

**Global Funds SICAV p.l.c.
(In Liquidation)**

Annual Report
And
Financial Statements

11 March 2020



Testaferrata Street,
Ta' Xbiex, XBX1403,
Malta

Registration Number: SV6

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MANAGEMENT AND ADMINISTRATION

Liquidator (As from 11 March 2020)

Anthony Attard (from Mazars Malta)
32, Sovereign Building, Zaghfran Road, Attard,
Malta

DIRECTORS (Until 11 March 2020)

Dr. Tonio Fenech (Chairman)
270, Triq San Giljan, Birkirkara, Malta

Alexia Farrugia
15, LUAI, Triq in-Namur, L-Iklin, Malta

Konrad Paul Camilleri
26, The Palisades, Triq Guze Orlando,
Birkirkara, Malta

COMPANY SECRETARY (Until 11 March 2020)

ARQ Corporate Ltd.
Ewropa Business Centre, Level 3 – 701,
Dun Karm Street, Birkirkara, BKR9034, Malta

MANAGER AND REGISTRAR

GlobalCapital Financial Management Limited
Testaferrata Street, Ta' Xbiex XBX1403, Malta
*Licensed to conduct investment services
business for collective investment schemes by
the Malta Financial Services Authority.*

ADMINISTRATOR

GlobalCapital Financial Management Limited
Testaferrata Street, Ta' Xbiex XBX1403, Malta
*Licensed to conduct investment services
business for collective investment schemes by
the Malta Financial Services Authority.*

INVESTMENT ADVISOR TO THE MANAGER

GlobalCapital Financial Management Limited
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business by the Malta Financial Services
Authority.*

CUSTODIAN AND BANKER

Sparkasse Bank Malta p.l.c.
101, Townsquare, ix-Xatt ta' Qui-si-Sana, Sliema
SLM3112, Malta
*Licensed to conduct investment services
business by the Malta Financial Services
Authority.*

AUDITORS

PricewaterhouseCoopers
78, Mill Street, Zone 5, Central Business District,
Qormi QRM5090, Malta

LEGAL ADVISORS (Until 11 March 2020)

Fenech Farrugia Fiott Legal
Ewropa Business Centre, Level 3 – 702,
Dun Karm Street, Birkirkara, BKR9034, Malta

DESCRIPTION

Global Funds SICAV p.l.c. (the “**Company**”) was organised under the laws of Malta as a multi-fund investment company with variable share capital (SICAV) pursuant to the Maltese Companies Act (Cap. 386). The Company was registered on the 17 September 1998 and consists of the following funds:

Global Bond Fund Plus
Malta Privatisation & Equity Fund
Melita International Equity Fund

These Funds are licensed by the Malta Financial Services Authority as Collective Investment Schemes under the Investment Services Act. The Funds were listed on the Official List of the Malta Stock Exchange. The Company had no employees.

The determination of the Net Asset Value of the Company’s three sub-funds was suspended by the Board of Directors of the Company on the 5 May 2015 on account of the illiquidity of the Company’s holdings in GlobalCapital p.l.c. shares and the Directors’ inability to reasonably, promptly and accurately determine their fair value.

Global Capital Financial Management Limited, the investor manager of the Fund had to take note that the continuity of the Fund would no longer be viable or desirable. Accordingly, after the lifting of the suspension on 6th December 2019, the Board of Directors of the Fund decided that it was in the best interests of all the Investors of the Fund, by virtue of the powers granted under the Memorandum and Articles of Association and the Prospectus of the Fund to convene an Extraordinary General Meeting on 11th March 2020 in which the dissolution and voluntary winding up of the Fund was approved. The sub-Funds were subsequently delisted from the Malta Stock Exchange on 22nd May 2020. As a result, the financial statements are being drawn up on a basis other than that of a going concern.

REPORT OF THE LIQUIDATOR

The Liquidator are hereby laying their Annual Report and Financial Statements of the Company for the period ended 11th March 2020.

Principal Activities

Global Funds SICAV p.l.c. was organised under the laws of Malta as a multi-class investment company with variable share capital (SICAV). The Company was registered on the 17 September 1998 and is licenced as a Collective Investment Scheme under the Investment Services Act, 1994 (Chapter 370 Laws of Malta). The Company consisted of three Sub-Funds: Global Bond Fund Plus, the Malta Privatisation & Equity fund and the Melita International Equity Fund (the “**Funds**”). The Company had no employees.

