



**M E R I L L**  
**F U N D S**

# Annual Report & Financial Statements

**31st July 2019**

Merill SICAV p.l.c.  
1/2 High Street, Hamrun Malta

Company Registration number: SV 384



## Contents

MANAGEMENT AND ADMINISTRATION	4
DESCRIPTION OF THE SCHEME	6
MANAGER'S REPORT	7
DIRECTORS' REPORT	10
CUSTODIAN REPORT	14
INDEPENDENT AUDITOR'S REPORT	15
FINANCIAL STATEMENTS	
STATEMENT OF FINANCIAL POSITION	19
STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES	21
STATEMENT OF COMPREHENSIVE INCOME	22
STATEMENT OF CASH FLOWS	23
ACCOUNTING POLICIES	24
NOTES TO THE FINANCIAL STATEMENTS	29
PORTFOLIO STATEMENTS	55
STATEMENT OF CHANGES IN THE COMPOSITION OF THE PORTFOLIOS	70

**MANAGEMENT AND ADMINISTRATION****DIRECTORS**

Mr. Jesmond Mizzi (resigned on 1 October 2019)  
Campbell Close G2,  
Triq San-Pawl,  
Attard, Malta

Dr. Mark Azzopardi (resigned on 1 October 2019)  
38, Ivoire,  
Paul Borg Street  
Attard, Malta

Mr. Paul Mercieca  
20, Casa Tidapah  
Caf Caf Lane, Madliena,  
Swieqi, Malta

Dr. Joseph Borg Bartolo  
32/5 Alson,  
Triq Sir Adrian Dingli,  
Sliema, Malta

Mr. Stephen Paris (appointed on 1 October 2019)  
Rivendell,  
E.Bradford Street,  
Naxxar, Malta

Mr. Lawrence Zammit (appointed on 1 October 2019)  
34, Kaskade Crt, Flat 5,  
Triq Il-Buzjett,  
Naxxar, Malta

**INVESTMENT COMMITTEE**

Mr. Jesmond Mizzi  
Mr. John Catania  
Dr. Mark Azzopardi  
Mr. Gianmarco Guadalupi  
Mr. Marc Amor El-Lazidi (appointed on 5 February 2019)

**COMPANY SECRETARY**

BOV Fund Services Limited  
58, Zachary Street,  
Valletta, VLT 1130,  
Malta

**INVESTMENT MANAGER**

Jesmond Mizzi Financial Advisors Limited  
67, Level 3  
South Street  
Valletta, Malta

**MANAGEMENT AND ADMINISTRATION - continued**

**CUSTODIAN** Swissquote Financial Services (Malta) Ltd (from 4 October 2019)  
Palazzo Spinola  
46, St. Christopher's Street,  
Valletta, VLT 1464,  
Malta

Bank of Valletta p.l.c. (until 3 October 2019)  
58, Zachary Street,  
Valletta, VLT 1130,  
Malta

**GLOBAL DEPOSITARY** RBC Investor Services Trust, London Branch  
Riverbank House, 2 Swan Lane,  
London EC4R 3AF,  
United Kingdom

**ADMINISTRATOR,  
REGISTRAR AND  
TRANSFER AGENT** BOV Fund Services Limited  
58, Zachary Street,  
Valletta, VLT 1130,  
Malta

*Recognised to provide Fund Administration services by the Malta  
Financial Services Authority*

**AUDITORS** PricewaterhouseCoopers  
78 Mill Street  
Qormi, QRM 3101,  
Malta

**LEGAL ADVISORS** Lorraine Conti Advocates  
94, Macerata Street,  
Floriana FRN 1091,  
Malta

## *DESCRIPTION OF THE SCHEME*

Merill SICAV p.l.c. (“the Company”) is an open-ended collective investment scheme organised as a multi-fund public limited liability investment company with variable share capital under the laws of the Republic of Malta and licensed by the Malta Financial Services Authority (“MFSA”) under the Investment Services Act (Chapter 370 of the Laws of Malta), and qualifying as a self-managed “Maltese UCITS” in terms of the Investment Services Act (Marketing of UCITS) Regulations (Legal Notice 241 of 2011, as amended from time to time)

As at 31 July 2019, the Company had three sub-funds the:

- Merill Total Return Income Fund - the principal investment objective is to achieve long-term total return growth and income from a diversified portfolio of investments;
- Merill High Income Fund - the principal investment objective is to achieve a high overall yield and potential for capital growth.
- Merill Global Equity Income Fund - the principal investment objective is to achieve long-term capital growth and income.

## MANAGER'S REPORT

### Market Overview

Worldwide geopolitical turmoil has resulted in global growth in 2019 being downgraded to 2.6 percent, 0.3 percentage point below previous forecasts, reflecting weaker than expected international trade and investment at the start of the year. This is slightly below the pace observed during the 2015-16 trade slowdown, and the weakest since the global financial crisis. The period was rife with risks in part reflecting destabilizing policy developments, including continuous escalation of trade tensions between major economies; renewed financial turmoil in emerging market and developing economies; and sharper than expected slowdowns in major economies. Trade and manufacturing were sectors of marked weakness was highlighted. Amid low global inflation and a deterioration of the growth prospects, the U.S. Federal Reserve and other major central banks took a more dovish stance and hence have abandoned plans to tighten monetary policy in the near term. This has led to an easing in global financing conditions which, has positively impacted emerging markets and developing economies.

### European Union

Euro Area economic conditions have deteriorated rapidly since early 2018, particularly in manufacturing and industrial sectors experiencing a sharp fall in exports. Data shows that the Eurozone economy expanded marginally over the second half of the period, with Q1 2019 registering a growth of 0.4 percent and Q2 of just 0.2 percent. Domestic demand has also slowed, but to a lesser degree as declining unemployment and solid real wage growth fuelled demand. The European Central Bank (ECB) has intimated a more accommodative stance than originally expected for the coming years.

This approach was put into action by delaying the end of its negative interest rate policy and implementing new measures to stimulate credit and activity. With the ever increasing share of negative yielding bonds, the profitability of banks, seemed to be unaffected although a protraction of such an environment over the longer term is expected to start hurting the sector. Christine Lagarde, the former head of the International Monetary Fund, was nominated to replace Mario Draghi as president of the ECB when his term ends on 31 October.

### United States

U.S. activity is still being bolstered by government spending and corporate tax cuts, but the boost is fading. U.S. growth is expected to slow to 2.5 percent in 2019 and further decelerate to 1.7 percent in 2020 and 1.6 percent in 2021. The public debt under the Trump administration had kept on rising and is projected to hit 107.8 percent of GDP whilst unemployment recently reached its lowest level in nearly five decades. The Fed reversed its previously hawkish stance and has warmed up to the idea of cutting interest rates and has revised its future plans accordingly much to President Trump's delight.

Amid heightened trade tensions, exports have slowed, especially those to Europe and Asia. The recent tariff increases and associated retaliatory actions have weighed heavily on activity. This slowdown in activity has been somewhat offset by the rising participation of the labour force and increased productivity.

The trade war with China is one of the most prominent amongst many other conflicts that the hard line approach the Trump administration has adopted in its foreign policy which are leaving their mark on the global markets due to the uncertainty that is being fostered.

## MANAGER'S REPORT - continued

### United Kingdom

During this period, the United Kingdom has been a significant contributor to continued deterioration in global activity, with particularly significant consequences for trade and investment. IMF forecasts for 2019 and 2020 expect growth to stabilize around 1.5 percent, conditional on reaching a broad free trade agreement (FTA) with the EU and a smooth Brexit process.

A no-deal Brexit from the EU that is being touted by the newly elected prime minister Boris Johnson, is expected to have a severe impact on the United Kingdom and, to a lesser extent, on its European trading partners, in the event of large disruptions and delays at border crossings. This source of financial instability is already straining financial relationships and cross-border financial flows.

The uncertainty has fuelled negative sentiment towards the country as seen in the FTSE All-Share index contraction of 3.5 percent. The weakening of the Sterling against the US Dollar did not go a long way to attract investment until there is clarity about future trading arrangements.

### Malta

The equity markets during the period, performed rather well with the MSE Equity Total Return improving by 13.67 percent. One of the best performers during the period was Malta International Airport plc. The Maltese sovereign bond market performed in line with the broader European sovereign debt market, with the MSE Malta Government Stocks Total Return Index registering a growth of 10.3%. The corporate debt market was more balanced as gainers just marginally offset fallers during the period with the MSE Corporate Bonds Total Return Index growing by 1.8%.

## Merill Total Return Income Fund

### Investment Aim

The Fund aims to achieve long-term growth and income.

### Portfolio Activity

During the period between 1 August 2018 and 31 July 2019 the assets under management for the Merill Total Return Income Fund increased from €30.7 million to €36.4 million. In this period, we increased our exposure to both sovereign bonds and investment grade bonds, which contributed positively to the performance of the fund by returning 9.33% and 4.47% respectively on a total return basis. We have maintained the allocation at 14.31% in local corporate bonds which gave a healthy contribution to the fund's return as well. In the equity component, we reduced the number of positions held to achieve a more concentrated portfolio. In line with our defensive stance, we performed some sector rotation and thereby reduced cyclical stocks such as banks and opted for more defensive sectors such as big pharma and utilities.



## *MANAGER'S REPORT* - continued

### **Merill High Income Fund**

#### **Investment Aim**

The Fund provides a high overall yield whilst also aiming for potential capital growth.

#### **Portfolio Activity**

During the period between 1 August 2018 and 31 July 2019 the assets under management for the Merill High Income Fund increased from €28.75 million to €46.5 million. In this period, due to the weak economic backdrop, we further increased our exposure to investment grade bonds by an aggregate of 6.50%, which is comprised of both direct and collective investment schemes - the latter complemented well with the good quality high yield bonds which were also added during the period. The excellent performance of the sovereign and quasi-sovereign bonds was a major contributor to the fund performance. We have also slightly increased the equity portion with more focus on high dividend yielding equities.

### **Merill Global Equity Income Fund**

#### **Investment Aim**

The Fund aims to achieve capital growth and income.

#### **Portfolio Activity**

During the period between 1 August 2018 and 31 July 2019 the assets under management for the Merill Global Equity Income Fund increased from €9.5 million to €11.2 million. We reduced our underweight against the strategic allocation in listed equities by 2.59%, bringing the total exposure of the fund to 86.47%. This period was characterised by a number of volatility spikes which led to good entry levels in a couple of sectors. We took advantage of the latter to increase our position in China ecommerce with strong fundamentals. The top performing sectors that the fund invested in during the period were consumer staples, industrials and utilities.

## DIRECTORS' REPORT

The directors present their annual report and the audited financial statements for the year ended 31 July 2019.

### Principal activities

The company is an open-ended collective investment scheme organised as a multi-fund public limited liability investment company with variable share capital under the laws of the Republic of Malta and licensed by the Malta Financial Services Authority ("MFSA") under the Investment Services Act (Chapter 370 of the Laws of Malta), and qualifying as a self-managed "Maltese UCITS" in terms of the Investment Services Act (Marketing of UCITS) Regulations (Legal Notice 241 of 2011, as amended from time to time). As at the date of this report, the Company consists of four sub-funds:

- Merrill Total Return Income Fund (MTRIF)
- Merrill High Income Fund (MHIF)
- Merrill Global Equity Income Fund (MGEIF)
- Merrill Strategic Balanced Fund (MSBF) (licensed on 4 October 2019)

### Review of Business

The net assets attributable to holders of the combined redeemable shares as at 31 July 2019 stood at €94,183,121 an increase of 36.40% from the €69,050,250 registered on 31 July 2018.

### Business Review

The results for the year under review together with the distributions made to holders of redeemable shares for the year ended 31 July 2019 can be found on the Statement of Comprehensive Income on page 20.

The table below includes further details regarding the performance of the sub-funds during the reporting period, including NAV per unit, level of assets under management and net subscriptions and redemptions.

Sub-Fund	NAV/unit 31 July 2019		NAV/unit 31 July 2018			Assets under management EUR	Net Subscriptions/ (Redemptions) EUR
	Class A EUR	Class B EUR	Class B GBP	Class A EUR	Class B EUR		
Merill Total Return Income Fund	0.5497	0.5202	N/A	0.5303	0.5107	36,444,742	4,564,069
Merill High Income Fund	0.5114	0.4727	0.5156	0.4908	0.4709	46,552,025	17,689,947
Merill Global Equity Income Fund	0.5256	0.5153	N/A	0.5299	0.5261	11,186,354	1,766,225

## *DIRECTORS' REPORT* – continued

A review of the markets in which the sub-funds operate are given in the investment manager's report on pages 7 to 9.

The individual financial risk management objectives, policies and exposures of the sub-funds are further described in note 13 in the Notes to the Financial Statements.

The directors of the company who held office during the period under review are disclosed on page 4. In accordance with Article 22.5 of the Company's Memorandum and Articles of Association the Directors shall serve until the end of the next annual general meeting at which point, they will retire and shall be eligible for re-election.

### **Standard Licence Conditions (SLCs) and Regulatory Sanctions**

During the year, there were no breaches or other regulatory requirements which were subject to an administrative penalty or other regulatory sanctions.

### **Transparency requirements**

In accordance with the transparency requirements specified in the SLCs, Merrill SICAV plc has in place a remuneration policy for its categories of staff, including senior management, risk takers, control functions, and any employees receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers, whose professional activities have a material impact on the risk profiles of the investment companies it manages.

As previously explained, the scheme is a self-managed one with an investment committee. The investment committee has in turn delegated the investment management function to an Investment Manager, Jesmond Mizzi Financial Advisors Ltd. The amount of remuneration disclosed herein are the salaries paid by the Investment Manager to its employees for services rendered to the Scheme during the reporting period.

**DIRECTORS' REPORT – continued**  
*Transparency requirements - continued*

	<b>2019</b>
	<b>€</b>
Fixed	308,794
Variable	-
<b>Total</b>	<u>308,794</u>
Paid to:	
Senior management	248,418
Other members of staff	57,876
Service level agreement	2,500
<b>Total</b>	<u>308,794</u>
Number of beneficiaries:	
Members of staff	6
Service level agreement	1
<b>Total</b>	<u>7</u>

**Structure of remuneration**

The Board of Directors, compliance officer and money laundering officer fees are compensated through a fixed salary. Details of the management and performance fees paid by the Company to the Investment Manager and a description of how they are calculated are disclosed in the Statement of comprehensive income and in note 9 to the financial statements.

The members of identified staff of the Company and the Investment Manager who are fully or partly involved in the activities of the Company that have a material impact on the risk profile of the Company, such as directors, investment committee members, and the like are compensated through a fixed salary which is paid in cash.

Both the Company and the Investment Manager have not applied all rules relating to variable remuneration since the directors and investment committee members are exclusively remunerated through a fixed salary which is paid in cash and the reimbursement of expenses incurred in carrying out their duties. Disapplication has been deemed justifiable and proportionate on the basis of an assessment of size, internal organisation as well as the nature, scope and complexity of the activities it carries out.

Fees paid to the directors are disclosed in the Statement of comprehensive income and in note 12 to the financial statements.

In accordance with the SLCs for UCITS, the remuneration policy is reviewed at least annually and its implementation subject to central and independent internal review, from which no issues were noted. Furthermore, there were no changes in the remuneration policy during the year under review.

**DIRECTORS' REPORT** – continued  
*Structure of remuneration - continued*

**Statement of directors' responsibilities for the financial statements**

The directors are required by the Maltese Companies Act (Cap. 386) to prepare financial statements that give a true and fair view of the state of affairs of the company as at the end of each reporting period and of the profit or loss for that period.

In preparing the financial statements, the directors are responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the EU;
- selecting and applying appropriate accounting policies;
- making accounting estimates that are reasonable in the circumstances;
- ensuring that the financial statements are prepared on the going concern basis unless it is inappropriate to presume that the company will continue in business as a going concern.

The directors are also responsible for designing, implementing and maintaining internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Maltese Companies Act (Cap. 386). They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The financial statements of Merill SICAV p.l.c for the year ended 31 July 2019 are included in the Annual Report 2019, which is published in hard-copy printed form and may be made available on the Company's website. The Directors are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the Company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

**Auditors**

PricewaterhouseCoopers have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

On behalf of the board



Joseph Borg Bartolo  
 Director

Registered office  
 1/2, St. High Street  
 Hamrun Malta  
 26 November 2019



Paul Mercieca  
 Director

## Custodian Report

**BOV****Bank of Valletta**

Finance  
 BOV Centre, Triq il-Kanun, Santa Venera SVR 9030 - Malta  
 T: (356) 2131 2020 F: (356) 2275 3729  
 E: [customercare@bov.com](mailto:customercare@bov.com) [bov.com](http://bov.com)

4<sup>th</sup> October 2019**Report of the Custodian*****Merill SICAV p.l.c. (the "Scheme")***

We, Bank of Valletta p.l.c., as Custodian to the Merill SICAV p.l.c ("the Scheme"), and its Sub-Funds, Merill Global Return Income Fund (the "Sub-Fund"), Merill High Income Fund (the "Sub-Fund") and Merill Total Return Income Fund (the "Sub-Fund"), hereby confirm that having enquired into the conduct of the Manager during the year ending 31<sup>st</sup> July 2019, it is our opinion that during this year, the Company and its Sub-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:

**Merill High Income Fund**

In March 2019, the Investment Manger commenced share class hedging activities with RBCIST. Subscriptions into the GBP share class were received mainly in specie. The share class hedging was done through an FX Swap rather than through an outright forward. The Investment Manager confirmed that specific arrangements were made with RBCIST to prevent such occurrence. As a result, the hedging transactions with RBCIST was rectified during June 2019, resulting into an FX gain of €407,371.

