	66,770	0.24
4.15% Phoenicia Finance Company 2028	24,128	0.09
3.90% Plaza Centres 2026	101,500	0.36
3.75% Premier Capital 2026	310,500	1.10
5.10% 1923 Investments 2024	312,511	1.10
4.35% SD Finance 2027	381,252	1.35
3.50% Simonds Farsons Cisk 2027	21,300	0.08
4.00% Stivala Group Finance 2027	70,304	0.25
5.00% Tumas Investments 2024	92,851	0.33
3.75% Tumas Investments 2027	38,584	0.14
3.75% Virtu Finance 2027	52,100	0.18
4.40% Von Der Heyden Group Finance 2024	253,750	0.90
<b>Quoted Malta Government Bonds (1 to 5 years)</b>		
5.50% MGS 2023 (I)	46,772	0.17
<b>Quoted Malta Government Bonds (5 to 15 years)</b>		
4.80% MGS 2028 (I)	338,150	1.19
4.50% MGS 2028 (II)	499,970	1.77
5.10% MGS 2029 (I)	294,462	1.04
2.30% MGS 2029 (II)	190,584	0.67
5.25% MGS 2030 (I)	854,898	3.02
5.20% MGS 2031 (I)	431,475	1.52
4.65% MGS 2032 (I)	308,621	1.09
4.45% MGS 2032 (II)	326,063	1.15
4.30% MGS 2033 (I)	303,424	1.07
4.10% MGS 2034 (I)	395,039	1.40

## Portfolio Statements *(continued)*

	<b>Market value 30.4.2019</b>	<b>% of net assets</b>
<b>Quoted Malta Government Bonds (over 15 years)</b>		
2.20% MGS 2035 (I)	10,905	0.04
2.50% MGS 2036 (I)	374,802	1.32
2.10% MGS 2039 (I)	208,559	0.74
3.00% MGS 2040 (I)	274,667	0.97
2.40% MGS 2041 (I)	234,738	0.83
<b>Vilhena Maltese Equity Focus Fund</b>		
<b>€</b>		
<b>Quoted Equities</b>		
Bank of Valletta p.l.c.	1,372,287	7.86
BMIT Technologies p.l.c.	375,187	2.15
FIMBank p.l.c.	774,395	4.43
GO p.l.c.	996,688	5.71
Grand Harbour Marina p.l.c.	46,620	0.27
HSBC Bank Malta p.l.c.	1,530,424	8.76
International Hotel Investments p.l.c.	859,552	4.92
Lombard Bank Malta p.l.c.	337,325	1.93
Main Street Complex p.l.c.	129,780	0.74
Malita Investments p.l.c.	311,876	1.79
Malta International Airport p.l.c.	1,779,398	10.19
Malta Properties Company p.l.c.	187,723	1.08
MaltaPost p.l.c.	178,274	1.02
Mapfre Middlesea p.l.c.	797,183	4.56
Medserv p.l.c.	185,101	1.06
MIDI p.l.c.	409,107	2.34
PG p.l.c.	557,838	3.19
Plaza Centres p.l.c.	287,552	1.65
RS2 Software p.l.c.	863,739	4.95
Santumas Shareholdings p.l.c.	28,684	0.16
Simonds Farsons Cisk p.l.c.	652,948	3.74
Tigne Mall p.l.c.	272,814	1.56
Trident Estates p.l.c.	125,065	0.72
<b>Exchange Traded Funds</b>		
Ishares Dj Sxx 600	197,788	1.13
Ishares Msci World EUR-H	992,113	5.68
SSGA SPDR E2 US	211,140	1.21
Lyxor Intl Am Stoxx EU 600	207,407	1.19
<b>Quoted Corporate Bonds</b>		
5.10% 1923 Investments 2024	49,214	0.28
6.00% MeDirect Bank (Malta) 2019/24	50,500	0.29
5.00% Tumas Investments 2024	558	0.00
4.00% MIDI 2026	70,473	0.40
3.75% Premier Capital 2026	23,184	0.13
3.75% Mercury Projects Finance 2027	26,201	0.15
3.75% Tumas Investments 2027	232,336	1.33
4.25% Mercury Projects Finance 2031	18,295	0.11
<b>Quoted Malta Government Bonds (1 to 5 years)</b>		
5.20% MGS 2020 (I)	56,481	0.32
4.60% MGS 2020 (II)	159,039	0.91
5.00% MGS 2021 (I)	150,107	0.86

	<b>Market value</b>	<b>% of net assets</b>
<b>Quoted Malta Government Bonds (5 to 15 years)</b>	<b>30.4.2019</b>	
2.30% MGS 2029 (II)	168,360	0.96
4.10% MGS 2034 (I)	6,811	0.04
<b>Quoted Malta Government Bonds (over 15 years)</b>		
3.00% MGS 2040 (I)	116,384	0.67
<b>Vilhena Euro Malta Money Fund</b>	<b>€</b>	
<b>Quoted Euro Dominated Bonds</b>		
CCT Italy 2019 FRN	3,504,501	7.78
<b>Term Deposits</b>		
APS Bank p.l.c.	5,930,698	13.17
Bank of Valletta p.l.c.	4,293,228	9.53
BNF Bank p.l.c.	1,302,585	2.89
FIMBank p.l.c.	4,853,870	10.78
Izola Bank p.l.c.	6,359,059	14.12
Lombard Bank Malta p.l.c.	3,900,000	8.66