Suspension of Determination of Net Asset Value

The Board had previously noted the suspension on the determination of the Net Asset Value (the “**NAV**”) in respect of the Funds of the Company, which was imposed by the Directors on the 05th May 2015. The suspension on the determination of the NAV in respect of the three Funds of the Company was lifted by the Board of Directors with effect from Friday 6th December 2019. The issue and redemption of the units in each of the Company’s Funds resumed immediately, following the lifting of the suspension on the determination of the NAV, as of Friday 6th December 2019. The three options made available to the Company’s Investors’ (as explained further hereunder) were or are in the process of being duly honoured and executed by the Company.

Important Events Affecting the Company Since the End of the Accounting Period ended 31st July 2019

Following the financial year end July 2019, there were a number of developments that the Directors deemed important events which affect the Company:

a. Options made Available to the Investors’ of the Company

During an Investors’ Information Meeting convened on the 18th September 2019, the following options were communicated to the Investors, in the context of lifting the suspension on the NAV determination in respect of each of the Global Bond Fund Plus, the Malta Privatisation and Equity Fund and the Melita International Equity Fund (the “**Sub-Funds**”):

- Option 1 – Retention of the investment held in the Sub-Funds of the Company;
- Option 2 – Redemption of the investment for cash; or
- Option 3 – Transfer of the investment to Merrill SICAV plc (the “**Migration Option**”).

The Investors’ Information meeting was conducted by the Board of Directors. The Fund Manager of the Company was present to explain and address any questions the Investors had with respect to the three options made available, while the Fund Manager of Merrill SICAV plc was present for the purpose of addressing any question with respect to the above-noted “Option 3”.

The Company’s investors were requested to choose one of the options by replying to the Company by the 11th October 2019. It was deemed that those investors from who the Company received no instructions by the stated deadline, were exercising their right to stay in the fund and therefore the default option 1.

b. Sale of GlobalCapital plc Shares

The Directors noted that, for reasons beyond their control, the Migration Option was made conditional on the sale of GlobalCapital p.l.c. ordinary shares, in the aggregate amount of 636,392 which are held by the Company’s Funds, as follows:

- Malta Privatisation and Equity Fund – 551,214 shares in GlobalCapital p.l.c.; and
- Global Bond Fund Plus – 85,178 shares in GlobalCapital p.l.c.

REPORT OF THE LIQUIDATOR - continued

Important Events Affecting the Company Since the End of the Accounting Period ended 31 July 2019 - continued

b. Sale of GlobalCapital plc Shares - continued

The Board of Directors appointed Calamatta Cuschieri Investment Services Limited, as the Company's independent stockbroker, for the sale of ordinary shares held in GlobalCapital plc. This was also deemed necessary to ensure that the Company's investors are presented with multiple options and that there is sufficient liquidity to honour requests for redemptions in cash. The Board instructed Messers Calamatta to proceed with the execution of the sale of ordinary shares held in GlobalCapital p.l.c. at the best market price obtainable and to have the execution concluded by not later than 16th August 2019. Further to the negotiations conducted on behalf of the Company by Messrs Calamatta, in their capacity as independent stockbroker, the sale of GlobalCapital p.l.c. ordinary shares held by the Company's Funds was concluded on the 14th August 2019.

c. Request for Redemption *in Specie*

Pursuant to a letter dated 22nd October 2019, a significant investor in the Company, GlobalCapital Life Insurance Limited ("GCLI"), communicated its desire to redeem its investment and requested that this be settled *in specie*. Following due deliberation, having also considered the relevant provisions set out under the Company's constitutive documents and prospectus, it was noted that such an option was possible for this significant investor who held more than 5% of the assets of the fund, and the request for redemption *in specie* was accepted, upon the condition that this investor incurs the same terms and costs as those incurred by all other investors of the Company. On the 11th December 2019, the Custodian of the Company consented to the formal request from GCLI to redeem *in specie* its shares in the Sub-Funds, pursuant to Clause 10 of the Company's Prospectus. Following the approval rendered by the Custodian of the Company, on the 11th December 2019 the Company, based on the NAV calculation dated 6th December 2019 and the corresponding calculations on the proportionality of assets, transferred to GCLI such portion of assets the respective Sub-Funds that was equivalent to GCLI's holding value in respect of which valid redemption instructions had been rendered.

d. Lifting of the suspension on NAV calculation and implementing options chosen by investors

Having received replies on the respective options chosen by investors, including the request for redemption *in specie* by GCLI, the Company lifted the suspension on the calculation of the NAV on the 6th December 2019. Following the lifting of the suspension, the investors' choices were executed so that investors choosing to migrate to Merrill Funds SICAV were migrated in line with the migration agreement signed individually by investors, the Company, Merrill Funds SICAV and GCFM as manager to the Company; the request of those investors requesting a redemption in cash were executed accordingly and the redemption *in specie* requested by GCLI was also executed proportionately. All transactions were based on the same NAV of the 6th December 2019.