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



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

Registered Office: 58, Triq San Zakkarja, Il-Belt Valletta VLT 1130 - Malta Registration Number: C 2833  
 Bank of Valletta p.l.c. is authorised to act as a trustee by the Malta Financial Services Authority.  
 Bank of Valletta p.l.c. is a public limited company licensed to conduct Investment Services business by the Malta Financial Services Authority.  
 Bank of Valletta p.l.c. is an enrolled tied insurance intermediary of MSV Life p.l.c. MSV Life is authorised by the Malta Financial Services Authority to carry on long term business of insurance under the Insurance Business Act 1998.



## *Independent auditor's report*

To the Shareholders of Merill SICAV p.l.c.

### *Report on the audit of the financial statements*

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#### *Our opinion*

In our opinion:

- Merill SICAV p.l.c.'s financial statements give a true and fair view of the company's financial position as at 31 July 2019, and of the company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

#### **What we have audited**

Merill SICAV p.l.c.'s financial statements, set out on pages 15 to 54 comprise:

- the statement of financial position as at 31 July 2019;
- the statement of changes in net assets attributable to holders of redeemable shares for the year then ended;
- the statement of comprehensive income for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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#### *Basis for opinion*

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

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

#### **Independence**

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



## *Independent auditor's report - continued*

To the Shareholders of Merill SICAV p.l.c.

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### *Other information*

The directors are responsible for the other information. The other information comprises the Management and Administration information, Description of the Scheme, Manager's report, Directors' report, Portfolio Statements and Statement of Changes in the Composition of the Portfolios (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information, including the Directors' report.

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

With respect to the directors' report, we also considered whether the Directors' report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386).

Based on the work we have performed, in our opinion:

- The information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386).

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

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

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's 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.





## *Independent auditor's report - continued*

To the Shareholders of Merill SICAV p.l.c.

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### *Auditor's responsibilities for the audit of the financial statements*

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company 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.



## *Independent auditor's report - continued*

To the Shareholders of Merill SICAV p.l.c.

### *Report on other legal and regulatory requirements*

#### *Other matters on which we are required to report by exception*

We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion:

- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.
- We have not received all the information and explanations we require for our audit.
- Certain disclosures of directors' remuneration specified by law are not made in the financial statements, giving the required particulars in our report.

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

#### **PricewaterhouseCoopers**

78, Mill Street  
Qormi  
Malta

A handwritten signature in black ink, appearing to read 'L. Pace Ross', with a stylized flourish.

Lucienne Pace Ross  
Partner  
26 November 2019

# STATEMENT OF FINANCIAL POSITION

As at 31 July 2019

	Notes	2019	2018	2019	2018	2019	2018	2019	2018
		€	€	€	€	€	€	€	€
<b>Assets</b>									
Financial assets at fair value through profit or loss	3a	35,396,239	29,936,588	44,648,152	28,272,412	10,604,070	9,073,340	90,648,461	67,282,340
Accrued income and other receivables	4	203,690	183,471	360,894	203,177	103,611	24,757	668,195	411,405
Cash and cash equivalents	5	970,319	737,949	2,306,850	674,750	560,189	501,848	3,837,358	1,914,547
<b>Total assets</b>		<b>36,570,248</b>	<b>30,858,008</b>	<b>47,315,896</b>	<b>29,150,339</b>	<b>11,267,870</b>	<b>9,599,945</b>	<b>95,154,014</b>	<b>69,608,292</b>
<b>Liabilities</b>									
Financial liabilities at fair value through profit or loss	3a	-	-	207,553	-	-	-	207,553	-
Accrued expenses	6	68,394	67,687	83,293	54,614	40,867	31,735	192,554	154,036
Trade and other payables	7	80,258	69,472	467,257	319,624	40,026	40,698	587,541	429,794
		148,652	137,159	758,103	374,238	80,893	72,433	987,648	583,830
<b>Net assets attributable to holders of redeemable shares</b>		<b>36,421,596</b>	<b>30,720,849</b>	<b>46,557,793</b>	<b>28,776,101</b>	<b>11,186,977</b>	<b>9,527,512</b>	<b>94,166,366</b>	<b>69,024,462</b>
<b>Represented by:</b>									
Net assets attributable to holders of redeemable shares (at trading value)		36,444,742	30,747,228	46,552,025	28,774,432	11,186,354	9,528,590	94,183,121	69,050,250
Adjustment for formation expenses	9	(23,146)	(26,379)	5,764	1,669	623	(1,078)	(16,759)	(25,788)
		<b>36,421,596</b>	<b>30,720,849</b>	<b>46,557,789</b>	<b>28,776,101</b>	<b>11,186,977</b>	<b>9,527,512</b>	<b>94,166,362</b>	<b>69,024,462</b>

**STATEMENT OF FINANCIAL POSITION - continued**

As at 31st July 2019

		<b>MERILL TOTAL RETURN INCOME FUND</b>	<b>MERILL HIGH INCOME FUND</b>	<b>MERILL GLOBAL EQUITY INCOME FUND</b>
<b>Shares in issue as at 31 July 2019</b>				
Class 'A' EUR Accumulation Shares	8	<b>46,790,958.833</b>	<b>16,366,011.263</b>	<b>11,378,292.735</b>
Class 'B' EUR Distribution Shares	8	<b>20,613,830.627</b>	<b>56,669,989.507</b>	<b>10,102,245.133</b>
Class 'B' GBP Hedged Distribution Shares	8	-	<b>20,093,604.354</b>	-
Shares in issue as at 31 July 2018				
Class 'A' EUR Accumulation Shares	8	40,597,015.176	10,629,184.863	7,790,378.137
Class 'B' EUR Distribution Shares	8	18,054,466.018	50,022,820.912	10,265,704.694
Shares in issue as at 31 July 2017				
Class 'A' EUR Accumulation Shares	8	38,383,994.742	5,541,952.724	5,909,132.884
Class 'B' EUR Distribution Shares	8	9,240,567.185	22,569,967.650	5,435,152.996
<b>Net asset value as at 31 July 2019</b>				
Net asset value as at 31 July 2018		<b>€36,444,742</b>	<b>€46,552,025</b>	<b>€11,186,354</b>
Net asset value as at 31 July 2017		€30,747,228	€28,774,432	€9,528,590
Net asset value as at 31 July 2017		€25,032,487	€14,023,028	€5,787,019
<b>Net asset value per share as at 31 July 2019 Class A EUR/Class B EUR/Class B GBP</b>				
		<b>€0.5497/ €0.5202/ N/A</b>	<b>€0.5114/ €0.4727/ £0.5156</b>	<b>€0.5256 /€0.5153 /N/A</b>
Net asset value per share as at 31 July 2018 Class A EUR/Class B EUR				
		€0.5303/€0.5107	€0.4908/€0.4709	€0.5299/€0.5261
Net asset value per share as at 31 July 2017 Class A EUR/Class B EUR				
		€0.5276/€0.5175	€0.5012/€0.4982	€0.5097/€0.5106

The accounting policies and notes on pages 24 to 54 are an integral part of the financial statements.

The financial statements on pages 19 to 54 were authorised for issue by the Board of Directors on 26 November 2019 and were signed on its behalf by:



Joseph Borg Bartolo

Director



Paul Mercieca

Director

## STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES

For the year ended 31 July 2019

	MERILL TOTAL RETURN INCOME FUND	01.08.2018- 31.07.2019	01.08.2017- 31.07.2018	MERILL TOTAL RETURN INCOME FUND	01.08.2018- 31.07.2019	01.08.2017- 31.07.2018	MERILL HIGH INCOME FUND	01.08.2018- 31.07.2019	01.08.2017- 31.07.2018	MERILL GLOBAL EQUITY INCOME FUND	01.08.2018- 31.07.2019	01.08.2017- 31.07.2018	MERILL GLOBAL EQUITY INCOME FUND	01.08.2018- 31.07.2019	01.08.2017- 31.07.2018	MERILL SICAV p.l.c. Combine Statement	01.08.2018- 31.07.2019	01.08.2017- 31.07.2018	MERILL SICAV p.l.c. Combine Statement
		€	€		€	€		€	€		€	€		€	€		€	€	
<b>Net assets attributable to holders of redeemable shares at the beginning of the year (at trading value)</b>		<b>30,747,228</b>	25,032,487		<b>28,774,432</b>	14,023,028		<b>9,528,590</b>	5,787,019		<b>69,050,250</b>	44,842,534		<b>27,677,222</b>	26,376,681		<b>(3,656,981)</b>	(1,143,228)	
Amounts received on creation of shares		<b>5,355,110</b>	6,210,585		<b>19,689,763</b>	16,612,753		<b>2,632,349</b>	3,553,343		<b>27,677,222</b>	26,376,681		<b>(3,656,981)</b>	(1,143,228)				
Amounts paid on redemption of shares		<b>(791,041)</b>	(454,022)		<b>(1,999,816)</b>	(623,202)		<b>(866,124)</b>	(66,004)		<b>(3,656,981)</b>	(1,143,228)							
<b>Net increase from share transactions</b>		<b>4,564,069</b>	5,756,563		<b>17,689,947</b>	15,989,551		<b>1,766,225</b>	3,487,339		<b>24,020,241</b>	25,233,453							
Operating profit/ (loss) after distributions and tax		<b>1,136,678</b>	(37,655)		<b>91,741</b>	(1,234,262)		<b>(106,760)</b>	256,093		<b>1,121,659</b>	(1,015,824)							
Adjustment for formation expense		<b>(3,233)</b>	(4,167)		<b>(4,095)</b>	(3,885)		<b>(1,701)</b>	(1,861)		<b>(9,029)</b>	(9,913)							
<b>Increase/ (decrease) in net assets attributable to holders of redeemable shares from operations</b>		<b>1,133,445</b>	(41,822)		<b>87,646</b>	(1,238,147)		<b>(108,461)</b>	254,232		<b>1,112,630</b>	(1,025,737)							
<b>Net assets attributable to holders of redeemable shares at the end of the year (at trading value)</b>		<b>36,444,742</b>	30,747,228		<b>46,552,025</b>	28,774,432		<b>11,186,354</b>	9,528,590		<b>94,183,121</b>	69,050,250							

The accounting policies and notes on pages 24 to 54 are an integral part of the financial statements.

# STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 July 2019

Merill SICAV p.l.c.

2019 Annual Report and Financial Statements

	Notes	MERILL TOTAL RETURN INCOME FUND 01.08.2018- 31.07.2019	€	MERILL TOTAL RETURN INCOME FUND 01.08.2017- 31.07.2018	€	MERILL HIGH INCOME FUND 01.08.2018- 31.07.2019	€	MERILL HIGH INCOME FUND 01.08.2017- 31.07.2018	€	MERILL GLOBAL EQUITY INCOME FUND 01.08.2018- 31.07.2019	€	MERILL GLOBAL EQUITY INCOME FUND 01.08.2017- 31.07.2018	€	MERILL SICAV p.l.c. Combined 01.08.2017- 31.07.2018	€
<b>Investment income</b>															
Gross dividend income	3b	511,576		435,339		1,050,363		719,324		254,956		180,295		1,334,958	
Other net gain/ (loss) on financial assets and liabilities at fair value through profit or loss	3b	1,313,444		124,637		598,678		(882,844)		(105,776)		282,192		(476,015)	
<b>Net investment income</b>		<b>1,825,020</b>		<b>559,976</b>		<b>1,649,041</b>		<b>(163,520)</b>		<b>149,180</b>		<b>462,487</b>		<b>858,943</b>	
Management fees	10a	268,454		230,827		329,244		214,678		86,346		70,073		515,578	
Transaction management fees	10b	97,187		91,503		40,138		33,319		23,080		24,198		149,020	
Administration fees	10c	36,047		32,355		39,230		26,505		22,996		19,501		78,361	
Legal and professional fees		24,214		20,914		24,208		15,721		11,608		9,483		46,118	
Custodian fees	10d	14,068		19,876		18,022		19,173		17,908		15,579		54,628	
Directors' fees		10,444		12,547		12,312		9,835		3,243		3,475		25,857	
Transaction costs		21,497		19,547		23,253		14,112		7,576		8,956		42,615	
Trailer fee rebate		(29,642)		(36,062)		(68,071)		(50,979)		(22,611)		(23,929)		(110,970)	
Other operating expenses		7,352		7,103		9,068		6,466		3,114		2,804		16,373	
<b>Operating expenses</b>		<b>449,621</b>		<b>398,610</b>		<b>427,404</b>		<b>288,830</b>		<b>153,260</b>		<b>130,140</b>		<b>817,580</b>	
<b>Operating profit/ (loss) before distribution and tax</b>		<b>1,375,399</b>		<b>161,366</b>		<b>1,221,637</b>		<b>(452,350)</b>		<b>(4,080)</b>		<b>332,347</b>		<b>41,363</b>	
<b>Finance cost</b>															
Distribution to holders of redeemable shares		(183,944)		(155,323)		(1,086,989)		(762,455)		(69,909)		(58,058)		(975,836)	
Withholding tax expense		(54,777)		(43,698)		(42,907)		(19,457)		(32,771)		(18,196)		(81,351)	
<b>Operating profit/(loss) after distribution and tax</b>		<b>1,136,678</b>		<b>(37,655)</b>		<b>91,741</b>		<b>(1,234,262)</b>		<b>(106,760)</b>		<b>256,093</b>		<b>(1,015,824)</b>	
Adjustment for formation expense		(3,233)		(4,167)		(4,095)		(3,885)		(1,701)		(1,861)		(9,913)	
<b>Increase/ (decrease) in net assets attributable to holders of redeemable shares from operations</b>		<b>1,133,445</b>		<b>(41,822)</b>		<b>87,646</b>		<b>(1,238,147)</b>		<b>(108,461)</b>		<b>254,232</b>		<b>(1,025,737)</b>	

The accounting policies and notes on pages 24 to 54 are an integral part of the financial statements.

# STATEMENT OF CASH FLOWS

For the year ended 31 July 2019

Merill SICAV p.l.c.

	Notes	MERILL TOTAL RETURN INCOME FUND	01.08.2018 - 31.07.2019	MERILL TOTAL RETURN INCOME FUND	01.08.2017 - 31.07.2018	MERILL HIGH INCOME FUND	01.08.2018 - 31.07.2019	MERILL HIGH INCOME FUND	01.08.2017 - 31.07.2018	MERILL GLOBAL EQUITY INCOME FUND	01.08.2018 - 31.07.2019	MERILL GLOBAL EQUITY INCOME FUND	01.08.2017 - 31.07.2018	MERILL SICAV p.l.c. Combined- Statement	01.08.2018 - 31.07.2019	MERILL SICAV p.l.c. Combined- Statement	01.08.2017 - 31.07.2018
<b>Cash flows from operating activities</b>																	
Interest received		529,207	506,830	560,981	344,177	52,997	52,997	45,903	45,903	1,143,185	1,143,185	896,910	896,910				
Dividend received		508,533	434,335	1,023,455	680,858	250,185	250,185	166,810	166,810	1,782,173	1,782,173	1,282,003	1,282,003				
Net (increase)/ decrease in financial assets at fair value through profit or loss		(3,974,305)	(4,151,812)	(2,673,985)	(8,365,439)	(1,022,985)	(1,022,985)	(2,264,447)	(2,264,447)	(7,671,275)	(7,671,275)	(14,781,698)	(14,781,698)				
Operating expenses paid		(427,417)	(363,999)	(375,467)	(250,180)	(136,552)	(136,552)	(111,481)	(111,481)	(939,436)	(939,436)	(725,660)	(725,660)				
Tax paid		(54,777)	(43,698)	(42,907)	(19,457)	(32,770)	(32,770)	(18,196)	(18,196)	(130,454)	(130,454)	(81,351)	(81,351)				
Net cash used in operating activities		(3,418,759)	(3,618,344)	(1,507,923)	(7,610,041)	(889,125)	(889,125)	(2,181,411)	(2,181,411)	(5,815,807)	(5,815,807)	(13,409,796)	(13,409,796)				
<b>Cash flows from financing activities</b>																	
Amounts received on creation shares		4,615,327	3,783,847	6,079,401	8,606,721	1,884,171	1,884,171	2,209,872	2,209,872	12,578,899	12,578,899	14,600,440	14,600,440				
Amounts paid on redemption of shares		(791,041)	(454,022)	(1,999,816)	(623,202)	(866,124)	(866,124)	(66,004)	(66,004)	(3,656,981)	(3,656,981)	(1,143,228)	(1,143,228)				
Distributions paid		(173,157)	(113,224)	(939,562)	(552,431)	(70,581)	(70,581)	(23,067)	(23,067)	(1,183,300)	(1,183,300)	(688,722)	(688,722)				
Net cash generated from financing activities		3,651,129	3,216,601	3,140,023	7,431,088	947,466	947,466	2,120,801	2,120,801	7,738,618	7,738,618	12,768,490	12,768,490				
<b>Movements in cash &amp; cash equivalents</b>																	
Cash & cash equivalents at beginning of year		232,370	(401,743)	1,632,100	(178,953)	58,341	58,341	(60,610)	(60,610)	1,922,811	1,922,811	(641,306)	(641,306)				
Cash & cash equivalents at end of year	5	737,949	1,139,692	674,750	853,703	501,848	501,848	562,458	562,458	1,914,547	1,914,547	2,555,853	2,555,853				
Cash & cash equivalents at end of year	5	970,319	737,949	2,306,850	674,750	560,189	560,189	501,848	501,848	3,837,358	3,837,358	1,914,547	1,914,547				

The accounting policies and notes on pages 24 to 54 are an integral part of the financial statements.