## Statements of Changes in the Composition of the Portfolios

The composition of the portfolios, detailed in the Portfolio Statements on pages 94 to 111, in comparison with the Portfolio Statements as at 30 April 2018 stood as follows:

	% of net assets 30.04.2019	% of net assets 30.04.2018
<b>Vilhena Malta Fund</b>		
Quoted Equities	37.71	42.34
Quoted Corporate Bonds	26.25	22.11
Quoted Malta Government Bonds	32.21	28.46
<b>Vilhena Malta Government Bond Fund</b>		
Quoted Malta Government Bonds (up to 5 years)	16.72	23.65
Quoted Malta Government Bonds (5 to 15 years)	51.04	47.73
Quoted Malta Government Bonds (over 15 years)	14.66	17.92
Term Deposits	15.60	10.88
<b>Vilhena Global Themed Fund</b>		
Quoted Equities		
Asia Pacific	17.08	23.65
Europe	18.93	23.85
North America	59.64	47.73
<b>Vilhena European Multi-Manager Fund</b>		
Collective Investment Schemes	97.74	95.87
<b>Vilhena Broad Opportunities Fund</b>		
Collective Investment Schemes	100.20	99.94
<b>Vilhena Sterling Income Fund</b>		
Quoted Bonds	90.21	97.09
Forwards	(0.04)	(0.03)
<b>Vilhena Malta Bond Fund</b>		
Quoted Corporate Bonds	39.01	36.16
Quoted Malta Government Bonds (up to 5 years)	9.86	13.56
Quoted Malta Government Bonds (5 to 15 years)	32.85	28.24
Quoted Malta Government Bonds (over 15 years)	9.69	9.88
Term deposits	6.56	5.99
<b>Vilhena High Yield Fund</b>		
Quoted Equities	0.00	0.44
Quoted Bonds	93.13	94.34
Forwards	(0.50)	(1.00)
<b>Vilhena Euro Income Fund</b>		
Quoted Bonds	99.50	96.80
Forwards	(0.03)	(0.03)

	<b>% of net assets 30.04.2019</b>	<b>% of net assets 30.04.2018</b>
<b>Vilhena Global Balanced Multi-Manager Fund</b>		
Collective Investment Schemes	<b>100.48</b>	100.13
<b>Vilhena Far East Opportunities Fund</b>		
Quoted Equities	<b>92.15</b>	94.52
Collective Investment Schemes	<b>3.94</b>	4.19
<b>Vilhena Maltese Opportunities Fund</b>		
Quoted Equities	<b>64.12</b>	69.25
Unquoted Equities	<b>0.64</b>	0.60
Quoted Corporate Bonds	<b>15.23</b>	13.36
Malta Government Bonds (up to 5 years)	<b>0.17</b>	0.16
Malta Government Bonds (5 to 15 years)	<b>13.92</b>	10.35
Malta Government Bonds (over 15 years)	<b>3.90</b>	0.95
<b>Vilhena Maltese Equity Focus Fund</b>		
Quoted Equities	<b>83.98</b>	86.14
Quoted Corporate Bonds	<b>2.70</b>	3.12
Quoted Malta Government Bonds (up to 5 years)	<b>2.09</b>	2.59
Quoted Malta Government Bonds (5 to 15 years)	<b>1.00</b>	1.12
Quoted Malta Government Bonds (over 15 years)	<b>0.67</b>	0.80
<b>Vilhena Euro Malta Money Fund</b>		
Quoted Euro Denominated Bonds	<b>7.78</b>	7.03
Term Deposits	<b>59.14</b>	62.35

## Information about the Scheme

### 1. AUTHORISATION

The Company is licensed by the Malta Financial Services Authority as a Collective Investment Scheme pursuant to Article 6 of the Investment Services Act, 1994 (Chapter 370, Laws of Malta), qualifying as an Undertaking for the Collective Investment of Transferable Securities (UCITS) Scheme as of 6 July 2007.

### 2. INCOME

The Vilhena Global Themed Fund, Vilhena European Multi-Manager Fund, Vilhena Broad Opportunities Fund, Vilhena Malta Fund accumulator class of shares, Vilhena Malta Bond Fund, Vilhena Euro Income Fund (Class B1 Accumulator) and the Vilhena Malta Government Bond Fund, do not distribute income. Instead, all income is accumulated within the price of the shares and therefore no equalisation is required. In the case of the Vilhena Malta Fund distributor class of shares, Vilhena Malta Bond Fund, Vilhena Malta Government Bond Fund, Vilhena Euro Income Fund, Vilhena Far East Opportunities Fund, retail and institutional classes of the Vilhena Euro Malta Money Fund and the Vilhena Sterling Income Fund, Vilhena High Yield Fund, Vilhena Global Balanced Multi-Manager Fund, Vilhena Maltese Opportunities Fund and the Vilhena Maltese Equity Focus Fund the Company shall operate an equalisation account to ensure that the amount distributed in respect of each share will be the same for all shares notwithstanding different dates of issue of those shares.