Following the execution of these investor requests, those investors that had either chosen to remain in the fund or had expressed no preference, were therefore the remaining shareholders in the Company until it was liquidated on 11th March 2020.

e. Extension to the Deadline for the submission of Financial Statements

The annual audited financial report for the year ending 31st July 2019 of the Scheme, had been published and submitted, pursuant to the requirement in terms of Listing Rule 8.35, within the extended deadline granted by the Listing Authority of the Malta Financial Services Authority, that is by the 31st December 2019.

REPORT OF THE LIQUIDATOR - continued

Important Events Affecting the Company Since the End of the Accounting Period ended 31 July 2019 - continued

f. Dissolution and Voluntary Winding-Up of the Company

The Directors convened an Extraordinary General Meeting on Thursday 13th February 2020, for the purpose of *inter alia* considering that the Company be dissolved and consequently wound up voluntarily and that Mr Anthony Attard from Mazars Consulting Limited (the “**Liquidator**”) be appointed as liquidator of the Company. The Extraordinary General Meeting held on Thursday, 13th February 2020, failed to obtain the two required majorities for the approval of the dissolution and consequential voluntary winding up of the Company, namely that:

1. the resolution must be approved by a member or members having the right to attend and vote at the meeting holding an aggregate of not less than 75% in nominal value of the shares represented and entitled to vote at the meeting; and
2. the resolution must attract at least 51% in nominal value of all the shares entitled to vote at the meeting.

While 100% in nominal value of the shares represented and entitled to vote at the Extraordinary General Meeting held on Thursday, 13th February 2020 voted in favour of the extraordinary resolution for the dissolution and consequential voluntary winding up of the Company, the same extraordinary resolution did not attract at least 51% in nominal value of all the shares entitled to vote at the meeting. Since one of the aforesaid majorities had been achieved during the Extraordinary General Meeting held on Thursday, 13th February 2020, a second Extraordinary General Meeting was convened on Wednesday 11th March 2020, during which a fresh vote was taken on the proposed extraordinary resolution. The extraordinary resolution for the dissolution and consequential voluntary winding up of the Company was passed and adopted by the members present at the Extraordinary General Meeting convened on Wednesday 11th March 2020.

g. Discontinuance of Listing

The Extraordinary General Meeting held on Wednesday 11th March 2020, duly convened, *inter alia* approved the discontinuance of the listing of securities in issue on the Official List of the Malta Stock Exchange, with respect to the Company’s three (3) Sub-Funds, namely, Global Bond Fund Plus, Malta Privatisation and Equity Fund and Melita International Equity Fund, pursuant to Listing Rule 1.22.2. In response to the Company’s request dated 14th April 2020, the MFSA’s Listing Committee has on Friday 22nd May 2020, granted its approval in relation to the delisting of the following shares from the Malta Stock Exchange:

- MT0000072158 – Global Funds SICAV plc – **Global Bond Fund Plus** – Accumulator Shares
- MT0000072257 – Global Funds SICAV plc – **Malta Privatisation and Equity Fund**
- MT0000072687 – Global Funds SICAV plc – **Melita International Equity Fund**

The following sections are also customary in a report accompanying the financial statements; however this information is to be provided by the liquidator:

REPORT OF THE LIQUIDATOR - continued

Important Events Affecting the Company Since the End of the Accounting Period ended 31 July 2019 - continued

h. Interim Report for the period ending 31 January

On 25th August 2020 the MFSA acceded to the Liquidator's request, send for and on behalf of the Company, to waive the requirement for the submission of the interim reports for the period ending 31st January 2020, pursuant to Rule 10.7 of the Investment Services Rules for Retail Collective Schemes, provided that the audited financial statements together with the annual reports for the period ending 11th March 2020 are duly presented, published and submitted to the MFSA without delay.

Review of Business

Shareholders' funds as at 11th March 2020 stood at €786,738 resulting in a decrease of 81.31% from that registered as at 31st July 2019, which stood at €4,208,652.