## ACCOUNTING POLICIES

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

### 1. BASIS OF PREPARATION

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

The preparation of financial statements in conformity with IFRS as adopted by the EU requires the use of certain accounting estimates. It also requires Directors to exercise their judgement in the process of applying the Company's accounting policies (Note 2 - Critical accounting estimates and judgements).

As at 31 July 2019, the Company had three sub-funds - the Merrill Total Return Income Fund, the Merrill High Income Fund and the Merrill Global Equity Income Fund (collectively referred to as "Sub-funds"). Each redeemable share which the Company issues is allocated to a class representing each distinct Sub-funds. The Company maintains a separate account for the Sub-funds to which the proceeds are credited, and against which expenses are charged. Upon redemption, shareholders are entitled only to their proportion of the net assets held in the account relating to the Sub-fund in which their redeemable shares are designated.

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

#### *New standards, interpretations and amendments to existing standards effective during the year*

A number of new standards are effective for annual periods beginning on or after 1 August 2018. The one new standard relevant to the sub-funds is IFRS 9 Financial Instruments, which is discussed below.

#### *IFRS 9 Financial Instruments*

IFRS 9 'Financial Instruments' became effective for annual periods beginning on or after 1 January 2018. It addresses the classification, measurement and derecognition of financial assets and liabilities and replaces the multiple classification and measurement models in IAS 39.

Classification and measurement of debt assets is driven by the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. A debt instrument is measured at amortised cost if the objective of the business model is to hold the financial asset for the collection of the contractual cash flows and the contractual cash flows under the instrument solely represent payments of principal and interest (SPPI). A debt instrument is measured at fair value through other comprehensive income if the objective of the business model is to hold the financial asset both to collect contractual cash flows from SPPI and to sell. All other debt instruments must be recognised at fair value through profit or loss. An entity may however, at initial recognition, irrevocably designate a financial asset as measured at fair value through profit or loss if doing so eliminates or significantly



**ACCOUNTING POLICIES** - continued**BASIS OF PREPARATION** - continued

reduces a measurement or recognition inconsistency. Derivative and equity instruments are measured at fair value through profit or loss unless, for equity instruments not held for trading, an irrevocable option is taken to measure at fair value through other comprehensive income. IFRS 9 also introduces a new expected credit loss (ECL) impairment model.

IFRS 9 has been applied retrospectively by the Company and its sub-funds and did not result in a change to the classification or measurement of financial instruments. The sub-funds' investment portfolio continues to be classified as fair value through profit or loss and other financial assets which are held for collection continue to be measured at amortised cost. There was no material impact on adoption from the application of the new impairment model.

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning 1 August 2018 that have a material effect on the financial statements of the Company.

*New standards, amendments and interpretations effective after 1 August 2018 and have not been early adopted*

A number of new standards, amendments to standards and interpretations effective for annual periods beginning after 1 August 2018, have not been early adopted in preparing these financial statements. None of these are expected to have a material impact on the financial statements of the Company.

**2. FOREIGN EXCHANGE TRANSLATION***a) Functional and presentation currency*

The Company's designated currency is the Euro (€), which is the presentation currency used for the statements.

The sub-funds' functional currency is the currency of denomination of each of the sub-funds as stipulated in the offering documents. The Euro (€) is the functional currency of all the three sub-funds.

*b) Transactions and balances*

Transactions carried out in currencies other than the functional currency of each sub-funds are translated into the functional currency at exchange rates ruling at the transaction dates. Assets and liabilities designated in currencies other than the functional currency are translated into the functional currency at exchange rates ruling at the Company's statement of financial position 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 *other net gain/ (loss) on financial assets and liabilities at fair value through profit or loss*.

**3. FINANCIAL INSTRUMENTS***(a) Classification*

Financial instruments are classified into the following categories:

- At fair value through profit or loss
- At amortised cost

*ACCOUNTING POLICIES - continued**FINANCIAL INSTRUMENTS - continued**(a) Classification - continued*

The classification depends on the nature and purpose of the financial instrument and is determined at the time of initial recognition.

*Financial assets and liabilities at fair value through profit or loss**(i) Assets*

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

*(ii) Liabilities*

Derivative contracts that have a negative fair value are presented as liabilities at fair value through profit or loss.

*Investments in financial assets previously designated at fair value through profit or loss*

The sub-funds hold equity and debt securities which had previously been designated at fair value through profit or loss. On adoption of IFRS 9, these securities are mandatorily classified as fair value through profit or loss.

*Financial assets at amortised cost*

The Company classifies its financial assets at amortised cost only if both the following criteria are met:

- the asset is held within a business model whose objective is to collect contractual cash flows; and
- the contractual terms give rise to cash flows that are solely payment of principal and interest.

Financial assets and liabilities measured at amortised cost include accrued income and other receivables, cash and cash equivalents, accrued expenses and trade and other payables.

*(b) Recognition, derecognition and measurement*

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

*ACCOUNTING POLICIES - continued**FINANCIAL INSTRUMENTS - continued**(b) Recognition, derecognition and measurement - continued*

the statement of comprehensive income. Financial assets and liabilities other than those classified at fair value through profit or loss are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue. Financial assets are derecognised when the rights to receive cash flows from the investments have expired or the sub-funds have transferred substantially all risks and rewards of ownership.

Subsequent to initial recognition, all financial assets and financial liabilities at fair value through profit or loss are measured at fair value. Gains and losses arising from changes in the fair value of the 'financial assets or financial liabilities at fair value through profit or loss' category are presented in the statement of comprehensive income within *other net gain (loss) on financial assets and liabilities at fair value through profit or loss* in the period in which they arise. Financial assets and liabilities other than those classified at fair value through profit or loss are subsequently measured at amortised cost using effective interest method, less any allowance for impairment. Financial assets gains and losses are recognised in profit or loss when they are derecognised, as well as through the amortisation process.

*(c) Fair value estimation*

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

#### 4. OTHER RECEIVABLES AND ACCRUED EXPENSES

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

At each reporting date, the Company shall measure the loss allowance on any amount owed to the Company at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Company shall measure the loss allowance at an amount equal to 12-month expected credit losses.

The Company measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management considers both historical analysis and forward-looking information in determining any expected credit loss.

Significant financial difficulties of a debtor, probability that a debtor will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required.

## ACCOUNTING POLICIES - continued

## OTHER RECEIVABLES AND ACCRUED EXPENSES - continued

If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance.

## 5. REDEEMABLE SHARES

The sub-funds issue different share classes, which are redeemable at the holder's option and are classified as financial liabilities. Redeemable shares can be put back to the respective sub-fund at any time for cash equal to a proportionate share of that sub-fund's net asset value ("NAV"). The share capital is carried at redemption amount that is payable at period-end if the shareholder exercises the right to put the shares back to the respective sub-fund.

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

## 6. INCOME RECOGNITION

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

## 7. EXPENSES

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

## 8. DISTRIBUTION TO HOLDERS OF REDEEMABLE SHARES

The Company has issued Class 'B' distribution shares in relation to each of the sub-funds. Accordingly, the Company may as it from time to time thinks fit, and subject to the applicable laws, pay such dividends attributable to the Class 'B' shares of the sub-funds as appear to the Company to be justified. Dividends may be paid in such currency, as the Company may deem appropriate subject to the observance of any applicable law.

Proposed distributions to holders of the Class 'B' distribution shares are recognised under *finance cost* in the statement of comprehensive income when they are appropriately authorised and no longer at the discretion of the sub-funds. When part or all of the income attributable to the Class 'B' distribution shares is not distributed as dividends, such income will be accumulated within the sub-funds and reflected in the price of the Class 'B' distribution shares.

*ACCOUNTING POLICIES* - continued**9. CASH AND CASH EQUIVALENTS**

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

**10. TAXATION**

The Company is registered in Malta. Under the current laws of Malta, there are no income, estate, corporation, capital gains or other taxes payable by the Company. The sub-funds currently incurs withholding taxes imposed by certain countries on investment income. Such income are recorded gross of withholding taxes in the statements of comprehensive income. Withholding taxes are shown as a separate line item in the statements of comprehensive income.

**11. OFFSETTING FINANCIAL INSTRUMENTS**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet 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. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

**12. TRANSACTION COSTS**

Transactions costs are costs incurred to acquire financial assets or liabilities at fair value through profit or loss. They include fees and commissions paid to agents, advisers, brokers and dealers. Transaction costs when incurred are immediately recognised in profit or loss as an expense.

**13. INCREASE IN NET ASSETS ATTRIBUTABLE TO HOLDERS OF REDEEMABLE SHARES FROM OPERATIONS**

Income not distributed is included in net assets attributable to holders of redeemable shares.

**NOTES TO THE FINANCIAL STATEMENTS****1. GENERAL**

Merill SICAV p.l.c. (the "Company") is a multi-fund public limited liability investment company with variable share capital (SICAV) under registration number SV384. The Company was incorporated on the 8th October 2015 and licensed by the MFSA on the 16th October 2015. The Company is structured as an open-ended self-managed collective investment scheme and qualifies as a 'Maltese UCITS' in terms of the UCITS Regulations and the UCITS Directive.

## NOTES TO THE FINANCIAL STATEMENTS - continued

## 2. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of the financial statements in conformity with IFRS as adopted by the EU requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results could differ significantly from these estimates. 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 IAS 1.

## 3. (a) FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

## Merill Total Return Income Fund

	Fair value	% of net assets	Fair value	% of net assets
Financial assets at fair value through profit or loss	2019 €	2019	2018 €	2018
Local equities	2,026,436	5.56	1,837,500	5.98
Foreign equities	3,806,809	10.45	4,095,644	13.33
Quoted local corporate bonds	5,215,686	14.31	4,432,884	14.43
Quoted local government bonds	4,403,210	12.08	4,299,690	14.00
Quoted foreign corporate bonds	5,859,686	16.08	2,351,657	7.66
Quoted foreign sovereign bonds	3,379,361	9.27	2,064,199	6.72
Collective investment schemes	7,895,576	21.66	8,847,066	28.80
Exchange traded funds	2,260,094	6.20	645,908	2.10
Structured products	549,381	1.51	1,362,040	4.43
	<b>35,396,239</b>	<b>97.12</b>	<b>29,936,588</b>	<b>97.45</b>

## NOTES TO THE FINANCIAL STATEMENTS - continued

## (a) FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS - continued

## Merill High Income Fund

Financial assets at fair value through profit or loss	Fair value	% of net assets	Fair value	% of net assets
	2019	2019	2018	2018
	€		€	
Local equities	318,811	0.68	278,071	0.97
Foreign equities	2,969,877	6.38	2,103,665	7.31
Quoted local corporate bonds	6,176,234	13.27	3,912,432	13.60
Quoted local government bonds	2,480	0.01	-	-
Quoted foreign corporate bonds	11,102,520	23.85	4,827,893	16.78
Quoted foreign sovereign bonds	1,462,981	3.14	635,868	2.21
Collective investment schemes	21,933,698	47.12	15,359,642	53.37
Exchanged traded funds	592,431	1.27	-	-
Structured products	89,120	0.19	1,154,841	4.01
	<b>44,648,152</b>	<b>95.91</b>	<b>28,272,412</b>	<b>98.25</b>
Financial liabilities at fair value through profit or loss	Fair value	% of net assets	Fair value	% of net assets
	2019	2019	2018	2018
	€		€	
Forward currency contracts	(207,553)	(0.45)	-	-
	<b>(207,553)</b>	<b>(0.45)</b>	<b>-</b>	<b>-</b>

## Merill Global Equity Income Fund

Financial assets at fair value through profit or loss	Fair value	% of net assets	Fair value	% of net assets
	2019	2019	2018	2018
	€		€	
Local equities	1,026,139	9.17	521,807	5.48
Foreign equities	3,340,482	29.86	2,912,795	30.57
Quoted local corporate bonds	305,390	2.73	203,500	2.14
Quoted foreign corporate bonds	263,137	2.35	160,449	1.68
Collective investment schemes	3,791,154	33.89	4,165,599	43.72
Exchange traded funds	1,342,297	12.00	743,224	7.80
Structured products	535,471	4.79	365,966	3.84
	<b>10,604,070</b>	<b>94.79</b>	<b>9,073,340</b>	<b>95.23</b>

## NOTES TO THE FINANCIAL STATEMENTS - continued

## 3. (b) NET INVESTMENT INCOME

The components of the net investment income within the statement of comprehensive income are as follows:

	Merill Total Return Income Fund 2019 €	Merill Total Return Income Fund 2018 €
Dividend income from quoted equities	511,576	435,339
Interest from quoted bonds	561,115	522,753
Net realised loss on sale of financial assets	(418,736)	(25,180)
Net change in unrealised fair value movement	1,171,065	(372,936)
Net investment income	<u>1,825,020</u>	<u>559,976</u>
	Merill High Income Fund 2019 €	Merill High Income Fund 2018 €
Dividend income from quoted equities	1,050,363	719,324
Interest from quoted bonds	691,791	431,167
Net realised loss on sale of financial assets	(584,103)	(49,428)
Net change in unrealised fair value movement	490,990	(1,264,583)
Net investment income	<u>1,649,041</u>	<u>(163,520)</u>
	Merill Global Equity Income Fund 2019 €	Merill Global Equity Income Fund 2018 €
Dividend income from quoted equities	254,956	180,295
Interest from quoted bonds	54,329	53,245
Net realised (loss)/gain on sale of financial assets	(175,568)	55,134
Net change in unrealised fair value movement	15,463	173,813
Net investment income	<u>149,180</u>	<u>462,487</u>



**NOTES TO THE FINANCIAL STATEMENTS** - continued**4. ACCRUED INCOME AND OTHER RECEIVABLES**

	Merill Total Return Income Fund 2019 €	Merill Total Return Income Fund 2018 €
Bond interest receivable	196,407	164,499
Dividend receivable	7,283	4,240
Sales for settlement	-	14,732
	<b>203,690</b>	<b>183,471</b>

	Merill High Income Fund 2019 €	Merill High Income Fund 2018 €
Bond interest receivable	295,099	164,289
Dividend receivable	65,795	38,888
	<b>360,894</b>	<b>203,177</b>

	Merill Global Equity Income Fund 2019 €	Merill Global Equity Income Fund 2018 €
Bond interest receivable	10,393	9,061
Dividend receivable	20,467	15,696
Sales for settlement	72,751	-
	<b>103,611</b>	<b>24,757</b>

**NOTES TO THE FINANCIAL STATEMENTS** - continued**5. CASH AND CASH EQUIVALENTS**

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

**Merill Total Return Income Fund**

	2019	% of net assets 2019	2018	% of net assets 2018
	€	€	€	€
Cash and cash equivalents	970,319	2.66	737,949	2.40

**Merill High Income Fund**

	2019	% of net assets 2019	2018	% of net assets 2018
	€	€	€	€
Cash and cash equivalents	2,306,850	4.96	674,750	2.34

**Merill Global Equity Income Fund**

	2019	% of net assets 2019	2018	% of net assets 2018
	€	€	€	€
Cash and cash equivalents	560,189	5.01	501,848	5.27

*Non-cash transactions*

During the year ended 31 July 2019, subscriptions in specie were made by investors resulting in assets being acquired from the sub-funds amounting to €739,783 (2018: €2,426,738) for Merill Total Return Income Fund, €13,610,362 (2018: €8,006,032) for Merill High Income Fund and €748,178 (2018: €1,343,471) for Merill Global Equity Income Fund.

**NOTES TO THE FINANCIAL STATEMENTS** - continued**6. ACCRUED EXPENSES**

	<b>Merill Total</b>	<b>Merill Total</b>
	<b>Return Income</b>	<b>Return Income</b>
	<b>Fund</b>	<b>Fund</b>
	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Management fees	26,927	22,777
Custody fees	17,901	30,155
Legal and professional fees	7,520	2,803
Administration fees	6,436	3,122
Other expenses	9,610	8,830
	<b>68,394</b>	<b>67,687</b>

	<b>Merill High</b>	<b>Merill High</b>
	<b>Income</b>	<b>Income</b>
	<b>Fund</b>	<b>Fund</b>
	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Management fees	39,856	24,414
Custody fees	18,201	16,860
Administration fees	8,724	2,913
Legal and professional fees	5,944	2,629
Other expenses	10,568	7,798
	<b>83,293</b>	<b>54,614</b>

	<b>Merill Global</b>	<b>Merill Global</b>
	<b>Equity Income</b>	<b>Equity Income</b>
	<b>Fund</b>	<b>Fund</b>
	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Custody fees	17,901	16,860
Management fees	8,787	7,474
Legal and professional fees	4,466	576
Administration fees	3,593	1,763
Other expenses	6,120	5,062
	<b>40,867</b>	<b>31,735</b>

**NOTES TO THE FINANCIAL STATEMENTS** - continued**7. TRADE AND OTHER PAYABLES**

	<b>Merill Total</b>	<b>Merill Total</b>
	<b>Return Income</b>	<b>Return Income</b>
	<b>Fund</b>	<b>Fund</b>
	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Distribution payable	<b>80,258</b>	<b>69,472</b>
	<b>Merill High</b>	<b>Merill High</b>
	<b>Income</b>	<b>Income</b>
	<b>Fund</b>	<b>Fund</b>
	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Distribution payable	<b>467,051</b>	<b>319,624</b>
Spot purchases for settlement	<b>206</b>	<b>-</b>
	<b>467,257</b>	<b>319,624</b>
	<b>Merill Global</b>	<b>Merill Global</b>
	<b>Equity Income</b>	<b>Equity Income</b>
	<b>Fund</b>	<b>Fund</b>
	<b>2019</b>	<b>2018</b>
	<b>€</b>	<b>€</b>
Distribution payable	<b>40,026</b>	<b>40,698</b>

**8. SHARE CAPITAL****Company**

The share capital of the Company shall be equal at any time to the value of the issued share capital of the Company. The Company may issue up to a maximum of 10,000,001,000 shares without any nominal value assigned to them.