### 3. UP-FRONT FEES, EXIT & OTHER FEES

<i>Fund</i>	<i>Upfront Fees</i>	<i>Exit Fees</i>	<i>Management Fee</i>	<i>Administrator Fee</i>	<i>Registrar Fee</i>	<i>Custody Fee</i>	<i>Minimum Custody Fee per annum</i>
<b>Vilhena Malta Fund</b>	Up to 3% of the amount invested, currently 1.25%	NIL	0.65%	0.25%	0.125%	0.03%	€9,317.49
<b>Vilhena Malta Government Bond Fund</b>	Up to 3% of the amount invested, currently 0.75%	NIL	0.40%	0.25%	0.175%	0.03%	€9,317.49
<b>Vilhena Global Themed Fund</b>	Up to 4% of the amount invested, currently 4%	NIL	1.27%	0.23% and €5,000 per annum for servicing the Euro Class	0.125%	0.03%	\$7,500
<b>Vilhena European Multi-Manager Fund</b>	Up to 4% of the amount invested, currently 4%	NIL	1.27%	0.23%	0.125%	0.03%	€9,317.49
<b>Vilhena Broad Opportunities Fund</b>	4% currently discounted to 2%	NIL	Up to 0.875%	0.125%	0.125%	0.03%	€9,317.49

<i>Fund</i>	<i>Upfront Fees</i>	<i>Exit Fees</i>	<i>Management Fee</i>	<i>Administrator Fee</i>	<i>Registrar Fee</i>	<i>Custody Fee</i>	<i>Minimum Custody Fee per annum</i>
<b>Vilhena Malta Bond Fund</b>	Up to 3% of the amount invested, currently discounted to 0.75%	NIL	0.45%	0.25%	0.125%	0.03%	€9,317.49
<b>Vilhena Sterling Income Fund</b>	Up to 3% of the amount invested, currently discounted to 2%	0.75% for investments held for less than 3 years; 0.5% for investments held between 3 & 5 years; 0.25% for investments held between 5 & 7 years. No exit fee applies for investments held for more than 7 years.	0.75%	0.25%	0.125%	0.025%	€5,823.43
<b>Vilhena High Yield Fund</b>	Up to 3.5% subject to the power of the Manager to charge up to 4% of the amount invested by giving prior notice	NIL	1%	0.25% and €1,600 per annum for servicing the USD Class	0.125%	0.025%	€9,317.49
<b>Vilhena Euro Income Fund - Share Class A</b>	Up to 3% currently discounted to 2%	0.75% for investments held for less than 3 years; 0.5% for investments held between 3 & 5 years; 0.25% for investments held between 5 & 7 years. No exit fee applies for investments held for more than 7 years.	0.75%	0.25%	0.125%	0.025% of the Net Asset Value of the Share Class	€5,823.43

## Information about the Scheme *(continued)*

<i>Fund</i>	<i>Upfront Fees</i>	<i>Exit Fees</i>	<i>Management Fee</i>	<i>Administrator Fee</i>	<i>Registrar Fee</i>	<i>Custody Fee</i>	<i>Minimum Custody Fee per annum</i>
<b>Vilhena Euro Income Fund - Share Class B1 and B2</b>	Up to 3%	NIL	0.75%	0.25%	0.125%	0.03% of the Net Asset Value of the Share Class	€5,823.43
<b>Vilhena Global Balanced Multi-Manager Fund</b>	Up to 3.5% of the Fund's Net Asset Value	NIL	Up to 1.29% of the Fund's Net Asset Value	0.21%	0.125%	0.03%	€10,000
<b>Vilhena Euro Malta Money Fund - Retail Class of Shares</b>	NIL	NIL	0.175% in relation to the Retail Class of Shares	0.125%	0.02%	0.025%	NIL
<b>Vilhena Euro Malta Money Fund - Institutional Class of Shares</b>	No upfront fees	no exit fees	0.12% in relation to the Institutional Class of Shares	0.08%	0.02%	0.015%	NIL
<b>Vilhena Far East Opportunities Fund</b>	Up to 4%	NIL	Maximum fee of 1.29%	0.21% and is subject to an annual fee of €5,000 for servicing the Euro Class	0.125%	0.025%	€4,000
<b>Vilhena Maltese Equity Focus Fund</b>	up to 5.25% currently discounted to 2.50% for both Classes of Shares	NIL	1.25%	0.25%	0.125%	0.03%	€9,317.49
<b>Vilhena Maltese Opportunities Fund</b>	Up to 4% currently discounted to 2%	NIL	0.75%	0.25%	0.125%	0.03%	€9,317.49

#### 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 Fund, 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.

<i>Fund name</i>	<i>Ongoing Charge %</i>
Vilhena Malta Fund	1.27
Vilhena Malta Government Bond Fund	0.89
Vilhena Global Themed Fund	1.91
Vilhena European Multi-Manager Fund	2.76
Vilhena Broad Opportunities Fund	2.43
Vilhena Malta Bond Fund	0.91
Vilhena Sterling Income Fund	1.26
Vilhena High Yield Fund	1.55
Vilhena Euro Income Fund	1.39
Vilhena Global Balanced Multi-Manager Fund	2.37
Vilhena Far East Opportunities Fund	2.74
Vilhena Maltese Opportunities Fund	1.39
Vilhena Maltese Equity Focus Fund	2.02
Vilhena Euro Malta Money Fund	0.16