Compliance with Standard Licence Conditions

The Liquidator is aware of the following breaches of the Standard Licence Conditions, namely:

- Standard Licence Condition 10.7 of the Investment Services Rules for Retail Collective Investment Schemes, arising from the delay the submission of the interim financial statements for the period ending 31st January 2019 with the Malta Financial Services Authority.
- Three individual overexposures in the Company's Sub-Fund, Melita International and Equity Fund:
 - i. A cash overexposure to Sparkasse Bank Malta plc, exceeding the 30% threshold as from 24th September 2018, which breach has not been rectified as at the date of this Report; and
 - ii. On 30 September 2019, the equity holdings of the fund dropped to 33.44% of NAV, when the minimum is that of 50%, which breach has not been rectified as at the date of this Report; and
 - iii. On the 30th September 2019, the fund experienced an increase in its cash holding, which resulted in a cash position of 60.05% of NAV, when the maximum specified is 30%, which breach has not been rectified as at the date of this Report.

The liquidator is aware of the following inadvertent breaches of the Standard Licence Conditions, which have been rectified as at the date of this Report, namely:

- The suspension on the determination of the Net Asset Value and on dealings imposed by the Board of Directors by virtue of Article 12 of the Prospectus of the Company on the 5th May 2015 is no longer considered temporary in nature;
- An overexposure of 0.08% of NAV, in one of the Company's Sub-Funds, the Malta Privatisation and Equity Fund, which became present due to positive market movement in the price of Malta International Airport shares; and
- An overexposure of 0.39% of NAV, in one of the Company's Sub-Funds, the Malta Privatisation and Equity Fund, which became present due to positive market movement in the price of Malta International Airport shares.

REPORT OF THE LIQUIDATOR - continued

Results and Dividends

The results of the year under review can be found on the Statements of Comprehensive Income on page 17.

No dividends are being recommended for the period under review.

Liquidator

The Liquidator of the Company is listed on page 2

Statement of Liquidator's responsibilities for the financial statements

The liquidator is required by the Companies Act, 1995 (Chapter 386 Laws of Malta) to prepare financial statements, which give a true and fair view of the state of affairs of the Company as at the end of each financial period and of the profit and loss for that period.

In preparing the financial statements, the liquidator is responsible for:

- ensuring that the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the European Union;
- selecting and applying appropriate accounting policies;
- make accounting estimates that are reasonable in the circumstances; and

As from 11th March 2020, the liquidator was also responsible for designing, implementing and maintaining internal control relevant to the preparation and the fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error, and that comply with the Companies Act, 1995 (Chapter 386 Laws of Malta). He is 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 Global Funds SICAV p.l.c. for the period ended 11th March 2020 are included in the Annual Report 2020 which is published in hard-copy printed form and may be made available on the Manager's website.



Anthony Attard
Liquidator



Independent auditor's report

To the Shareholders of Global Funds SICAV p.l.c (In Liquidation)

Report on the audit of the financial statements

Our opinion

In our opinion:

- Global Funds SICAV p.l.c (In Liquidation)'s financial statements give a true and fair view of the Fund's financial position as at 11 March 2020, and of the Fund's financial performance and cash flows for the period 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

Global Funds SICAV p.l.c (In Liquidation)'s financial statements, set out on pages 15 to 38, comprise:

- the statement of financial position as at 11 March 2020;
- the statement of changes in equity for the period then ended;
- the statement of comprehensive income for the period then ended;
- the statement of cash flows for the period then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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 Fund 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 Global Funds SICAV p.l.c (In Liquidation)

Emphasis of Matter

We draw attention to Note 1 and 2 of these financial statements, which refers to the shareholders' resolution to place the Fund into liquidation on 11 March 2020. These financial statements have, therefore, been prepared using a basis other than going concern. Our opinion is not modified in respect of this matter.

Other information

The liquidator is responsible for the other information. The other information comprises the management and administration section, description, report of the liquidator 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 and we do not express any form of assurance conclusion thereon.

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

Responsibilities of the directors and liquidator for the financial statements

The liquidator is responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors (until the date of liquidation) and the liquidator 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 liquidator is responsible for assessing the Fund'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 liquidator either intend to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report - continued

To the Shareholders of Global Funds SICAV p.l.c (In Liquidation)

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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the liquidator.
- Conclude on the appropriateness of the liquidator's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund'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 Fund 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 liquidator 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 Global Funds SICAV p.l.c (In Liquidation)

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.