**Founder shares**

The initial issued share capital of the Company is one thousand euros (€1,000) divided into one thousand (1,000) shares with no nominal value (the 'Founder Shares') which constitute a separate class of shares, being the Founder Shares, but which will not constitute a sub-fund.

*SHARE CAPITAL - continued*  
*Founder Shares - continued*  
*Company - continued*

The Founder Shares are fully paid-up and subscribed as follows:

Jesmond Mizzi Financial Advisors Limited	998 Class 'A' Founder Shares Class
Atlas Insurance PCC Limited	1 Class 'A' Founder Shares Class
JMFS Holdings Limited	1 Class 'A' Founder Shares Class

Class 'A' Founder Shares are ordinary voting shares and they entitle their holder(s) to receive notice of and to attend at general meetings of the Company and to vote on all matters regarding the Company in general and any of its sub-funds. The holders of Class 'A' Founder Shares also have the exclusive right to appoint, remove and replace up to three (3) Directors, out of a maximum of seven (7) directors, referred to herein as the "Founder Directors" (as such term is defined in the Articles of Association) and the exclusive right to amend this Memorandum and the Articles of Association of the Company (without prejudice to the rights of holders of Investor Shares in respect of variations of the rights attached to their Investor Shares).

The Founder Shareholders carry the right to one vote each and rank *pari passu* among themselves in all respects. The Founder Shareholders shall also be investor shares which entitle their holder(s) to profits and assets of the Company available for distribution in terms of law (if any) by way of dividends and on the winding up of the Company (following the settlement of the liabilities of the Company itself (if any) excluding, for the avoidance of doubt, liabilities of or attributable to any sub-fund in terms hereof, the Articles of Association of the Company, the Prospectus and/or the relevant terms of issue; provided that this shall relate solely and exclusively to profits and assets of the Company constituting the general assets of the Company (if any) and not attributable to any sub-fund (and the profits and assets attributable to any sub-fund shall be available exclusively to the creditors and holders of Investor Shares in such sub-fund).

Founder Shareholders shall not be entitled to have their Founder Shares redeemed or repurchased by the Company.

### **Sub-funds**

#### *Redeemable shares*

Redeemable shares are issued in relation to a particular sub-fund. Each sub-fund can be constituted by multiple classes of redeemable shares. Each class represents an interest in the sub-fund's portfolio, but may have its own characteristics, such as fee structure, minimum investment, minimum holding, dividend policy or base currency. Redeemable investor shares in issue must be fully paid up. Redeemable shares have no par value and carry no preferential or pre-emptive rights. Unless otherwise provided in the offering supplement in respect of a sub-fund, each redeemable share, regardless of class, is entitled to one vote in all matters brought before a general meeting of shareholders.

Both Merrill Total Return Income Fund and Merrill Global Equity Income Fund have currently issued Accumulation Class (Class A) and Distribution Class (Class B) redeemable shares. In the case of Merrill High Income Fund, it issued Accumulation Class (Class A) and two Distribution Classes (class B) - EUR distribution Class and GBP Hedged Distribution Class redeemable shares. The Company may create further classes within the sub-funds in the future.

**NOTES TO THE FINANCIAL STATEMENTS** - continued*SHARE CAPITAL* - continued*Redeemable shares - continued*

The relevant movements are shown below and in the statement of changes in net assets attributable to holders of redeemable shares. In accordance with the objectives outlined in the prospectus, the Company endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions.

Movement in redeemable shares is as follows:	Merill Total Return Income Fund 2019	Merill High Income Fund 2019	Merill Global Equity Income Fund 2019
<b>Class A - EUR</b>			
Shares in issue at beginning of year	40,597,015.176	10,629,184.863	7,790,378.137
Creation of shares	6,696,777.098	6,391,321.983	3,841,674.055
Redemption of shares	(502,833.441)	(654,495.583)	(253,759.457)
<b>Shares in issue at end of year</b>	<b>46,790,958.833</b>	<b>16,366,011.263</b>	<b>11,378,292.735</b>
<b>Class B - EUR</b>			
Shares in issue at beginning of year	18,054,466.018	50,022,820.912	10,265,704.694
Creation of shares	3,597,845.471	10,144,194.209	1,299,774.567
Reinvestments	7,563.756	32,627.178	5,204.150
Redemption of shares	(1,046,044.618)	(3,529,652.792)	(1,468,438.278)
<b>Shares in issue at end of year</b>	<b>20,613,830.627</b>	<b>56,669,989.507</b>	<b>10,102,245.133</b>
<b>Class B - GBP Hedged</b>			
Shares in issue at beginning of year	-	-	-
Creation of shares	-	20,156,792.798	-
Reinvestments	-	16,218.575	-
Redemption of shares	-	(79,407.019)	-
<b>Shares in issue at end of year</b>	<b>-</b>	<b>20,093,604.354</b>	<b>-</b>
	Merill Total Return Income Fund 2018	Merill High Income Fund 2018	Merill Global Equity Income Fund 2018
<b>Class A - EUR</b>			
Shares in issue at beginning of year	38,383,994.742	5,541,952.724	5,909,132.884
Creation of shares	2,396,557.729	5,531,455.175	1,909,761.634
Redemption of shares	(183,537.295)	(444,223.036)	(28,516.381)
<b>Shares in issue at end of year</b>	<b>40,597,015.176</b>	<b>10,629,184.863</b>	<b>7,790,378.137</b>
<b>Class B - EUR</b>			
Shares in issue at beginning of year	9,240,567.185	22,569,967.650	5,435,152.996
Creation of shares	9,503,336.237	28,285,307.004	4,928,483.244
Reinvestments	3,009.192	6,603.129	972.598
Redemption of shares	(692,446.596)	(839,056.871)	(98,904.144)
<b>Shares in issue at end of year</b>	<b>18,054,466.018</b>	<b>50,022,820.912</b>	<b>10,265,704.694</b>

**NOTES TO THE FINANCIAL STATEMENTS** - continued**9. NET ASSET VALUE**

Net assets attributable to holders of redeemable shares represent a liability in the statement of financial position, and is carried at the value of the sub-funds' net asset value per redeemable share at date of the transaction. Each sub-fund's net asset value per redeemable share unit is calculated by dividing the sub-fund's net assets with the total number of outstanding units in issue.

The Company's offering document requires organisational expenses to be amortised over a period of five years, or such shorter period as the Directors may determine for pricing purposes provided that for purposes of the Company's accounts, which are prepared in accordance with IFRS as adopted by the EU, these organisational expenses are accounted for as incurred.

As at 31 July 2019, differences existed between the sub-funds' trading net asset value and the sum of assets and liabilities (excluding redeemable shares) measured in accordance with IFRS as adopted by the EU.

In accordance with 'IAS 32, Financial Instruments: Presentation and Disclosure', the redeemable shares are classified as liabilities and are shown as such in the statement of financial position. This liability is measured at the amount which the sub-funds are obliged to pay upon redemption, which is based on the trading net asset value calculated in accordance with the offering documents. The resulting differences are presented in the statement of financial position and the movement in these differences has been presented in the statement of comprehensive income.

<b>Merill Total Return Income Fund</b>	2019
	€
Net assets attributable to holders of redeemable shares <i>(at trading value)</i>	36,444,742
Adjustments for:	
Formation expenses	(23,146)
Net assets attributable to holders of redeemable shares <i>(in accordance with IFRS as adopted by the EU)</i>	36,421,596
	2018
	€
Net assets attributable to holders of redeemable shares <i>(at trading value)</i>	30,747,228
Adjustments for:	
Formation expenses	(26,379)
Net assets attributable to holders of redeemable shares <i>(in accordance with IFRS as adopted by the EU)</i>	30,720,849

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**NET ASSET VALUE - continued**

<b>Merill High Income Fund</b>	<b>2019</b>
	€
Net assets attributable to holders of redeemable shares <i>(at trading value)</i>	46,552,025
Adjustments for:	
Formation expenses	5,764
Net assets attributable to holders of redeemable shares <i>(in accordance with IFRS as adopted by the EU)</i>	<u>46,557,789</u>
	2018
	€
Net assets attributable to holders of redeemable shares <i>(at trading value)</i>	28,774,432
Adjustments for:	
Formation expenses	1,669
Net assets attributable to holders of redeemable shares <i>(in accordance with IFRS as adopted by the EU)</i>	<u>28,776,101</u>
<b>Merill Global Equity Income Fund</b>	<b>2019</b>
	€
Net assets attributable to holders of redeemable shares <i>(at trading value)</i>	11,186,354
Adjustments for:	
Formation expenses	623
Net assets attributable to holders of redeemable shares <i>(in accordance with IFRS as adopted by the EU)</i>	<u>11,176,977</u>
	2018
	€
Net assets attributable to holders of redeemable shares <i>(at trading value)</i>	9,528,590
Adjustments for:	
Formation expenses	(1,078)
Net assets attributable to holders of redeemable shares <i>(in accordance with IFRS as adopted by the EU)</i>	<u>9,527,512</u>



**NOTES TO THE FINANCIAL STATEMENTS** - continued**10. FEES***a) Management fees*

Under the terms of the investment management agreement, each sub-fund is bound to pay an investment management fee as specified in the related offering supplement of each sub-fund.

The Company may apply different fees to different sub-funds and to different class of redeemable investor shares in any sub-fund of the Company.

The investment manager will also be entitled to recover from the Company all properly incurred and approved out-of-pocket expenses.

Jesmond Mizzi Financial Advisors Limited charges a fee of 0.75% per annum for Class A and 1% per annum for Class B, pro-rated for the period for which the fee is due, and on the net asset value of the sub-funds as at the end of such period. The fee will be payable monthly in arrears.

Management fees charged during the year are disclosed in the statement of comprehensive income and outstanding fees as at period-end are disclosed in Note 6.

*b) Transaction management fee*

In addition, the investment manager will also receive a fee in an amount equivalent to 2% of the (acquisition) transaction value of units of collective investment schemes which are acquired for or on behalf of the sub-funds, and in an amount equivalent to 1% of the (acquisition or disposal) transaction value of each and every other asset (other than units of collective investment schemes) which are acquired or disposed of on behalf of the sub-funds, which fee shall be payable out of the assets of the sub-funds attributable to the sub-funds Class A shares.

The Investment manager will also receive a fee in an amount equivalent to 0.2% of the (acquisition) transaction value of each and every other asset (other than units of collective investment schemes) which are acquired or disposed of on behalf of the sub-funds, which fee shall be payable out of the assets of the sub-funds attributable to the Fund Class B shares.

*c) Administration fees*

BOV Fund Services Limited provides administration services to the Company.

The Administrator receives an administration fee based on the NAV of the sub-funds. The following tiered structure applies:

- first €10 million - 0.125% p.a. of the NAV
- over €10 million up to €30 million - 0.100% p.a. of the NAV
- over €30 million up to €50 million - 0.080% p.a. of the NAV
- amounts in excess of €50 million - 0.065% p.a. of the NAV

For Merrill Total Return Income Fund, a minimum fee of €16,000 per annum for the first six months is applied, after which the minimum increased to €18,000 for the following six months. The annual minimum fee following the first year is €20,000.

**NOTES TO THE FINANCIAL STATEMENTS** - continued*FEES* - continued*Administration fees* - continued

For Merill High Income Fund and Merill Global Equity Income Fund, a minimum fee of €18,000 per annum for the first year is applied. The annual minimum fee following the first year is €20,000.

Fees incurred for the year ended 31 July 2019 and 2018 are disclosed in the statement of comprehensive income. The outstanding fees as at period-end are disclosed in Note 6.

*d) Custodian fees*

Bank of Valletta p.l.c. is entitled to receive out of the net assets of the sub-funds, the following custody fees:

- 0.04% of the NAV subject to a minimum fee of €15,000 per annum for Merill Total Return Fund and €16,500 for Merill High Income Fund and Merill Global Equity Income Fund. The minimum fee is reduced to €12,000 for the first year.
- Transaction charge of €15 per listed security, which fee is waived if trades are executed with BOV trading desk.

The fees are automatically debited from the accounts of the sub-funds held with the Depositary.

*e) Auditor's remuneration*

*Fees charged by the auditor (exclusive of VAT) for services rendered to the Company during the financial period ended 31 July relate to:*

<b>Merill Total Return Income Fund</b>	<b>2019</b>	<b>2018</b>
	€	€
Annual statutory audit	5,000	4,800
Tax compliance fees	360	345
	<b>5,360</b>	<b>5,745</b>
<b>Merill High Income Fund</b>	<b>2019</b>	<b>2018</b>
	€	€
Annual statutory audit	3,750	3,675
Tax compliance fees	360	345
	<b>4,110</b>	<b>4,020</b>
<b>Merill Global Equity Income Fund</b>	<b>2019</b>	<b>2018</b>
	€	€
Annual statutory audit	3,750	3,675
Tax compliance fees	360	345
	<b>4,110</b>	<b>4,020</b>

**NOTES TO THE FINANCIAL STATEMENTS** - continued**11. TAX EXPENSE ON INCOME**

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

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

However, Maltese resident investors therein may be subject to a 15% final withholding tax on capital gains realised on redemption, liquidation or cancellation of units. Nevertheless, the Maltese resident investor may request the sub-funds not to effect the deduction of the said 15% final withholding tax, in which case the said investor would be required to declare the gains in his/her Maltese income tax return and will be subject to tax at the normal rates of tax. Gains or profits derived on the transfer or redemption of units in the sub-fund by investors who are not resident in Malta should not be chargeable to Maltese income tax, subject to the satisfaction of applicable statutory conditions.

If there are distributions by the sub-funds, 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 sub-funds 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 sub-funds' Final Tax Account (if any) 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 sub-fund'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 person or individual in certain circumstances should be subject to a withholding tax of 15%.

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS** - continued**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.

The investment manager, investment committee members and the Directors are considered related parties of the Company due to direct or indirect common control.

The investment committee has delegated its functions to Jesmond Mizzi Financial Advisors Limited under an investment management agreement with the Company. All investment management fees paid to the investment manager and are described in Note 10.

Atlas Insurance PCC Limited, which holds 28,579,538 units in the Class A Shares of Merill Total Return Income Fund (2018: 28,579,538 units), is also considered to be a related party by virtue of being a founder shareholder of the company and having an indirect holding in the investment manager.

Jesmond Mizzi Financial Advisors Limited holds the following units in Merill SICAV p.l.c.:

	Merill Total Return Income Fund		Merill High Income Fund		Merill Global Equity Income Fund	
	2019	2018	2019	2018	2019	2018
<i>Clients Nominee Accounts</i>						
Number of shares Class A	15,400,316	11,163,490	14,570,163	10,385,535	11,328,332	7,715,096
Number of shares Class B	18,325,276	15,627,473	75,111,018	48,264,489	9,963,173	10,151,158
<i>Own Accounts</i>						
Number of shares Class B	100,000	100,000	113,772	113,772	-	-

As at 31 July 2019, through the client nominee accounts of the investment manager, key management personnel and their close family members held 215,122.440 Class A shares and 50,000 Class B shares (2018: 56,549.885 Class A shares and 50,000 Class B shares) in Merill Total Return Income Fund, 98,301.280 Class A shares and 20,000 Class B shares (2018: 59,530.968 Class A shares and 20,000 Class B shares) in Merill High Income Fund and 332,016.292 Class A shares and 20,000 Class B shares (2018: 87,518.732 Class A shares and 20,000 Class B shares) in Merill Global Equity Income Fund.

Transactions with related parties during the year are included in the table below:

	2019	2018
	€	€
Director's fees	25,999	25,857
Management fees	684,044	515,578
Transaction management fees	160,405	149,020
	<b>870,448</b>	<b>690,455</b>

**NOTES TO THE FINANCIAL STATEMENTS** - continued**13. FINANCIAL RISK MANAGEMENT**

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

The sub-funds are also exposed to operational risks such as custody risk. Custody risk is the risk of loss of securities held in custody occasioned by the insolvency or negligence of the custodian. Although an appropriate legal framework is in place that aims to eliminate the risk of loss of value of the securities held by the custodian, in the event of its failure, the ability of the sub-funds to transfer the securities might be temporarily impaired.

**Market risk***(a) Equity price risk*

The sub-funds are subject to equity price risk. The risk arises from trading and investing in publicly traded equities or other financial instruments. All positions in securities present a risk of loss of capital. The Investment Manager moderates this risk through a careful selection of securities and other financial instruments within specified limits. The maximum risk resulting from securities positions, other than leveraged positions, is determined by the fair value of the securities, whereas in the case of the leveraged positions, the maximum risk is determined by the nature of the instrument and can exceed the fair value of the position. The sub-funds' overall market positions are monitored on an ongoing basis by the sub-funds' Investment Manager.

The sub-funds' exposures to equity price risk are summarised in the table below and includes Collective Investment Schemes which invest primarily in equities. The table below also provides an analysis of the impact on the sub-funds' net assets attributable to shareholders (gross of expenses), of a general price movement in equities, with all other variables held constant.