## 5. NOTIONAL EXPOSURES

As at 30 April 2019, Vilhena Sterling Income Fund, Vilhena High Yield Fund and the Vilhena Euro Income Fund 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*

The Funds may be suitable for investors who view collective investment schemes as a convenient way of participating in investment markets. It may also be suitable for investors seeking to attain defined investment objectives. However, investors in the Funds must be willing to accept certain risks to their capital as detailed in this section. In addition, in view that the Funds are viewed as being medium to long term investment vehicles, the Funds may be suitable for investors who are able to set aside a certain amount of capital for at least three to five years. Any investor who is in any doubt about the risks of investing in any of the Funds should consult his or her own independent licenced Financial Advisor.

### *Risk profiles of the Funds*

The risk profiles of the Funds are determined through the calculation of the Synthetic Risk and Reward Indicator ("SRRI"), which is included in the Funds' Key Investor Information Document ("KIID"). The SRRI is based on the volatility of each Fund, with the volatility being estimated using the past returns of the Fund gathered from a sample period covering the last 5 years of the life of the Fund and, in case of distribution of income, shall be measured taking into account the relevant earnings or dividend payoffs. In the event that past performance for a particular share class is not available, the SRRI is calculated using simulated historical data as fully disclosed in the respective KIID.

### *Accounting practices and standards*

The accounting practices in some of the countries where the Fund may invest may not correspond to International Financial Reporting Standards ("IFRS") as adopted by the EU in all material respects. In addition accounting practices and standards in some of these jurisdictions may not reflect generally accepted accounting principles adopted and implemented in more sophisticated markets which could well have an impact on the method of valuation of the Fund's underlying investments in these jurisdictions.

### *European market conditions*

The market for Transferable Securities may be volatile and may be adversely impacted by many events. There can be no assurance that events in Europe or elsewhere will not cause market volatility or that such volatility will not adversely affect the value of the Transferable Securities invested in or that economic and market conditions will not have any other adverse effect.

### *Market fluctuations*

Investment in the 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 price of Shares and the income from them (if any) can, from time to time, go down as well as up and investors may not realise the amount of their initial investment. In particular, deduction of the initial charge and the exit fee (the latter where applicable) means that if an investor withdraws from the investment in the short-term he/she may not get back the amount he/she invested.

## Information about the Scheme *(continued)*

### ***Erosion of capital***

When an investor redeems part of his/her holding, he/she should be aware that these redemptions will be made from the sale of shares and may result in an erosion of capital.

The re-allocation of full or part of the management fee from the income account to the capital account, may increase the income available for distribution to Shareholders in such funds but may constrain or erode capital growth.

### ***Credit risk***

Credit risk refers to the possibility that the issuer of a security will be unable, or is perceived to be unable, to make interest payments and/or repay the principal on its debt.

### ***Liquidity risk***

Liquidity risk is the risk that a Fund will not be able to pay redemption proceeds within the normal time periods described in the Prospectus and the Offering Supplement because of unusual market conditions, an unusually high volume of redemption requests or other reasons. In such circumstances, the Investment Manager may limit the total number of shares to be redeemed on any dealing day and may also temporarily suspend determination of the Fund's Net Asset Value together with the sale and repurchase of shares.

### ***Interest rate risk***

Interest rate risk refers to fluctuations in the value of fixed income securities, including corporate and other debt instruments, resulting from changes in interest rates. In general, if interest rates rise, fixed income security prices fall. In addition, interest rate risk tends to increase as the duration of a fixed income security increases.

### ***Investments on the Malta Stock Exchange***

A number of funds invest in either debt and/or equity securities quoted on the Malta Stock Exchange in line with their respective Offering Supplement. The Malta Stock Exchange is a relatively new market when compared to more established markets and accordingly the investments that can be made thereon are limited.

This may lead to an exposure to a particular security or industry sector which is higher than that normally associated with a diversified portfolio. This may expose the Funds to higher levels of volatility and may adversely affect the performance of the Funds.

Some Maltese companies listed on the Malta Stock Exchange impose, through their constitutional documents, a ceiling on the equity holding that any one particular investor may, directly or indirectly hold in such companies. In this respect investors should be aware that the Manager might be restricted in implementing the Funds' investment policies by virtue of such impositions.

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 be time consuming and may need to be effected at unfavourable prices. Although it is not envisaged that this should create any difficulty in valuing the Funds' investments, reduced secondary market liquidity may have an adverse effect on the market price of such securities and the Company's ability to dispose of particular securities to meet its liquidity requirements.