Merill Total Return Income Fund	Exposure as a % of NAV*	General price movement change	+/- impact as a % of NAV
31 July 2019	24.54%	+/-10%	+/- 2.12%
31 July 2018	27.12%	+/-10%	+/- 3.40%
Merill High Income Fund	Exposure as a % of NAV*	General price movement change	+/- impact as a % of NAV
31 July 2019	15.62%	+/-10%	+/-2.32%
31 July 2018	15.94%	+/-10%	+/-2.87%
Merill Global Equity Income Fund	Exposure as a % of NAV*	General price movement change	+/- impact as a % of NAV
31 July 2019	89.71%	+/-10%	+/-8.02%
31 July 2018	86.64%	+/-10%	+/-9.84%

\* inclusive of equity collective investment schemes

**NOTES TO THE FINANCIAL STATEMENTS** - continued*FINANCIAL RISK MANAGEMENT*- continued*Market Risk* - continued*(b) Interest rate risk*

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities and future cash flow. The sub-funds are exposed to interest rate risk through directly holding interest-bearing financial assets, including debt securities (Note 3a), collective investment schemes which primarily invest in debt securities and cash and cash equivalents (Note 5). Assets earning interest at variable rates expose the sub-funds to cash flow interest rate risk, whereas assets earning interest at fixed rates expose the sub-funds to fair value interest rate risk. The sub-funds exposure to interest rate risk is summarised in the table below.

<b>Merill Total Return Income Fund</b>	<b>Assets held at fixed rates (as a % of NAV)*</b>	<b>Assets held at variable rates (as a % of NAV)*</b>
31 July 2019	69.66%	5.59%
31 July 2018	70.24%	2.64%
<b>Merill High Income Fund</b>	<b>Assets held at fixed rates (as a % of NAV)*</b>	<b>Assets held at variable rates (as a % of NAV)</b>
31 July 2019	73.76%	11.29%
31 July 2018	82.31%	1.74%
<b>Merill Global Equity Income Fund</b>	<b>Assets held at fixed rates (as a % of NAV)</b>	<b>Assets held at variable rates (as a % of NAV)</b>
31 July 2019	2.73%	7.36%
31 July 2018	8.58%	4.78%

\* inclusive of bond collective investment schemes

**NOTES TO THE FINANCIAL STATEMENTS** – continued  
**FINANCIAL RISK MANAGEMENT** – continued  
*Market risk – continued*  
*Interest rate risk - continued*

The table below provides a sensitivity analysis for interest rate risk (with all other variables remaining constant) and considers the impact of a shift in interest rates of 50 basis points (2018: 50 basis points) on the net assets attributable to redeemable shares of the sub-funds.

	+/- impact on NAV of an increase/decrease in interest rates	+/- impact on NAV of an increase/decrease in interest rates
	2019	2018
<b>Merill Total Return Income Fund</b>	-1.93%/	-0.47%/
	+1.77%	+1.09%
	+/- impact on NAV of an increase/decrease in interest rates	+/- impact on NAV of an increase/decrease in interest rates
	2019	2018
<b>Merill High Income Fund</b>	-1.73%/	-1.40%/
	+1.48%	+1.42%
	+/- impact on NAV of an increase/decrease in interest rates	+/- impact on NAV of an increase/decrease in interest rates
	2019	2018
<b>Merill Global Equity Income Fund</b>	-0.23%/	+1.17%/
	+0.23%	-1.16%

The direct exposure in interest rate risk is managed through investments in debt securities with different maturity rates as illustrated in the table below. The Investment Manager monitors such exposure on a regular basis.

Maturities of debt securities as at 31 July 2019:	Up to 1 year %	1 to 5 years %	Over 5 years %
	of Net Assets	of Net Assets	of Net Assets
<b>Merill Total Return Income Fund</b>	-	2.15	49.59
<b>Merill High Income Fund</b>	-	5.77	34.50
<b>Merill Global Equity Income Fund</b>	-	-	5.08
Maturities of debt securities as at 31 July 2018	Up to 1 year %	1 to 5 years %	Over 5 years %
	of Net Assets	of Net Assets	of Net Assets
<b>Merill Total Return Income Fund</b>	0.95%	3.69%	38.16%
<b>Merill High Income Fund</b>	-	5.38%	27.21%
<b>Merill Global Equity Income Fund</b>	-	-	3.83%

**NOTES TO THE FINANCIAL STATEMENTS** – continued  
**FINANCIAL RISK MANAGEMENT** – continued  
*Market risk – continued*

(c) *Currency risk*

Currency fluctuations between the functional currency of the sub-funds and the currency of the respective underlying investments may adversely affect the value of investments and the income derived therefrom. The table below summarises the sub-funds principal exposures to different currencies other than the functional currencies of the sub-funds.

<b>Merill Total Return Income Fund</b>	<b>Functional Currency</b>	<b>USD % of net assets</b>	<b>Other % of net assets</b>
31 July 2019	EUR	4.33	4.53
31 July 2018	EUR	3.79	4.22
<b>Merill High Income Fund</b>	<b>Functional Currency</b>	<b>USD % of net assets</b>	<b>Other % of net assets</b>
31 July 2019	EUR	14.68	15.33
31 July 2018	EUR	14.66	4.03
<b>Merill Global Equity Income</b>	<b>Functional Currency</b>	<b>USD % of net assets</b>	<b>Other % of net assets</b>
31 July 2019	EUR	12.47	5.55
31 July 2018	EUR	12.30	2.83

The sub-funds operate internationally and hold both monetary and non-monetary assets denominated in currencies other than the Euro, the functional currency. Foreign currency risk arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. The Investment Manager monitors the exposure on all foreign currency denominated assets and liabilities.

When the Investment Manager formulates a view on the future direction of foreign exchange rates and the potential impact on the sub-funds, the Investment Manager factors that into its portfolio allocation decisions. While the sub-funds have direct exposure to foreign exchange rate changes on the price of non-Euro/Sterling-denominated securities, they may also be indirectly affected by the impact of foreign exchange rate changes on the earnings of certain companies in which the sub-funds invest, even if those companies' securities are denominated in Euro.

For that reason, the below sensitivity analysis may not necessarily indicate the total effect on the sub-funds' net assets attributable to holders of redeemable shares of future movements in foreign exchange rates.

The following analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased against the sub-funds functional currency by the percentage disclosed in the table below with all other variables held constant. This represents management's best estimate of a reasonable shift in the foreign exchange rates, having regard to historical volatility of those rates.



**NOTES TO THE FINANCIAL STATEMENTS** – continued  
**FINANCIAL RISK MANAGEMENT** – continued  
 Market risk – continued  
 Currency risk - continued

	31 July 2019		31 July 2018	
	Reasonable possible shift in USD rate	Impact of possible shift in USD rate	Reasonable possible shift in USD rate	Impact of possible shift in USD rate
Merill Total Return Income Fund	(Based on volatility USDEUR of 360 days 6.23%)	+/-0.27%	(Based on volatility USDEUR of 360 days 7.21%)	+/-0.27%
Merill High Income Fund	(Based on volatility USDEUR of 360 days 6.23%)	+/-0.91%	Depreciation (Based on volatility USDEUR of 360 days 7.21%)	+/-1.06%
Merill Global Equity Income Fund	(Based on volatility USDEUR of 360 days 6.23%)	+/-0.78%	(Based on volatility USDEUR of 360 days 7.21%)	+/-0.89%

### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge on obligations. Financial assets, which potentially subject the sub-funds to credit risk consist principally of debt securities, structured products, accrued income, other receivables and cash and cash equivalents as disclosed in the statements of financial position.

The maximum exposure to credit risk as at 31 July is the carrying amount of the financial assets as set out below:

<b>Merill Total Return Income Fund</b>	<b>2019</b>	<b>2018</b>
	€	€
Debt securities	18,857,943	13,148,430
Structured products	549,381	1,362,040
Accrued income and other receivables	203,690	183,471
Cash and cash equivalents	970,319	737,949
<b>Total exposure to credit risk</b>	<b>20,581,333</b>	<b>15,431,890</b>
<b>Merill High Income Fund</b>	<b>2019</b>	<b>2018</b>
	€	€
Debt securities	18,744,215	9,376,193
Structured products	89,120	1,154,841
Accrued income and other receivables	360,894	203,177
Cash and cash equivalents	2,306,850	674,750
<b>Total exposure to credit risk</b>	<b>21,501,079</b>	<b>11,408,961</b>
<b>Merill Global Equity Income Fund</b>	<b>2019</b>	<b>2018</b>
	€	€
Debt securities	568,527	363,949
Structured products	535,471	365,966
Accrued income and other receivables	103,611	24,757
Cash and cash equivalents	560,189	501,848
<b>Total exposure to credit risk</b>	<b>1,767,798</b>	<b>1,256,520</b>

**NOTES TO THE FINANCIAL STATEMENTS** – continued**FINANCIAL RISK MANAGEMENT** – continued*Credit risk – continued*

The Company measures credit risk and expected credit losses using probably of defaults, exposure at default and loss given default. Management consider both historical analysis and forward-looking information in determining any expected credit loss. At 31 July 2019 and 31 July 2018, all other receivables and cash and cash equivalents are held with reputable counterparty and are due on demand. Management considers the probability of default to be close to zero as the counterparty has a strong capacity to meet its contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Company.

The following table provides information regarding the sub-funds' aggregated credit risk exposure with external credit ratings. Exposure to accrued income is not deemed to be material and is not included in the table below. The credit rating analysis below takes into account the rating of the respective debt security which is categorised by Moody's rating or equivalent.

<b>Merill Total Return Income Fund</b>	<b>2019</b>	<b>2018</b>
Debt securities and cash and cash equivalents as a % of NAV		
AAA	1.30%	1.65%
AA-	1.13%	-
A+	14.87%	2.40%
A	0.59%	0.40%
A-	6.04%	14.43%
BBB+	4.66%	10.02%
BBB	7.20%	1.28%
BBB-	2.27%	2.58%
Not Rated	16.35%	12.43%
<b>Merill High Income Fund</b>	<b>2019</b>	<b>2018</b>
Debt securities and cash and cash equivalents as a % of NAV		
AAA	3.37%	3.52%
AA	0.41%	-
AA-	0.42%	-
A+	0.01%	-
A	0.81%	-
A-	0.81%	-
BBB+	5.00%	5.52%
BBB	5.41%	1.22%
BBB-	4.56%	5.53%
BB+	1.27%	-
BB	2.82%	1.72%
BB-	0.08%	-
B+	0.85%	2.51%
B	0.79%	-
B-	0.39%	0.12%
Not Rated	18.22%	14.79%
<b>Merill Global Equity Income Fund</b>	<b>2019</b>	<b>2018</b>
Debt securities and cash and cash equivalents as a % of NAV		
A	0.78%	-
A-	1.17%	-
BBB+	0.40%	5.27%
BBB	5.01%	0.43%
BBB-	-	0.84%
BB	-	0.42%
Not Rated	2.73%	2.14%

The sub-funds do not hold any security as collateral.

**NOTES TO THE FINANCIAL STATEMENTS** – continued  
**FINANCIAL RISK MANAGEMENT** – continued  
*Credit Risk - Continued*

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.

Accrued income constitutes of dividend income, interest income, and rebate income outstanding as at period-end. These receivables are short-term in nature. Accordingly, the sub-funds have no significant credit risk in respect of accrued income.

### Liquidity risk

Liquidity risk is the risk that the sub-funds may not be able to generate sufficient cash resources to settle their obligations in full as they fall due or can only do so on terms that are materially disadvantageous.

The Investment Manager monitors the Sub-funds' liquidity position on a regular basis. Redeemable shares are redeemed on demand at the holder's option. All other liabilities are due within less than one year.

### Fair value hierarchy

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

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

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

<b>Merill Total Return Income Fund</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
	<b>€</b>	<b>€</b>	<b>€</b>
<b>As at 31 July 2019</b>			
<i>Financial assets at value through profit or loss</i>			
Local equities	2,026,436	-	2,026,436
Foreign equities	3,806,809	-	3,806,809
Quoted local corporate bonds	5,215,686	-	5,215,686
Quoted Malta government bonds	4,403,210	-	4,403,210
Quoted foreign corporate bonds	5,859,686	-	5,859,686
Quoted foreign sovereign bonds	3,379,361	-	3,379,361
Collective investment schemes	7,895,576	-	7,895,576
Exchange traded funds	2,260,094	-	2,260,094
Structured products	-	549,381	549,381
	<b>34,846,858</b>	<b>549,381</b>	<b>35,396,239</b>

**NOTES TO THE FINANCIAL STATEMENTS** – continued  
**FINANCIAL RISK MANAGEMENT** – continued  
*Fair value hierarchy – continued*

<b>Merill Total Return Income Fund</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
	€	€	€
As at 31 July 2018			
<i>Financial assets at value through profit or loss</i>			
Local equities	1,837,500	-	1,837,500
Foreign equities	4,095,644	-	4,095,644
Quoted local corporate bonds	4,432,884	-	4,432,884
Quoted Malta government bonds	4,299,690	-	4,299,690
Quoted foreign corporate bonds	2,351,657	-	2,351,657
Quoted foreign sovereign bonds	2,064,199	-	2,064,199
Collective investment schemes	8,847,066	-	8,847,066
Exchange traded funds	645,908	-	645,908
Structured products	-	1,362,040	1,362,040
	<b>28,574,548</b>	<b>1,362,040</b>	<b>29,936,588</b>

<b>Merill High Income Fund</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
	€	€	€
As at 31 July 2019			
<i>Financial assets at value through profit or loss</i>			
Local equities	318,811	-	318,811
Foreign equities	2,969,877	-	2,969,877
Quoted local corporate bonds	6,176,234	-	6,176,234
Quoted Malta government bonds	2,480	-	2,480
Quoted foreign corporate bonds	11,102,520	-	11,102,520
Quoted foreign sovereign bonds	1,462,981	-	1,462,981
Exchange traded funds	592,431	-	592,431
Collective investment schemes	21,933,698	-	21,933,698
Structured products	-	89,120	89,120
<i>Financial liabilities at value through profit or loss</i>			
Forward currency contracts	-	(207,553)	(207,553)
	<b>44,559,032</b>	<b>(118,433)</b>	<b>44,440,599</b>

<b>Merill High Income Fund</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Total</b>
	€	€	€
As at 31 July 2018			
<i>Financial assets at value through profit or loss</i>			
Local equities	278,071	-	278,071
Foreign equities	2,103,665	-	2,103,665
Quoted local corporate bonds	3,912,432	-	3,912,432
Quoted foreign corporate bonds	4,827,893	-	4,827,893
Quoted foreign sovereign bonds	635,868	-	635,868
Collective investment schemes	15,359,642	-	15,359,642
Structured products	-	1,154,841	1,154,841
	<b>27,117,571</b>	<b>1,154,841</b>	<b>28,272,412</b>

**NOTES TO THE FINANCIAL STATEMENTS** – continued  
**FINANCIAL RISK MANAGEMENT** – continued  
*Fair value hierarchy – continued*

Merill Global Equity Income Fund	Level 1 €	Level 2 €	Total €
<b>As at 31 July 2019</b>			
<i>Financial assets at value through profit or loss</i>			
Local equities	1,026,139	-	1,026,139
Foreign equities	3,340,482	-	3,340,482
Quoted local corporate bonds	305,390	-	305,390
Quoted foreign corporate bonds	263,137	-	263,137
Collective investment schemes	3,791,154	-	3,791,154
Exchange traded funds	1,342,297	-	1,342,297
Structured products	-	535,471	535,471
	<b>10,068,599</b>	<b>535,471</b>	<b>10,604,070</b>

Merill Global Equity Income Fund	Level 1 €	Level 2 €	Total €
<b>As at 31 July 2018</b>			
<i>Financial assets at value through profit or loss</i>			
Local equities	521,807	-	521,807
Foreign equities	2,912,795	-	2,912,795
Quoted local corporate bonds	203,500	-	203,500
Quoted foreign corporate bonds	160,449	-	160,449
Collective investment schemes	4,165,599	-	4,165,599
Exchange traded funds	743,224	-	743,224
Structured products	-	365,966	365,966
	<b>8,707,374</b>	<b>365,966</b>	<b>9,073,340</b>

At 31 July 2019 and 2018, the carrying amounts of other financial instruments, comprising cash and cash equivalents, accrued income and other receivables, accrued expenses and trade and other payables reflected in the financial statements are carried at amortised cost and are reasonable estimates of fair value in view of the nature of these instruments or the relatively short period of time between the origination of the instruments and their expected realisation.

The fair value of net assets attributable to holders of redeemable shares is calculated based on the net difference between total assets and all other liabilities of the Company in accordance with the offering documents. The net assets attributable to the holders of redeemable shares disclosed on the statement of financial position represent net assets that would be distributed in accordance with the offering documents in a theoretical liquidation scenario, at values reflected in the financial statements. Level 2 is deemed to be the most appropriate categorisation of net assets attributable to holders of redeemable shares.

**NOTES TO THE FINANCIAL STATEMENTS** – continued  
*FINANCIAL RISK MANAGEMENT* – continued  
*Fair value hierarchy – continued*

#### **14. CAPITAL RISK MANAGEMENT**

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

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 one month and adjust the amount of distributions the sub-funds pay to redeemable shareholders.
- Redeem and issue new shares in accordance with the constitutional documents of the sub-funds, which include the ability to restrict redemptions and require certain minimum holdings and subscriptions.

The Investment Manager monitors capital based on the value of net assets attributable to redeemable shares

#### **15. SUBSEQUENT EVENTS**

On 1 October 2019, Mr. Jesmond Mizzi and Dr. Mark Azzopardi have resigned from their position as Board of Directors and were subsequently replaced by Mr. Stephen Paris and Mr. Lawrence Zammit on the same date.