### ***Geographical risk***

The value of a Fund's investments may be negatively affected by uncertainties, such as political developments, social and economic instability, changes in government policies, taxation, high inflation, interest rates, exchange controls and other currency repatriation restrictions, restrictions on foreign investment as well as other developments in the laws or regulations of some or all of the countries in which a Fund may invest which may not be highly developed. These factors may pose difficulties for a Fund to enforce its legal rights pursuant to the investments made in such countries. The relative political instability in some of the jurisdictions a Fund is targeting for investment may also have an adverse impact on the value of investments in such jurisdictions.

### ***Political risk***

Emerging markets present different political conditions to those of the more developed markets and could possibly present less political stability. Emerging markets may be undergoing substantial political reform and investment may be made in countries that at the particular moment of the investment may be in a period of transition where the consequences of reform may not be entirely clear.

### ***Macro-economic risk***

Despite progress made during recent years, the economies of the countries in which the Vilhena Global Balanced Multi-Manager Fund invest in are (with the exception of Turkey) generally still not as developed or diversified as the

economies of OECD countries. A deterioration of the economy of one or more relevant countries could negatively affect the performance of the Fund.

#### ***Different class denominations***

A number of Funds are denominated in different currencies. In this regard, shareholders investing in share classes denominated in a different currency other than the respective Fund's functional currency should be aware that currency fluctuations between the base currency of the Fund and the share classes may adversely affect the value of shareholders' investment. This risk may also be present where a currency hedging strategy has been implemented.

#### ***Hedging strategy at share class level***

The Company aims to minimise the currency risk arising from the exchange rate movements between the base currency of the above mentioned Funds and the different share classes by adopting a hedging strategy at the share class level.

Notwithstanding the successful execution of the hedging strategy, there may be instances when the currency exposure will not be fully hedged and as a result there may be a mismatch between the base currency of the Fund and the currency of the share classes.

Irrespective of whether the base currency of the Fund is declining or increasing in value relative to the different share classes, the hedging strategy may either substantially protect shareholders in the different share classes against a decrease in the value of the base currency, but it may also preclude shareholders of the different share classes from benefiting from an increase in the value of the Fund's base currency.

Although the Company does not intend to over-hedge the said currency positions (that is, a hedged position in which the offsetting position is for a greater amount than the underlying position held), over-hedging may arise due to factors outside the control of the Company or the Manager. In this respect, any over-hedged positions would need to be rectified, with any costs incurred being allocated for net asset value calculations to the different share classes. Please refer to Section 'Financial Derivative Instruments and their Risks' of the Funds' Supplements in relation to the use of financial derivative instruments.

#### ***No Hedging strategy at share class level***

The Investment Manager does not intend to hedge the share classes of the Vilhena Global Themed Fund and as a result there may be a mismatch between the base currency of the Funds and the different share classes. Moreover, the value of the shares of the different share classes will be subject to the prevailing exchange rates, particularly upon subscriptions and redemptions of the shares within such share classes.

#### ***Counterparty and settlement risk***

The Insight Broad Opportunities Fund ("the Master Fund"), in which the Vilhena Broad Opportunities Fund invests in, may enter into over-the-counter (i.e. off-exchange) derivative contracts, and accordingly will be exposed to the risk that the counterparties to such contracts may, in an insolvency or similar event, be unable to meet their contractual obligations under the contracts. If a counterparty was unable to meet its contractual obligations under a derivative contract, the Master Fund could incur a loss and this would have an adverse effect on the value of the Master Fund.

#### ***Legal, tax and regulatory risks***

Legal, tax and regulatory changes may occur during the life of the Master Fund which may adversely affect the ability of the Master Fund to pursue its investment objectives.

#### ***Specific risks in respect of investments in Collective Investment Schemes***

A number of Funds are allowed to invest in other collective investment schemes as per their respective Offering Supplement. This implies that investment prospects and performance are impacted by the prospects and performance of the underlying Collective Investment Schemes in which they invest.

#### ***Specific risks in respect of Master-feeder Fund***

The Vilhena Broad Opportunities Fund is structured as a UCITS master-feeder and accordingly invests a minimum of 85% of its net asset value in the Insight Broad Opportunities Fund (the "Master Fund"). Therefore the performance and prospects of the Feeder fund are linked to the performance and prospects of the Master Fund.

While the directors of the Master Fund or their delegate will exercise reasonable care to comply with the investment restrictions applicable to the Master Fund, the service providers to the underlying funds are not obliged to comply with such investment restrictions in the management / administration of underlying funds. No assurance is given that the investment restrictions of the Master Fund with respect to individual issuers or other exposures will be adhered to by underlying funds or that, when aggregated, exposure by underlying funds to individual issuers or counterparties

## Information about the Scheme *(continued)*

will not exceed the investment restrictions applicable to the Master Fund. If the investment restrictions applicable to the investments directly made by the Master Fund are exceeded for reasons beyond the control of Absolute Insight Funds p.l.c. or as a result of the exercise of subscription rights, the directors of the Master Fund shall adopt as a priority objective the remedying of that situation, taking due account of the interests of the shareholders of the Master Fund.

The Master Fund may invest in fixed interest securities that are particularly affected by trends in interest rates and inflation. If interest rates increase, capital values may fall and vice versa. Inflation will erode the real value of capital. In addition, companies may not be able to honour repayment on bonds they issue.'