On 4 October 2019, the Company launched a new sub-fund, Merrill Strategic Balanced Fund. This newly launched USD denominated sub-fund aims to invest predominantly in US assets, however, is not restricted to being exposed to this geographical region. The objective of the sub-fund is to achieve long term growth from a diversified portfolio of investments. The majority of the sub-fund's investment will be dollar denominated, but the investment manager is permitted to enter into other currencies if opportunities arise. That being said, the investment manager will be able to make use of derivatives in order to reduce the sub-fund's credit, currency or even interest rate risks.

Furthermore, Swissquote Financial Services (Malta) Ltd was appointed as the new custodian of the sub-funds pursuant to the custody agreement entered on 4 October 2019.

Aside from those mentioned above, there are no other subsequent events requiring recognition or disclosure in the financial statements.

## Portfolio Statements 31 July 2019

MERILL TOTAL RETURN INCOME FUND	Market value	% of total	% of net
LISTED EQUITIES	31.07.19	Assets	Assets
	€		
<b>LOCAL EQUITIES</b>			
BANK OF VALLETTA PLC	228,033	0.62%	0.63%
BMIT TECHNOLOGIES PLC	90,629	0.25%	0.25%
MAIN STREET COMPLEX PLC	125,306	0.34%	0.34%
MALITA INVESTMENTS PLC	215,033	0.59%	0.59%
MALTAPOST PLC	26,155	0.07%	0.07%
MALTA INTERNATIONAL AIRPORT PLC	387,500	1.06%	1.06%
PG P.L.C. €0.25 EUR	769,332	2.11%	2.11%
TIGNE MALL PLC	184,448	0.50%	0.51%
<b>TOTAL</b>	<b>2,026,436</b>	<b>5.54%</b>	<b>5.56%</b>
<b>FOREIGN EQUITIES</b>			
<b>AUSTRIA</b>			
OESTERREICH POST NPV	89,332	0.24%	0.24%
UNIQA INSURANCE GROUP AG EUR	152,337	0.42%	0.42%
<b>TOTAL</b>	<b>241,669</b>	<b>0.66%</b>	<b>0.66%</b>
<b>CANADA</b>			
ENBRIDGE	113,270	0.31%	0.31%
<b>TOTAL</b>	<b>113,270</b>	<b>0.31%</b>	<b>0.31%</b>
<b>SWITZERLAND</b>			
ALCON INC	21,574	0.06%	0.06%
NOVARTIS AG CHF	268,178	0.73%	0.73%
ROCHE HOLDING AG CHF	200,547	0.55%	0.55%
SWISSCOM SHARES CHF	71,352	0.20%	0.20%
<b>TOTAL</b>	<b>561,651</b>	<b>1.54%</b>	<b>1.54%</b>
<b>GERMANY</b>			
AAREAL BANK	229,814	0.63%	0.63%
SIEMENS	36,527	0.10%	0.10%
<b>TOTAL</b>	<b>266,341</b>	<b>0.73%</b>	<b>0.73%</b>

Portfolio Statements - continued  
31 July 2019

	Market value 31.07.19 €	% of total Assets	% of net Assets
<b>FOREIGN EQUITIES - continued</b>			
<b>SPAIN</b>			
AMADEUS IT GROUP	171,621	0.47%	0.47%
FERROVIAL	57,062	0.16%	0.16%
RED ELECTRICA EUR	156,123	0.43%	0.43%
<b>TOTAL</b>	<b>384,806</b>	<b>1.06%</b>	<b>1.06%</b>
<b>FINLAND</b>			
SAMPO 'A'	189,442	0.52%	0.52%
<b>TOTAL</b>	<b>189,442</b>	<b>0.52%</b>	<b>0.52%</b>
<b>FRANCE</b>			
AROUNDTOWN	85,988	0.24%	0.24%
CAPGEMINI	131,731	0.36%	0.36%
ORANGE	111,146	0.30%	0.30%
SCHNEIDER ELECTRIC SE	71,834	0.20%	0.20%
TOTAL STOCK	171,019	0.47%	0.47%
WFD UNIBAIL RODAMCO	70,785	0.19%	0.19%
<b>TOTAL</b>	<b>642,503</b>	<b>1.76%</b>	<b>1.76%</b>
<b>UNITED KINGDOM</b>			
ROYAL DUTCH SHELL	186,397	0.51%	0.51%
<b>TOTAL</b>	<b>186,397</b>	<b>0.51%</b>	<b>0.51%</b>
<b>IRELAND</b>			
GREEN REIT	158,388	0.43%	0.43%
IRISH RESIDENTIAL PROPERTIES EUR	109,979	0.30%	0.30%
<b>TOTAL</b>	<b>268,367</b>	<b>0.73%</b>	<b>0.73%</b>
<b>ITALY</b>			
INTESA SANPAOLO	107,979	0.30%	0.30%
LEONARDO SPA ORD SHARES EUR	89,038	0.24%	0.24%
MEDIOBANCA BANCA DI CREDITO FINANZIARIO SPA EUR	72,432	0.20%	0.20%
<b>TOTAL</b>	<b>269,449</b>	<b>0.74%</b>	<b>0.74%</b>



Portfolio Statements - continued  
31 July 2019

	Market value 31.07.19 €	% of total Assets	% of net Assets
<b>FOREIGN EQUITIES continued</b>			
<b>LUXEMBOURG</b>			
RTL GROUP S.A. EUR	122,763	0.34%	0.34%
<b>TOTAL</b>	<b>122,763</b>	<b>0.34%</b>	<b>0.34%</b>
<b>NETHERLANDS</b>			
AEGON	114,835	0.31%	0.32%
<b>TOTAL</b>	<b>114,835</b>	<b>0.31%</b>	<b>0.32%</b>
<b>NORWAY</b>			
LEROY SEAFOOD GROUP NOK	88,557	0.24%	0.24%
MOWI ASA	92,317	0.25%	0.25%
<b>TOTAL</b>	<b>180,874</b>	<b>0.49%</b>	<b>0.49%</b>
<b>SINGAPORE</b>			
SINGAPORE TELECOMMUNICATIONS LTD SGD	49,827	0.14%	0.14%
<b>TOTAL</b>	<b>49,827</b>	<b>0.14%</b>	<b>0.14%</b>
<b>UNITED STATES</b>			
NEWMONT GOLD USD	43,035	0.12%	0.12%
PFIZER INC. ORDINARY SHARES	105,839	0.29%	0.29%
WELLS FARGO & CO	65,741	0.18%	0.18%
<b>TOTAL</b>	<b>214,615</b>	<b>0.59%</b>	<b>0.59%</b>
<b>LISTED BONDS</b>			
<b>LOCAL BONDS</b>			
3.75% BANK OF VALLETTA PLC UNSECURED 2026-2031	50,500	0.14%	0.14%
3.5% BANK OF VALLETTA SUBORDINATED NOTES 2030 SERIES2	413,090	1.13%	1.13%
4.8% BANK OF VALLETTA SUBORDINATED BONDS 2020	53,833	0.15%	0.15%
5% FES FINANCE PLC SECURED BONDS 2029	257,475	0.71%	0.71%
5% HALMANN VELLA GROUP PLC 2024	117,024	0.32%	0.32%
5% LUXURY LIVING FINANCE PLC 2028	691,808	1.89%	1.90%
5.3% MARINER FINANCE PLC 2024	108,000	0.30%	0.30%
4.5% MEDSERV 2026 EUR	79,984	0.22%	0.22%
6% MEDSERV PLC SECURED AND GUARANTEED NOTES 2023 SERIES 1 TRANCH 1	142,511	0.39%	0.39%
6% PENDERGARDEN DEVELOPMENTS PLC SERIES II SECURED BONDS 2022	18,370	0.05%	0.05%
4% STIVALA GROUP FINANCE PLC SECURED BONDS 2027	319,396	0.87%	0.88%
4.15% PHOENICIA FINANCE PLC	155,625	0.43%	0.43%
4.4% VON DER HEYDEN GROUP FINANCE P.L.C UNSECURED BONDS 2024	158,488	0.43%	0.44%
4.85% MELITE FINANCE PLC 2028	154,500	0.42%	0.42%
5.35% D SHOPPING MALLS FINANCE PLC UNSECURED BONDS 2028	302,700	0.83%	0.83%
5.5% TESTA FINANCE BONDS 2029	205,500	0.56%	0.56%
6% AX INVESTMENTS PLC BONDS 2024	110,880	0.30%	0.30%
5% BUSY BEE FINANCE COMPANY PLC UNSECURED 2029	156,375	0.43%	0.43%
4% EDEN FINANCE PLC UNSECURED BONDS 2027	84,000	0.23%	0.23%
3.65% GAP FINANCE PLC 2022	85,260	0.23%	0.23%
3.85% HILI BONDS 2028	250,000	0.68%	0.69%

Portfolio Statements - continued  
31 July 2019

	Market value 31.07.19 €	% of total Assets	% of net Assets
<b>LOCAL BONDS - continued</b>			
7.5% MEDIRECT BANK (MALTA) PLC EUR SUBORDINATE BONDS 2019	150,000	0.41%	0.41%
5% MEDIRECT BANK (MALTA) PLC SUBORDINATED UNSECURED BONDS 2027 EUR	457,980	1.25%	1.26%
6% MEDIRECT BANK (MALTA) PLC 2019 – 2024 EUR	76,380	0.21%	0.21%
4.75% ORION FINANCE PLC UNSECURED BONDS 2027	323,340	0.88%	0.89%
4.35% SD FINANCE PLC UNSECURED BONDS 2027	91,647	0.25%	0.25%
3.75% TUM FINANCE PLC SECURED BONDS 2029	201,020	0.55%	0.55%
3.3% MALTA GOVERNMENT STOCK 2024 (I)	118,070	0.32%	0.32%
4.8% MALTA GOVERNMENT STOCK 2028 (I)	414,119	1.13%	1.14%
4.5% MALTA GOVERNMENT STOCK 2028 (II)	601,956	1.65%	1.65%
2.3% MALTA GOVERNMENT STOCK 2029 (II)	824,810	2.26%	2.26%
5.1% MALTA GOVERNMENT STOCK 2029 (I)	277,153	0.76%	0.76%
4.65% MALTA GOVERNMENT STOCK 2032 (I)	446,790	1.22%	1.22%
4.45% MALTA GOVERNMENT STOCK 2032 (II)	433,916	1.19%	1.19%
4.3% MALTA GOVERNMENT STOCK 2033 (I)	219,705	0.60%	0.60%
4.1% MALTA GOVERNMENT STOCK 2034 (I)	443,414	1.21%	1.22%
3% MALTA GOVERNMENT STOCK 2040 (I)	77,247	0.21%	0.21%
5.2% MALTA GOVERNMENT STOCK 2031 (I)	383,450	1.05%	1.05%
5.25% MALTA GOVERNMENT STOCK 2030 (I)	162,580	0.44%	0.45%
<b>TOTAL</b>	<b>9,618,896</b>	<b>26.30%</b>	<b>26.39%</b>
<b>FOREIGN BONDS</b>			
2.125% BANCO STDR SA 2028	106,663	0.29%	0.29%
6% BARCLAYS BANK PLC 2021 EUR	107,802	0.29%	0.29%
3.25% BARCLAYS 2027 GBP	152,212	0.42%	0.42%
5% BANK OF AMERICA 2021 USD	14,060	0.04%	0.04%
2.25% BNP PARIBAS SA 2027	110,411	0.30%	0.30%
5.95% CIMIC FINANCE LTD 2022 USD	47,838	0.13%	0.13%
1.875% COMMERZBANK 2028	875,542	2.39%	2.40%
4.5% COOPERATIEVE RABOBANK 2020	31,681	0.09%	0.09%
1.875% CREDIT MUTARKEA 2029	305,607	0.84%	0.84%
0.375% DBS BANK 2024	411,424	1.13%	1.13%
2.5% GAZ CAPITAL 2026	640,373	1.75%	1.76%
4.125% GENERAL ELECTRIC 2035	129,863	0.36%	0.36%
4.7% GOLDMAN SACHS GROUP 2021 AUD	72,361	0.20%	0.20%
5.11% LA MONDIALE FRN PERP	416,970	1.14%	1.14%
6.625% RAIFFEISEN INTL 21 EUR	111,945	0.31%	0.31%
3.8% ROTHSCHILDS PLC FRN PERP	345,315	0.94%	0.95%
1.25% PLASTIC OMNIUM EUR 2024	301,200	0.82%	0.83%
4% ELECTRICITE DE FRANCE 2025	125,423	0.34%	0.34%
2.125% GENERAL ELECTRIC CO 2037	300,416	0.82%	0.82%
1.625% LAGARDERE SCA 2024	309,933	0.85%	0.85%
2% NORSK HYDRO 2029	213,500	0.58%	0.58%
2.75% PEMEX 2027	451,485	1.23%	1.24%
4.125% ECOPETROL SA 2025 USD	185,685	0.51%	0.51%
1.5% EUROPEAN INVESTMENT BANK 2022	91,977	0.25%	0.25%
1.45% KINGDOM OF SPAIN 2029	334,885	0.92%	0.92%
1.25% REPUBLIC OF ITALY 2026	403,669	1.10%	1.11%
2.45% REPUBLIC OF ITALY 2033	320,595	0.88%	0.88%
1.44% CHILE GOVERNMENT INTERNATIONAL BOND 2029	872,456	2.39%	2.39%
1.75% MEXICO GOVERNMENT INTERNATIONAL BOND 2028	417,591	1.14%	1.14%
3% MEXICO GOVERNMENT INTERNATIONAL BOND 2045	213,800	0.58%	0.59%
1.5% NORWEGIAN GOVERNMENT INTERNATIONAL BOND 2026	380,742	1.04%	1.05%
1% POLAND GOVERNMENT INTERNATIONAL BOND 2028	435,623	1.19%	1.20%
<b>TOTAL</b>	<b>9,239,047</b>	<b>25.26%</b>	<b>25.35%</b>

Portfolio Statements - continued  
31 July 2019

COLLECTIVE INVESTMENT SCHEMES	Market value 31.07.19 €	% of total Assets	% of net Assets
VILHENA EURO INCOME FUND DIST QRTL	42,746	0.12%	0.12%
VILHENA MALTA BOND FUND DIS	639,429	1.75%	1.76%
JANUS HENDERSON GLOBAL EQUITY	297,340	0.81%	0.82%
FRANKLIN TEMPLETON GLOBAL BOND FUND A EUR INC	109,533	0.30%	0.30%
FIDELITY FUNDS EURO BOND FUND A EUR DIST	103,040	0.28%	0.28%
FIDELITY GLOBAL MULTI ASSET INCOME FUND A (QRTL INCOME)	241,425	0.66%	0.66%
TEMPLETON GLOBAL TOTAL RETURN FUND A (M DIS) EUR-H1	279,469	0.76%	0.77%
INVESCO FUNDS SICAV EMERGING LOCAL CURRENCIES DEBT FUND EUR	84,768	0.23%	0.23%
INVESCO EURO CORPORATE BOND FUND EUR	823,285	2.25%	2.26%
INVESCO GLOBAL HIGH INCOME FUND EUR HGD MD A	10,866	0.03%	0.03%
INVESCO INDIA BOND FUND A GR MON DIST USD	104,277	0.29%	0.29%
INVESCO MANAGEMENT PAN EUROPEAN HIGH INCOME A	25,027	0.07%	0.07%
INVESCO STERLING BOND FUND QD EUR	217,976	0.60%	0.60%
INVESCO STERLING BOND FUND QD GBP	52,372	0.14%	0.14%
HENDERSON HORIZON STRATEGIC BOND FUND	1,061,836	2.90%	2.92%
HENDERSON HORIZON EURO CORPORATE BOND FUND A EUR	719,366	1.97%	1.98%
HENDERSON HORIZON EURO HIGH YIELD BOND FUND	40,450	0.11%	0.11%
HENDERSON FIXED INTEREST MONTHLY INCOME FUND A INC EUR	8,650	0.02%	0.02%
KAMES STRATEGIC GLOBAL BOND FUND A (INC) EUR	44,281	0.12%	0.12%
LEGG MASON BRANDYWINE GLOBAL INCOME OPTIMISER A EUR DIST M PLUS E H	315,576	0.86%	0.87%
LEGG MASON WESTERN ASSET GLOBAL MULTI STRATEGY A EUR DIS M H	503,932	1.38%	1.38%
LEGG MASON WESTERN ASSET EMERGING MARKETS TOTAL RETURN BOND FUND EUR	241,419	0.66%	0.66%
LEGG MASON BRANDYWINE GLOBAL FIXED INCOME FUND A	105,175	0.29%	0.29%
MONTANARO EUROPEAN SMALLER COMPANIES FUND EUR CLASS	672,189	1.84%	1.85%
PICTET FUNDS - EUR CORPORATE BONDS	90,406	0.25%	0.25%
PIMCO GIS EURO BOND FUND INVESTOR EUR ACC	79,332	0.22%	0.22%
SCHRODERS INTERNATIONAL SELECTION FUND STRATEGIC BOND A DIST	52,920	0.14%	0.14%
SCHRODERS INTERNATIONAL SELECTION FUND EURO CORPORATE BOND A DIST	224,767	0.61%	0.62%
SCHRODERS INTERNATIONAL SELECTION FUND GLOBAL CORPORATE BOND A	503,807	1.38%	1.38%
SCHRODERS INTERNATIONAL SELECTION FUND GLOBAL MULTI ASSET INCOME A	128,792	0.35%	0.35%
SCHRODERS INTERNATIONAL SELECTION FUND GLOBAL BOND A EUR DIST	71,125	0.19%	0.20%
<b>TOTAL</b>	<b>7,895,576</b>	<b>21.58%</b>	<b>21.6%</b>
<b>EXCHANGE TRADED FUNDS</b>			
ISHARES MSCI EUROPE MINIMUM VOLATILITY	137,028	0.37%	0.38%
ISHARES II PLC TREASURY BOND USD 7-10 YR	500,460	1.37%	1.37%
ISHARES II PLC TIPS UCITS ETF ACCUMULATOR USD	161,454	0.44%	0.44%
ISHARES CORPORATE BOND EUR DIST	274,582	0.75%	0.75%
ISHARES II PLC GOVERNMENT BOND EUR 15-30 YR	857,580	2.35%	2.35%
LXOR MSCI INDIA	17,413	0.05%	0.05%
LYXOR INTL S&P 500 VIX EUR	311,577	0.85%	0.86%
<b>TOTAL</b>	<b>2,260,094</b>	<b>6.18%</b>	<b>6.20%</b>

Portfolio Statements - continued  
31 July 2019

	Market value 31.07.19 €	% of total Assets	% of net Assets
<b>STRUCTURED PRODUCTS</b>			
TWIN WIN CERTIFICATE ON STOXX EUROPE 600 BANKS (PRICE EUR) INDEX	195,111	0.53%	0.53%
TWIN WIN CERTIFICATE ON BNP PARIBAS, ING	178,240	0.49%	0.49%
TWIN-WIN CERTIFICATE ON RUSSELL 2000 STOXX EUROPE 600 PRICE INDEX	85,630	0.23%	0.24%
TWIN WIN CERTIFICATE ON GENERAL ELECTRIC	90,400	0.25%	0.25%
<b>TOTAL</b>	<b>549,381</b>	<b>1.50%</b>	<b>1.51%</b>
<b>MERILL HIGH INCOME FUND</b>			
<b>LISTED EQUITIES</b>			
<b>LOCAL EQUITIES</b>			
BMIT TECHNOLOGIES P.L.C	33,010	0.07%	0.07%
PG P.L.C. €0.25 EUR	285,801	0.60%	0.61%
<b>TOTAL</b>	<b>318,811</b>	<b>0.67%</b>	<b>0.68%</b>
<b>FOREIGN EQUITIES</b>			
<b>AUSTRIA</b>			
OESTERREICH POST NPV	115,092	0.24%	0.25%
UNIQA INSURANCE GROUP AG EUR	146,885	0.31%	0.32%
<b>TOTAL</b>	<b>261,977</b>	<b>0.55%</b>	<b>0.57%</b>
<b>CANADA</b>			
ENBRIDGE	207,107	0.44%	0.44%
<b>TOTAL</b>	<b>207,107</b>	<b>0.44%</b>	<b>0.44%</b>
<b>GERMANY</b>			
AAREAL BANK	194,773	0.41%	0.42%
<b>TOTAL</b>	<b>194,773</b>	<b>0.41%</b>	<b>0.42%</b>
<b>SPAIN</b>			
ACCIONA	94,374	0.20%	0.20%
RED ELECTRICA EUR	223,754	0.47%	0.48%
<b>TOTAL</b>	<b>318,128</b>	<b>0.67%</b>	<b>0.68%</b>
<b>FINLAND</b>			
SAMPO 'A'	105,325	0.22%	0.23%
<b>TOTAL</b>	<b>105,325</b>	<b>0.22%</b>	<b>0.23%</b>
<b>FRANCE</b>			
TOTAL STOCK	327,034	0.69%	0.70%
<b>TOTAL</b>	<b>327,034</b>	<b>0.69%</b>	<b>0.70%</b>

Portfolio Statements - continued  
31 July 2019  
FOREIGN EQUITIES -continued

	Market value 31.07.19	% of total Assets	% of net Assets
	€		
<b>UNITED KINGDOM</b>			
PERSIMMON	270,275	0.57%	0.58%
ROYAL DUTCH SHELL	221,365	0.47%	0.48%
<b>TOTAL</b>	<b>491,640</b>	<b>1.04%</b>	<b>1.06%</b>
<b>ITALY</b>			
ENEL SPA	110,497	0.23%	0.24%
INTESA SANPAOLO	208,253	0.44%	0.45%
POSTE ITALIANE SPA EUR	115,843	0.24%	0.25%
<b>TOTAL</b>	<b>434,593</b>	<b>0.91%</b>	<b>0.94%</b>
<b>LUXEMBOURG</b>			
RTL GROUP S.A. EUR	109,840	0.23%	0.24%
<b>TOTAL</b>	<b>109,840</b>	<b>0.23%</b>	<b>0.24%</b>
<b>NETHERLANDS</b>			
AEGON	202,839	0.43%	0.44%
FLOW TRADERS NV	16,730	0.04%	0.04%
WERELDHAVE	72,167	0.15%	0.16%
<b>TOTAL</b>	<b>291,736</b>	<b>0.62%</b>	<b>0.64%</b>
<b>NORWAY</b>			
DNB ASA	78,740	0.17%	0.17%
GJENSIDIGE FORSIKRING	39,734	0.08%	0.09%
MOWI ASA	109,250	0.23%	0.23%
<b>TOTAL</b>	<b>227,724</b>	<b>0.48%</b>	<b>0.49%</b>

Portfolio Statements - continued 31 July 2019	Market value 31.07.19	% of total Assets	% of net Assets
<b>LISTED BONDS</b>			
<b>LOCAL BONDS</b>			
3.5% BANK OF VALLETA SUBORDINATED NOTES 2030 SERIES 2	121,200	0.26%	0.26%
5% FES FINANCE PLC SECURED BONDS 2029	378,385	0.80%	0.81%
5% HALMANN VELLA GROUP PLC 2024	73,352	0.16%	0.16%
5% LUXURY LIVING FINANCE PLC 2028	717,430	1.52%	1.54%
5.3% MARINER FINANCE PLC 2024	167,508	0.35%	0.36%
6% MEDSERV PLC SECURED AND GURANTEED NOTES 2023 SERIES 1 TRANCH 1	12,120	0.03%	0.03%
5.5% MEDITERRANEAN INVESTMENTS HOLDING PLC 2020	1,700	0.00%	0.00%
5.5% PENDERGARDENS DEVELEOPMENTS PLC SERIES i SECURED BONDS 2020	87,522	0.18%	0.19%
6% PENDERGARDENS DEVELEOPMENTS PLC SERIES ii SECURED BONDS 2022	200,970	0.42%	0.43%
4% STIVALA GROUP FINANCE PLC SECURED BONDS 2027	342,210	0.72%	0.74%
3.75% PREMIER CAPITALPLC UNSECURED BONDS 2026	28,461	0.06%	0.06%
3.75% VIRTU FINANCE PLC UNSECURED BONDS 2027	104,300	0.22%	0.22%
4% MIDI PLC SECURED BONDS 2026	29,897	0.06%	0.06%
4.4% VON DER HEYDEN GROUP FINANCE PLC UNSECURED BONDS 2024	190,185	0.40%	0.41%
4.5% HILI PROPERTIES PLC UNSECURED BONDS 2025	46,308	0.10%	0.10%
4.8% MEDITERRANEAN MARITIME HUB PLC UNSECURED BONDS 2026	32,643	0.07%	0.07%
4.85% MELITE FINANCE PLC 2028	309,000	0.65%	0.66%
5% DIZZ FINANCIAL PLC UNSECURED BONDS 2026	5,001	0.01%	0.01%
5.35% D SHOPPING MALL FINANCE PLC UNSECURED BONDS 2028	605,400	1.28%	1.30%
5.5% TESTA FINANCE BONDS 2029	284,104	0.60%	0.61%
5.5% ANCHOVY STUDIOS PLC UNSECURED BONDS 2027 EUR	75,850	0.16%	0.16%
6% AX INVESTMENTS PLC BONDS 2024	57,200	0.12%	0.12%
5% BUSY BEE FINANCE COMPANY PLC UNSECURED 2029	364,875	0.77%	0.78%
3.65% GAP GROUP 2022	42,630	0.09%	0.09%
4.9% GASAN FINANCE PLC BONDS 2019 - 2021	1,300	0.00%	0.00%
3.85% HILI BONDS 2028	300,000	0.63%	0.64%
6% ISLAND HOTELS GROUP HOLDINGS PLC BONDS	16,218	0.03%	0.03%
4% INTERNATIONAL HOTEL INVESTMENTS PLC SECURED BONDS 2026	35,465	0.07%	0.08%
7.5% MEDIRECT BANK (MALTA) PLC EUR SUBORDINATE BONDS 2019	65,000	0.14%	0.14%
5% MEDIRECT BANK (MALTA) PLC SUBORDINATED UNSECURED BONDS 2027 EUR	790,500	1.67%	1.70%
6% MEDIRECT BANK (MALTA) PLC 2019-2024 EUR	50,250	0.11%	0.11%
4.75% ORION FINANCE PLC UNSECURED BONDS 2027 EUR	344,760	0.73%	0.74%
5.1% PTL HOLDINGS PLC UNSECURED BONDS 2024 EUR	71,831	0.15%	0.15%
4.35% SD FINANCE PLC UNSECURED BONDS 2027	71,892	0.15%	0.15%
3.75% TUM FINANCE PLC SECURED BONDS 2029	150,765	0.32%	0.32%
4.1% MALTA GOVERNMENT STOCK 2034 (i)	2,480	0.01%	0.01%
<b>Total</b>	<b>6,178,712</b>	<b>13.04%</b>	<b>13.24%</b>

Portfolio Statements - continued  
31 July 2019

	Market value 31.07.19	% of total Assets	% of net Assets
<b>FOREIGN BONDS</b>	€		
2.125% AROUNDTOWN FRN PERP.	194,560	0.41%	0.42%
2.88% AROUNDTOWN 2045 PERP.	300,000	0.63%	0.64%
4.5% BANK OF NEW YORK 2023	376,553	0.80%	0.81%
1.875% CREDIT MUTUAL ARKEA 2029 FRN	203,738	0.43%	0.44%
5% DAVITA INC 2025	175,725	0.37%	0.38%
2.5% GAZ CAPITAL 2026	743,214	1.58%	1.60%
5% GOLDMAN SACHS GROUP INC. 2017	190,107	0.40%	0.41%
6% ITAS MUTUAL 2025	499,625	1.06%	1.07%
4.625% JP MORGAN CHASE 2017	376,553	0.80%	0.81%
3.5% NORDEA BANK ABP PERP.	195,056	0.41%	0.42%
4.25% CATTOLICA ASSICURA 2047 FRN	199,000	0.42%	0.43%
5.25% TP ICAP PLC 2026	230,685	0.49%	0.50%
5.25% TRAFIGURA FUNDING 2023	341,300	0.72%	0.73%
3.875% UNIPOLSAI ASSICURA 2028	393,000	0.83%	0.84%
5.75% VITTORIA ASSICURA 2028	219,000	0.46%	0.47%
4.325% VOLKSWAGEN INTERNATIONAL PERP.	217,406	0.46%	0.47%
4.5% CONTINENTAL RESOURCES 2023 USD	93,831	0.20%	0.20%
5.75% ENCOMPASS HLTH 2024	39,248	0.08%	0.08%
2.125% GENERAL ELECTIC CO 2037	300,416	0.63%	0.65%
2.875% IPSOS 2025	201,136	0.43%	0.43%
3% KEDIRION SPA 2022	145,035	0.31%	0.31%
4% NORDSTROM IN 2027	626,051	1.32%	1.34%
5.35% OLAM SP USD PERP	536,200	1.13%	1.15%
2.75% PEMEX 2027	718,110	1.52%	1.54%
6.875% TRAFIGURA GROUP LTD USD	160,995	0.34%	0.35%
6.375% VEDANTA RESOURCES PLC 2022 USD	393,798	0.83%	0.85%
4.75% WILLIAM HILL 2026	445,175	0.94%	0.96%
8.5% YPF SA 2021	182,613	0.39%	0.39%
4.125% ECOPETROL SA 2025 USD	835,583	1.77%	1.79%
6.75% EUROPEAN INVESTMENT BANK 2.8.2022 RUB	403,481	0.85%	0.87%
7% EUROPEAN INVESTMENT BANK 7.27.2020 MXN	503,970	1.08%	1.08%
8.5% EUROPEAN INVESTMENT BANK 1.23.2020 BRL	221,213	0.47%	0.48%
9.25% EUROPEAN INVESTMENT BANK 3.10.2024 TRY	440,143	0.93%	0.95%
2.45% REPUBLIC OF ITALY 2033	213,730	0.45%	0.46%
7.625% REPUBLIC OF GHANA 2029	366,448	0.77%	0.79%
3.5% KUWAIT 2027	190,118	0.40%	0.41%
4.75% OMAN 2026	692,685	1.46%	1.49%
<b>TOTAL</b>	<b>12,565,501</b>	<b>26.57%</b>	<b>27.0%</b>



Portfolio Statements - continued  
31 July 2019

	Market value 31.07.19	% of total Assets	% of net Assets
<b>COLLECTIVE INVESTMENT SCHEMES</b>	€		
VILHENA MALTA BOND FUND DIST EUR	4,746	0.01%	0.01%
VILHENA STERLING INCOME FUND	34,817	0.07%	0.08%
VILHENA HIGH YIELD FUND EUR	270,118	0.57%	0.58%
ACTIVE FUND SICAV GLOBAL HIGH INCOME BOND FUND F3 EUR	1,438,683	3.04%	3.09%
FIDELITY GLOBAL MULTI ASSET INCOME FUND A-Q INCOME-EUR-HEDGED	688,015	1.45%	1.48%
FIDELITY US HIGH YIELD FUND A EUR	77,761	0.16%	0.17%
TEMPLETON EMERGING MARKETS BOND FUND CLASS A (QDIST) EUR	143,202	0.30%	0.31%
TEMPLETON GLOBAL TOTAL RETURN FUND A (MDIST) EUR-H1	430,346	0.91%	0.92%
INVESCO FUNDS SICAV - EMERGING LOCAL CURRENCIES DEBT FUND EUR	72,871	0.15%	0.16%
INVESCO EURO CORPORATE BOND FUND EUR	2	0.00%	0.00%
INVESCO GLOBAL HIGH INCOME FUND EUR HGD MD A	1,381,368	2.92%	2.97%
INVESCO INDIA BOND FUND USD	441,629	0.93%	0.95%
INVESCO STERLING BOND FUND A (QUARTERLY DISTRIBUTION) EUR HEDGED	714,646	1.51%	1.54%
INVESCO MANAGEMENT BOND A GBP ACC	7,412	0.02%	0.02%
INVESCO MANAGEMENT BOND A GBP DIS	86,004	0.18%	0.18%
JANUS HENDERSON INVESTMENT FXD INT	200,914	0.42%	0.43%
JANUS HENDERSON INVESTMENT FXD INT GBP	13,384	0.03%	0.03%
JANUS HENDERSON MANAGEMENT HORIZON EURO HIGH YIELD BOND FUND	1,790,717	3.78%	3.85%
JANUS HENDERSON MANAGEMENT HORIZON GLOBAL HIGH YIELD BOND FUND	1,909,462	4.04%	4.10%
JANUS HENDERSON STERLING BOND	86,661	0.18%	0.19%
JANUS HENDERSON INVESTMENT FIXED INTEREST MONTHLY INCOME	2,907,364	6.14%	6.25%
KAMES GLOBAL DIVERSIFIED INCOME FUND	316,548	0.67%	0.68%
KAMES GLOBAL DIVERSIFIED INCOME FUND	3,927	0.01%	0.01%
KAMES HIGH YIELD GLOBAL BOND FUND	838,865	1.77%	1.80%
LEGG MASON BRANDYWINE GLOBAL INCOME OPTIMISER A EUR DIST M PLUS E H	1,839,633	3.94%	3.95%
LEGG MASON BRANDYWINE GLOBAL INCOME OPTIMISER FUND ACC (HEDGED) EUR	10,026	0.02%	0.00%
LEGG MASON WESTERN ASSET GLOBAL HIGH YIELD A EUR DIS D H	472,380	1.00%	1.02%
LEGG MASON WESTERN ASSET US HIGH YIELD A EUR DIST M H	1,130,554	2.39%	2.43%
LEGG MASON GLOBAL FUND MULTI STRATEGY A EUR	57,604	0.12%	0.12%
LEGG MASON WESTERN ASSET EMERGIN MARKETS TOTAL RETURN BOND FUND A EUR DIS D H	66,121	0.14%	0.14%
LLOYDS INVESTMENT EUR HIGH INCOME	69,489	0.15%	0.15%
LLOYDS INVESTMENT FUND STERLING BOND	290,691	0.62%	0.62%
LLOYDS INVESTMENT FUND HIGH INCOME STERLING	3,521,900	7.44%	7.57%
PICTET EUR SHORT TERM HIGH YIELD R DM	366,363	0.77%	0.79%
SCHRODER ISF EUR DIV MAXIMISER	134,886	0.29%	0.29%
SCHRODER ISF EURO CORPORATE BOND DIST EUR HEDGED	23,821	0.05%	0.05%
SCHRODER ISF GLOBAL DIVIDEND MAXIMISER EUR HEDGED	90,766	0.19%	0.19%
<b>TOTAL</b>	<b>21,933,698</b>	<b>46.29%</b>	<b>47.13%</b>