The funds of Absolute Insight Funds p.l.c., of which the Master Fund is a sub-fund are segregated as a matter of Irish law and as such, in Ireland, the assets of one fund will not be available to satisfy the liabilities of another fund. However, it should be noted that Absolute Insight Funds p.l.c. is a single legal entity which may operate or have assets held on its behalf or be subject to claims in other jurisdictions which may not necessarily recognise such segregation and these provisions have yet to be tested in foreign courts. There can be no guarantee that the courts of any jurisdiction outside Ireland will respect the limitations on liability as set out above.

As at the date of the Master Fund's prospectus, the Directors of Absolute Insight Funds p.l.c. are not aware of any existing or contingent liability of any fund of Absolute Insight Funds p.l.c.

The Net Asset Value of the Feeder Fund will be calculated after the Net Asset Value of the Master Fund has been provided to the Feeder Fund. The Net Asset Value of the Master Fund will be communicated to the Feeder Fund on the next business day, which will be used to determine the value of the Feeder Fund's investment in the Master Fund. As a result, the Net Asset Value of the Feeder Fund will, inter alia, reflect the Net Asset Value of the Master Fund published on the previous day. For this reason, subscriptions by investors in the Feeder Fund and any subscription by the Feeder Fund into the Master Fund may be made at different Net Asset Value.

### ***Equity investments***

Investment in equities is subject to certain risks inherent in the market, which are attributable to general market conditions. Furthermore, equity investment is also subject to firm specific risk which reflects the risk peculiar to an individual firm. Investors should therefore be aware that the Fund is subject to both market and firm specific risk.

### ***Investment in specific sectors of the market***

Investments made mainly in transferable securities and/or in Collective Investment Schemes that invest primarily in a specific market, such as real estate or telecommunications, implies that the performance of such securities/Collective Investment Schemes is affected by the performance of such specific market.

### ***Investments in the securities of smaller companies***

A number of Funds invest in the securities of smaller companies in line with the restrictions of their respective Offering Supplement. Investments in the securities of smaller companies can involve greater risk than is customarily associated with investments in larger, more established companies. In particular, smaller companies often have limited product lines, markets or financial resources and may be dependent for their management on one or two key individuals. This may result in investments in such companies to be more volatile than that in larger companies.

### ***Investments in the securities of unquoted companies***

The Offering Supplement of certain Funds allow for investment in securities of unquoted companies. Investment in unquoted companies can be subject to risks not normally associated with quoted securities. These risks mainly relate to the illiquidity of the market.

### ***Investments in Malta Government Bonds***

Under the respective Offering Supplement, a number of Funds are entitled to invest in debt securities issued or guaranteed by the Government of Malta. Accordingly the credit risk underlying these securities is of a sovereign nature relating to the Republic of Malta. The current credit rating of the Republic of Malta can be obtained from the Central Bank of Malta. The Central Bank of Malta has customarily always maintained a market in these securities and thus, this enhances the liquidity of the market in these securities. However, there is no guarantee that such market making function is continued.

### ***Investments in debt securities, sub investment grade securities and money market instruments***

The Funds may invest in debt securities/money market instruments which expose the Funds to the risk that an issuer may default on the payment of interest, principal or both. Credit risk, a fundamental risk relating to all debt securities as well as money market instruments, is the chance that an issuer will fail to make principal and interest payments when due. Even in the absence of the issuer's default, if the mark-to-market value is lower than the cost of the

investment, the Funds may suffer immediate diminution in the net asset value, even if the Funds holds that investment to maturity and yields a profit.

The Funds may invest part of a substantial part of its assets in sub investment grade securities.

Sub investment grade securities offer a very low level of protection towards the honouring of principal and interest payments by issuers. The lower the rating of a sub investment grade security, the lower the protection (if at all) afforded against credit defaults by the respective issuers.

Investment in sub investment grade securities may subject the Funds' to higher credit risk and higher market risk than that normally associated with investment in investment grade securities. Under adverse economic and/or market conditions or specific issuer risk, there is also a risk that highly leveraged issuers may be unable to service their debt obligations or to repay their obligations upon maturity. In addition, such securities may be more illiquid (i.e., harder to value and sell) than higher-rated securities. Accordingly their buying and selling may be time consuming and may need to be effected at unfavourable prices. In addition, such illiquidity may require that such securities' valuation be dependent upon a valuer's opinion.

#### ***Investments in structured products***

In respect of investments in structured products (including structured notes and hybrid securities), investors may lose part or all of the value of investments in structured products in the event that the issuer of the structured product defaults. Should the counterparty default, the value of the structured products will be nil. There is also the risk that investments in structured products may be adversely affected by changes in the inflationary, political and exchange rate conditions of the underlying assets.

#### ***Investments in securities listed on emerging markets exchanges***

The Vilhena Global Balanced Multi-Manager Fund will invest in securities listed on the exchanges or otherwise traded on a market of the various countries in which the Funds may invest, which securities, although listed or traded on a market, may be illiquid and the prices quoted in the markets for such securities may not reflect the inherent value of the security if retained to maturity and may be subject to fluctuations in prices attributable to the lack of sophistication of such markets.