Portfolio Statements - continued 31 July 2017	Market value 31.07.19	% of total Assets	% of net Assets
<b>EXCHANGE TRADED FUNDS</b>	€		
ISHARES II PLC TREASURY BOND 7-10 YR	436,792	0.92%	0.94%
ISHARES II PLC TIPS UCITS ETF ACC USD	155,639	0.33%	0.33%
<b>TOTAL</b>	<b>592,431</b>	<b>1.25%</b>	<b>1.27%</b>
<b>STRUCTURED PRODUCTS</b>			
TWIN WIN CERTIFICATE ON BNP PARIBAS, ING	89,120	0.19%	0.19%
<b>TOTAL</b>	<b>89,120</b>	<b>0.19%</b>	<b>0.19%</b>
<b>FORWARD CURRENCY CONTRACTS</b>	<b>Notional Amount</b>	<b>Fair Value</b>	
PURCHASE OF STERLING AGAINST EURO MATURING ON 30 AUGUST 2019 (CLASS GBP)	(10,347,774)	(207,553)	(0.45%)
<b>TOTAL</b>	<b>(10,347,774)</b>	<b>(207,553)</b>	<b>(0.45%)</b>
<b>MERILL GLOBAL EQUITY INCOME FUND LISTED EQUITIES</b>			
<b>LOCAL EQUITIES</b>			
BANK OF VALLETTA PLC	38,427	0.34%	0.34%
BMIT TECHNOLOGIES PLC	69,015	0.61%	0.62%
GO PLC	186,960	1.66%	1.67%
MAIN STREET COMPLEX PLC	130,662	1.16%	1.17%
MALTA INTERNATIONAL AIRPORT PLC	178,250	1.58%	1.59%
PG P.L.C. €0.25 EUR	326,025	2.89%	2.91%
TIGNE MALL PLC	96,800	0.86%	0.87%
<b>TOTAL</b>	<b>1,026,139</b>	<b>9.10%</b>	<b>9.17%</b>
<b>FOREIGN EQUITIES</b>			
<b>AUSTRIA</b>			
OESTERREICH POST NPV	76,708	0.68%	0.69%
UNIQA INSURANCE GROUP AG EUR	78,764	0.70%	0.70%
	<b>155,472</b>	<b>1.38%</b>	<b>1.39%</b>
<b>TOTAL</b>			
<b>CANADA</b>			
ENBRIDGE	110,481	0.98%	0.99%
<b>TOTAL</b>	<b>110,481</b>	<b>0.98%</b>	<b>0.99%</b>
<b>SWITZERLAND</b>			
ALCON INC	7,209	0.06%	0.06%
NOVARTIS AG CHF	57,087	0.51%	0.51%
ROCHE HOLDING AG CHF	88,057	0.78%	0.79%
SWISSCOM SHARES CHF	87,548	0.78%	0.78%
UBS GROUP	8,224	0.07%	0.07%
<b>TOTAL</b>	<b>248,125</b>	<b>2.20%</b>	<b>2.21%</b>

## Portfolio Statement - continued

31 July 2018

## FOREIGN EQUITIES - continued

	Market value 31.07.19	% of total Assets	% of net Assets
	€		
<b>GERMANY</b>			
AAREAL BANK	97,904	0.87%	0.88%
SIEMENS	10,790	0.10%	0.10%
<b>TOTAL</b>	<b>108,694</b>	<b>0.97%</b>	<b>0.98%</b>
<b>SPAIN</b>	58,743	0.52%	0.53%
ACCIONA	195,384	1.73%	1.75%
AMADEUS IT GROUP	46,982	0.42%	0.42%
FERROVIAL	46,085	0.41%	0.41%
RED ELECTRICA EUR			
<b>TOTAL</b>	<b>347,194</b>	<b>3.08%</b>	<b>3.11%</b>
<b>FINLAND</b>			
NOKIAN RENKAAT	30,904	0.27%	0.28%
SAMPO 'A'	50,101	0.44%	0.45%
<b>TOTAL</b>	<b>81,005</b>	<b>0.71%</b>	<b>0.73%</b>
<b>FRANCE</b>			
AROUNDTOWN	123,718	1.10%	1.11%
CAPGEMINI	169,533	1.50%	1.52%
NATIXIS	30,593	0.27%	0.27%
ORANGE	57,728	0.51%	0.52%
SCHNEIDER ELECTRIC SE	19,286	0.17%	0.17%
SUEZ	37,715	0.33%	0.34%
TOTAL STOCK	180,473	1.60%	1.61%
WFD UNBAIL RODAMCO	15,730	0.14%	0.14%
<b>TOTAL</b>	<b>634,776</b>	<b>5.63%</b>	<b>5.68%</b>
<b>UNITED KINGDOM</b>			
ROYAL DUTCH SHELL	59,741	0.53%	0.53%
<b>TOTAL</b>	<b>59,741</b>	<b>0.53%</b>	<b>0.53%</b>
<b>IRELAND</b>			
GREEN REIT	40,320	0.36%	0.36%
IRISH RESIDENTIAL PROPERTIES EUR	39,718	0.35%	0.36%
<b>TOTAL</b>	<b>80,038</b>	<b>0.71%</b>	<b>0.72%</b>
<b>INDIA</b>			
HDFC BANK ADR	58,451	0.52%	0.52%
<b>TOTAL</b>	<b>58,451</b>	<b>0.52%</b>	<b>0.52%</b>
<b>ITALY</b>			
DE LONGHI	21,089	0.19%	0.19%
ENEL SPA	55,047	0.49%	0.49%
INTESA SANPAOLO	53,989	0.48%	0.48%
LEONARDO SPA	64,661	0.57%	0.58%
MEDIOBANCA BANCA DI CREDITO FINANZIARIO SPA	62,835	0.56%	0.56%
POSTE ITALIANE SPA	62,945	0.56%	0.56%
<b>TOTAL</b>	<b>320,566</b>	<b>2.85%</b>	<b>2.86%</b>

Portfolio Statement - continued  
31 July 2019

	Market value 31.07.19	% of total Assets	% of net Assets
<b>FOREIGN EQUITIES - continued</b>			
	€		
<b>LUXEMBOURG</b>			
RTL GROUP SA EUR	51,957	0.46%	0.46%
<b>TOTAL</b>	<b>51,957</b>	<b>0.46%</b>	<b>0.46%</b>
<b>NETHERLANDS</b>			
AEGON	83,398	0.74%	0.75%
ASML HLODING	111,540	0.99%	1.00%
FLOW TRADERS NV	9,560	0.08%	0.09%
WERELDHAVE	35,592	0.32%	0.32%
<b>TOTAL</b>	<b>240,090</b>	<b>2.13%</b>	<b>2.16%</b>
<b>NORWAY</b>			
DNB ASA	59,177	0.53%	0.53%
GJENSIDIGE FORSIKRING	19,611	0.17%	0.18%
LEROY SEAFOOD GROUP	50,364	0.45%	0.45%
MOWI ASA	82,968	0.74%	0.74%
STOREBRAND	76,903	0.68%	0.69%
<b>TOTAL</b>	<b>289,023</b>	<b>2.57%</b>	<b>2.59%</b>
<b>SINGAPORE</b>			
SINGAPORE TELECOMMUNICATIONS LTD	91,130	0.81%	0.81%
<b>TOTAL</b>	<b>91,130</b>	<b>0.81%</b>	<b>0.81%</b>
<b>UNITED STATES</b>			
ALIBABA GROUP HOLDINGS	93,288	0.83%	0.83%
JD.COM INC	19,342	0.17%	0.17%
NEWMONT GOLDCORP	21,517	0.19%	0.19%
PFIZER	53,443	0.47%	0.48%
SCHLUMBERGER LIMITED	29,186	0.26%	0.26%
VALERO ENERGY	88,819	0.79%	0.79%
VISA 'A'	58,353	0.52%	0.52%
YY ADR	29,979	0.27%	0.27%
<b>TOTAL</b>	<b>393,927</b>	<b>3.50%</b>	<b>3.51%</b>
<b>SOUTH AFRICA</b>			
MULTICHOICE GROUP	1,295	0.01%	0.01%
NASPERS ADR	68,517	0.61%	0.61%
<b>TOTAL</b>	<b>69,812</b>	<b>0.62%</b>	<b>0.62%</b>

## Portfolio Statement - continued

31 July 2019

	Market value 31.07.19	% of total Assets	% of net Assets
<b>BONDS</b>			
	€		
<b>LOCAL CORPORATE BONDS</b>			
5.35% D SHOPPING MALLS FINANCE PLC UNSECURED BONDS 2028	100,900	0.90%	0.90%
5% LUX LIVING FINANCE PLC 2028	102,490	0.91%	0.92%
5% MEDIRECT BANK (MALTA) PLC SUBORDINATED UNSECURED BONDS 2027 EUR	102,000	0.91%	0.91%
<b>TOTAL</b>	<b>305,390</b>	<b>2.72%</b>	<b>2.73%</b>
<b>FOREIGN CORPORATE BONDS</b>			
4.5% BANK OF NEWYORK 2023	87,570	0.78%	0.78%
5% GOLDMAN SACHS GROUP INC 2027	44,211	0.39%	0.40%
6.25% JP MORGAN CHASE 2017	131,356	1.17%	1.17%
<b>TOTAL</b>	<b>263,137</b>	<b>2.34%</b>	<b>2.35%</b>
<b>COLLECTIVE INVESTMENT SCHEMES</b>			
FIDELITY FUNDS – AMERICA FUND EUR SHARES	1,429	0.01%	0.01%
FIDELITY AMERICA EURO HEDGED ACCUMULATOR SHARE CLASS	62,762	0.56%	0.56%
FIDELITY FUNDS – GLOBAL MULTI ASSET INCOME FUND A ACC EUR (HEDGED)	5,429	0.05%	0.05%
FIDELITY FUNDS – GLOBAL MULTI ASSET INCOME FUND A Q INCOME EUR HEDGED	239,988	2.13%	2.15%
FIDELITY INTERNATIONAL FUND A EURO	27,854	0.25%	0.25%
FIDELITY FUNDS GLOBAL PROPERTY EUR DISTRIBUTOR	10,615	0.09%	0.09%
TEMPLETON EMERGING MARKETS SMALLER COMPANIES FUND CLASS A (ACC) EUR	5,557	0.05%	0.05%
INVESCO ASIA OPPORTUNITY EQUITY ACCUMULATOR EUR	51,157	0.45%	0.46%
INVESCO ASIAN EQUITY EUR	80,036	0.71%	0.72%
INVESCO PAN EUROPEAN STRUCTURED EQUITY FUND ACCUMULATOR EUR	6,553	0.06%	0.06%
INVESCO PAN EUROPEAN STRUCTURED EQUITY FUND ANN DIST A	404,996	3.59%	3.62%
INVESCO PAN EUROPEAN HIGH INCOME FUND QTR DIS A	146,591	1.30%	1.31%
HENDERSON GLOBAL EQUITY INCOME FUND A INC EUR	881,517	7.82%	7.88%
HENDERSON GLOBAL EQUITY INCOME FUND A EUR ACC	3,237	0.03%	0.03%
HENDERSON GLOBAL EQUITY INCOME FUND A INC (GBP)	12,884	0.11%	0.12%
HENDERSON HORIZON EUROPEANGROWTH FUND R1 EUR	235,400	2.09%	2.10%
HENDERSON HORIZON GLOBAL TECHNOLOGY FUND A2 EUR	489,189	4.34%	4.37%
HENDERSON HORIZON ASIAN DIVIDEND INCOME FUND A2 EUR (ACC)	10,981	0.10%	0.10%
HENDERSON HORIZON ASIAN DIVIDEND INCOME FUND A1 EUR	110,877	0.98%	0.99%
HENDERSON HORIZON GLOBAL EQUITY INCOME FUND A1 EUR	83,803	0.74%	0.75%
HENDERSON HORIZON PAN EUROPEAN EQUITY FUND A2 EUR	339,421	3.01%	3.03%
LEGG MASON BRANDYWINE GLOBAL INCOME OPTIMISER A EUR DIST M PLUS E H	16,647	0.15%	0.15%
LEGG MASON CLEAR BRIDGE VALUE A EUR DIST A H	11,562	0.10%	0.10%
LEGG MASON CLEARBRIDGE VALUE A EURO ACC	42,748	0.38%	0.38%
LEGG MASON CLEARBRIDGE TACTICAL DIVIDEND INCOME A USD DIST M PLUS E	90,816	0.81%	0.81%
LEGG MASON CLEARBRIDGE GLOBAL EQUITY INCOME FUND CLASS A EUR DIS (M) (HDG) PLUS (E)	7,130	0.06%	0.06%
LEGG MASON CLEARBRIDGE TACTICAL DIVIDEND INCOME A EUR DIST M PLUS E H	19,986	0.18%	0.18%
MONTANARO EUROPEAN SMALLER COMPANIES FUND EUR CLASS	164,897	1.46%	1.47%
SCHRODERS ISF – EUROPEAN DIVIDEND MAXIMISER DIS EUR	52,722	0.47%	0.47%
SCHRODERS ISF BRIC ACC EUR	15,819	0.14%	0.14%
SCHRODERS INTERNATIONAL SELECTION FUND GLOBAL DIVIDEND MAXIMISER	157,598	1.40%	1.41%
SCHRODERS ISF – GLOBAL MULTI ASSET INCOME DIST EUR HEDGED	953	0.01%	0.01%
<b>TOTAL</b>	<b>3,791,154</b>	<b>33.63%</b>	<b>33.88%</b>

Portfolio Statement - continued  
31 July 2019

	Market value 31.07.19 €	% of total Assets	% of net Assets
<b>EXCHANGE TRADED FUNDS</b>			
ISHARES MSCI EUROPE MINIMUM VOLATILITY UCITS ETF EUR (MVEU)	51,115	0.45%	0.46%
DEKA INV GMBH EURO STOXX SELECT DIVIDEND	63,752	0.57%	0.57%
ISHARES VI PLC EDGE MSCI WLD MIN VOL UCITS ET USD	112,034	0.99%	1.00%
ISHARES VI PLC EDGE MSCI WLD MIN VOL UCITS ET EUR	211,945	1.88%	1.89%
INVESCO EURO STOXX (PAR)	69,692	0.62%	0.62%
INVESCO MSCI WORLD ETF	49,530	0.44%	0.44%
ISHARES DJ STOXX GLOBAL SELECT	43,136	0.38%	0.39%
ISHARES VI PLC EDGE MSCI EUR	228,080	2.02%	2.04%
ISHARES III PLC CORE MSCI WORLD UCITS ETF USD	54,802	0.49%	0.49%
ISHARES EURO DIVIDEND UCITS ETF EUR DIST	63,143	0.56%	0.56%
ISHARES II PLC LISTED PRIVATE EQUITY UCITS ET	39,356	0.35%	0.35%
LXOR MSCI INDIA	26,464	0.23%	0.24%
LYXOR INTL S&P 500 VIX EUR	114,696	1.02%	1.03%
LYXOR MSCI WORLD UCITS	47,643	0.42%	0.43%
LYXOR ASSET MANAGEMENT LUX STOXX EUR	35,642	0.32%	0.32%
SPDR S&P EURO DIVIDEND	90,855	0.81%	0.81%
WISDOMTREE ISEQ 20 UCITS ETF EUR	40,412	0.36%	0.36%
<b>TOTAL</b>	<b>1,342,297</b>	<b>11.91%</b>	<b>12.00%</b>
<b>STRUCTURED PRODUCTS</b>			
TWIN WIN CERTIFICATE ON STOXX EUROPE 600 BANKS (PRICE EUR) INDEX	209,048	1.86%	1.87%
TWIN-WIN CERTIFICATE ON RUSSELL 2000 STOXX EUROPE 600 PRICE INDEX	64,223	0.57%	0.57%
TWIN WIN CERTIFICATE ON GENERAL ELECTRIC , TOTAL	90,400	0.80%	0.81%
TWIN-WIN CERTIFICATE ON ING, NATIXIS	78,750	0.70%	0.70%
TWIN-WIN CERTIFICATE ON AEGON, SAMPO	93,050	0.83%	0.83%
<b>TOTAL</b>	<b>535,471</b>	<b>4.76%</b>	<b>4.78%</b>

## Statement of Changes in the Composition of the Portfolios

The composition of the portfolio, detailed in the Portfolio Statement on pages 55 to 69, as at 31 July 2019 stood as follows:

	% of net Assets 31.07.2019	% of net Assets 31.07.2018
<b>MERILL TOTAL RETURN INCOME FUND</b>		
Quoted equities	16.02	19.31
Quoted bonds	51.76	42.78
Collective investment schemes	21.66	28.80
Exchange traded funds	6.20	2.11
Structured products	1.51	4.43
<b>Total financial assets at fair value through profit or loss</b>	<b>97.20</b>	<b>97.43</b>
<b>MERILL HIGH INCOME FUND</b>		
Quoted equities	7.09	8.29
Quoted bonds	40.27	32.63
Collective investment schemes	47.13	53.35
Exchange traded funds	1.27	-
Structured products	0.19	4.01
Forward currency contracts	(0.45)	-
<b>Total financial assets and liabilities at fair value through profit or loss</b>	<b>95.51</b>	<b>98.28</b>
<b>MERILL GLOBAL EQUITY INCOME FUND</b>		
Quoted equities	39.04	36.70
Quoted bonds	5.08	3.83
Collective investment schemes	33.88	43.72
Exchange traded funds	12.00	7.80
Structured products	4.78	3.84
<b>Total financial assets at fair value through profit or loss</b>	<b>94.77</b>	<b>95.89</b>





**M E R I L L**  
**F U N D S**