Moreover, exposure to equities may, at any time, be considerably higher than the exposure to debt securities. Investors should be aware that the risk profile of this Fund increases, the higher the exposure of this Fund is in equity securities. It is not the intention of the Sub-Investment Manager to target any specific sector within these markets. However, this Fund may be exposed to certain sectors within a particular market, which have a higher degree of risk.

#### ***Investment in Financial Derivative Instruments ("FDIs")***

Certain funds may transact in Financial Derivative Instruments for the purposes of efficient portfolio management. 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 foreign exchange swaps and forward foreign exchange contracts, being OTC instruments, investors are advised that the counterparties to such instruments are subject to the risk of non-performance by the counterparties, including risks relating to the financial soundness and creditworthiness of the counterparties. In the case of listed put or call options, a Fund's ability 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 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 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.

## Information about the Scheme *(continued)*

Conflict of interest may arise due to the fact that FDIs may be transacted with Bank of Valletta p.l.c., in view that BOV Asset Management Limited, a subsidiary of the aforementioned entity is the appointed Investment Manager for the sub-funds of the Vilhena Funds SICAV p.l.c.

### - Futures

A futures contract is traded on an organised exchange. A futures contract, like a forward contract, is an agreement between a buyer and a seller to exchange one currency for another at a specified date in the future at a price (exchange rate) that is fixed on the purchase date. However, there are two main differences between these two types of instruments. One difference is that the default risk on futures is significantly reduced by the futures exchange guaranteeing to indemnify counterparties against credit or default risk. Another difference relates to the contract price which in a forward contract is fixed over the life of the contract whereas a futures contract is marked-to-market daily.

### - Options

An option is a contract that gives the holder of the option the right, but not the obligation, to buy or sell an underlying asset at a pre-specified price for a specified time period. Options are classified as either call or put options. A call option gives a purchaser of the option, the right but not the obligation, to buy the underlying security from the writer of the option at a pre-specified exercise price on a pre-specified date. A put option gives the purchaser of the option the right, but not the obligation, to sell the underlying security to the writer of the option at a pre-specified price on a pre-specified date.

A listed option is traded on a regulated exchange where the terms of each option are standardized by the exchange. The contract is standardized so that underlying asset, quantity, expiration date and strike price are known in advance unlike over-the-counter options which are not traded on exchanges and thus allow for the customization of the terms of the option contract.

The benefits to exchange-traded options are the liquidity of the options, standardized contracts, quick access to prices and the use of clearing houses by exchanges. In the case of OTC options, such benefits linked to listed options might not present to participants the necessary flexibility that OTC options have. With OTC options, both hedgers and speculators can benefit from avoiding the restrictions that normal standardized exchanges place on options. Such flexibility might thus allow participants to achieve their desired position more precisely and also more cost effectively. With listed options, the use of clearing houses guarantees the option contract will be fulfilled, while with over-the-counter options the ability to exercise the contract is dependent on the ability of the other party to meet the obligation.

### - Forward Foreign Exchange Contracts

A forward foreign exchange contract is a contractual agreement between a buyer and a seller to exchange one currency for another at a specified date in the future at a price (exchange rate) fixed in advance. The contract holders are obliged to buy or sell the currency at a specified price, at a specified quantity and on a specified future date.

Currency hedging may be utilised to hedge share classes denominated in currencies other than the base currency of the Fund.

### - Interest Rate Swaps

An interest rate swap is an agreement negotiated between two parties to exchange interest rate cash flows, calculated on a notional amount, at specified dates during the life of the swap. The notional amount is used only to determine the payments under the swap and is not exchanged. The payment obligation of each party is calculated using a different interest rate, typically with one party paying a floating interest rate in return for receiving a fixed interest rate, either at regular intervals during the life of the swap or at the maturity of the swap. Interest rate swaps could be used by the Fund to enable its interest rate sensitivity profile to be changed faster and more cheaply than through the use of physical cash markets.

### - Exchange Rate Swaps

An exchange rate swap is an agreement negotiated between two parties to exchange the return on cash for the return on varying currencies.

### Equity-Related securities

The Funds may invest in equity-related securities, these being ADRs and ETFs. ETFs and ADRs are generally traded on an exchange and are thus subject to general market conditions, such as liquidity and trading appetite in respect of the said instruments. There is also the risk that investments in ADRs and ETFs may be adversely affected by changes in the inflationary, political and exchange rate conditions of the underlying assets.

### **Developing and Emerging Market Risks**

The Funds may be investing in geographical areas considered as developing and emerging markets. Accordingly there are certain risk factors which are peculiar to such investments and which require careful consideration by prospective investors since they are not usually associated with investment in the more developed capital markets of North America, Japan and Western Europe.

In addition, emerging markets may present different economic and political conditions to those of the more developed markets and could possibly present less social, political and economic stability. Emerging markets that the Funds may target for their investments may include countries which have a closed economy and which will render investment in such markets more risky than investments in more developed markets.

Emerging markets may be undergoing substantial political, economic and social reform and investment may be made in countries which at the particular moment of the investment may be in a period of transition where the consequences of reform may not be entirely clear.

Businesses in emerging markets may not be operating in a market-oriented economy as known in other developed markets. Moreover these jurisdictions may not have systems for settlement, clearing and registration of transactions in securities such that would guarantee the level of assurance one would expect in more developed markets. Investors should also be aware that the level of regulation/regulatory standards in the markets that the Funds may target for its investments might vary from one jurisdiction to another. Such level of regulation/regulatory standards can be significantly lower than those prevailing in developed markets. Consequently, the level of protection afforded to investors may be limited in certain countries and may thus not be of the level usually associated with developed markets.

### **Specific risks in respect of investing in emerging countries**

The Fund may invest in emerging markets. Investments in emerging markets can be subject to risks not normally associated with more developed markets. These risks mainly relate to the instability of the economies of emerging markets, political uncertainties and, in some cases, the illiquidity of the market.

Investors should be aware that any downturn in the economies of emerging countries might adversely affect the servicing and ultimate repayment of the investments of the Fund. Additionally, market practices in relation to the settlement of securities transactions and the custody of assets in emerging markets can provide increased risk of loss to the Fund.

### **Asian Market Conditions**

With respect to the Vilhena Far East Opportunities Fund, the Asian market for Transferable Securities may be volatile and may be adversely impacted by many events. There can be no assurance that events in Asia or elsewhere will not cause market volatility or that such volatility will not adversely affect the value of the Transferable Securities invested in or that economic and market conditions will not have any other adverse effect.

### **Exposure to sectors or markets**

A majority of the funds invest their assets predominantly in the Maltese market and thus the degree of market diversification is limited to such market. Thus, the performance of the funds are closely linked to the performance of the Maltese market.

### **Price Volatility and Market Risk**

Price volatility refers to the fact that the values of the underlying securities of the Funds will fluctuate in response to the activities of specific issuers and/or general market conditions referred to also as market risk. As a result of such market risk, the price of Shares of the Funds and the income from them (if any) can go down as well as up and investors may not realise the amount of their initial investment.

### **Risks relating to Money Market Funds**

Investors should be aware that investment in money market instruments that certain Funds invest in differ in nature from that of a bank deposit in that whilst the latter guarantees the principal and interest, the value of such money market instruments can fall as well as rise.

Investors should be aware that depending on the currency of reference, the movement of exchange rates might adversely affect the value of investments in relation to the investor's currency of reference.

The value of shares in the Funds may be adversely affected by insolvency or financial difficulties affecting any institution with which the assets of the Funds are held.

## Information about the Scheme *(continued)*

### Currency Risk

Shareholders of the Euro, GBP and USD Classes should take into account the potential risk of loss arising from fluctuations in value between the currency of investment and the currency of their Class of Shares.

### Collateral Risk

The Central Bank of Ireland requires that collateral received by a fund under a stocklending arrangement or repurchase agreement be marked to market daily to ensure that the value of the collateral equals or exceeds the value of the securities loaned or the amount invested. Where due to market movements, the value of the collateral is less than the value of the loaned securities or the amount invested the Master Fund can call for additional collateral from the counterparty such that the value of the collateral and margin requirement is maintained. In the event there is a decline in value of the collateral, a counterparty credit risk will arise pending delivery of the additional collateral. In the normal course of events, additional collateral is delivered the following business day.

The Master Fund may also receive collateral from a counterparty to an OTC derivative transaction in order to reduce the Master Fund's exposure to that counterparty to below the limits laid down by the Central Bank of Ireland. The Central Bank of Ireland also requires such collateral provided by an OTC derivative counterparty to be marked to market daily and a similar credit risk arises where due to market movement the value of the collateral falls and additional collateral has not yet been delivered.

The Master Fund may, in accordance with the requirements of the Central Bank of Ireland, invest cash collateral received under a stock lending arrangement, repurchase agreement or from a counterparty to an OTC derivative transaction in shares or units issued by a Qualifying Money Market Fund (as defined in the Master Fund's prospectus) where any such fund is a fund managed directly or by delegation by the Master Fund's investment manager or by another company to which the Master Fund's investment manager is linked by common management or control. Any such investment may be subject to a pro rata portion of that Qualifying Money Market Fund's (as defined in the Master Fund's prospectus) management fees which would be in addition to the annual investment management fees charged by the Master Fund. No subscription, conversion or redemption charge can be made by the Qualifying Money Market Fund (as defined in the Master Fund's prospectus).

### Use of Leverage

The Master Fund may be leveraged as a result of the Master Fund's investment policy, including the use of derivatives and structured products. This may expose the Fund to greater risk and increase its costs. The use of leverage may cause the Master Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet any required asset segregation requirements. Increases and decreases in the value of the Master Fund's portfolio will be magnified when the Master Fund uses leverage, and consequently this may impact the Fund's performance.

## 7. RISK MANAGEMENT PROCESS

The 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 Manager will, on the request of shareholders 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. SCHEME PARTICULARS

The above details are extracted from the latest Vilhena Funds SICAV p.l.c. Prospectus, Offering Supplements and Key Investor Information Documents 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 Vilhena 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. 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 judgement of the results and activities of the Company for the year ended 30 April 2019, and does not omit any matter or development of significance.