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

PricewaterhouseCoopers

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



Lucienne Pace Ross
Partner

10 December 2020

The Directors
Global Funds SICAV p.l.c.
Testaferrata Street,
TA' XBIEX XBX1403
Malta

27th November 2020

Custodian's Report

As Custodian to *Global Bond Fund Plus*, *The Malta Privatisation & Equity Fund* and the *Melita International Equity Fund* ("the sub-funds"), sub-funds of the GLOBAL FUNDS SICAV P.L.C. ("the Scheme"), we hereby confirm having enquired into the conduct of the Scheme in relation to the above mentioned sub-funds for the period **01st August 2019** until **11th March 2020** and confirm that during this period:

- I. The sub-funds were managed in accordance with the limitations imposed on the investment and borrowing powers of the respective sub-fund by its constitutional documents and by the Malta Financial Services Authority with the exception of the following:
 - On the 5th May 2015, the company gave notification of its decision to suspend the determination of the net asset value ('NAV') in respect of all sub-funds within the Scheme. Following the lifting of the suspension on the determination of the NAV as of the 6th December 2019, three options were offered to the underlying investors of the three Sub-Funds, to either i) retain the investment held in the respective sub-fund of the Scheme, ii) redeem the investment for cash or iii) transfer the investment to Merill SICAV plc.
 - Reference is made to Global Funds SICAV plc. Prospectus dated 01st March 2010, Melita International Equity Fund, 'Investment Objectives of the Funds' (page 9) and 'Investment Restriction' (xi) (page 19), where it is stated that:
 1. "[...] The proportion of the Fund's investments in such collective investment schemes shall not fall below 50% of the Fund's Net Asset Value unless, in the opinion of the Investment Advisor, market and economic conditions warrant otherwise in the interest of the Shareholders."

On the 30th September 2019, the Sub-Fund's collective investment schemes holdings dropped below the above mentioned threshold. As at the date of this report, the said breach has been rectified.

Sparkasse Bank Malta plc – Depositary Services

2. "(xi) No more than 10% of the Net Asset Value of the Fund shall be kept on deposit with any one body, except in the case of a bank licensed under the Banking Act 1994 or a bank outside Malta approved by the MFSA, in which case this 10% limit is increased to 30% of the Fund's NAV."

As from 24th September 2018, the Custodian noted that the sub-fund exceeded the above mentioned threshold resulting in an overexposure to Sparkasse Bank Malta plc. As at the end of the reporting period, the breach has not been rectified.

(i) And in accordance with the provisions of the constitutional documents and the Scheme's licence conditions with the exception of the following requirement:

- Based on *Investment Services Rules for Retail Collective Investment Schemes, Part B – Standard Licenced Conditions 10.7*, "The Scheme shall submit half-yearly and annual reports to the MFSA, [...] within two and four months respectively of the end of the period concerned." Insofar as the Custodian is aware, the Malta Financial Services Authority 'MFSA' has agreed to the Liquidator's request on behalf of the Scheme, to waive the requirement for the submission of the interim financial statements for the period ending 31st January 2020, provided that the audited financial statements and the annual reports for the period ending 11th March 2020, are submitted to the MFSA without delay.



Paul Mifsud
Managing Director

o.b.o.
Sparkasse Bank Malta plc.
101, Townsquare
Ix-Xatt ta' Qui-Si-Sana,
Sliema SLM3112,
Malta



Anna Mironova
Head of Securities & Custody
and Depository Services

Statements of Financial Position
as at 11 March 2020

	Global Funds SICAV p.l.c. Combined Statement		Global Bond Fund Plus		Malta Privatisation & Equity Fund		Melita International Equity Fund	
	11.03.2020	31.07.2019	11.03.2020	31.07.2019	11.03.2020	31.07.2019	11.03.2020	31.07.2019
	€	€	€	€	€	€	USD	USD
ASSETS								
Financial assets at fair value through profit or loss (note 4)	-	3,750,936	-	928,323	-	2,599,122	-	249,215
Accrued income	-	1,060	-	1,060	-	-	-	-
Settlements receivable	43,771	15,350	870	-	15,350	-	48,634	-
Assets held on behalf of third party (note 12)	53,006	-	53,006	-	15,350	-	-	-
Cash and cash equivalents (note 11)	973,517	703,406	131,361	232,145	711,247	324,780	19,488	110,406
Total assets	1,070,294	4,470,752	184,367	1,161,528	712,117	2,939,252	68,122	359,621
EQUITY								
Capital and reserves attributable to equity holders	1,011,757	4,429,656	104,792	1,108,587	661,946	2,790,942	22,673	344,701
Currency translation reserve	(225,019)	(221,004)	-	-	-	-	-	-
Total equity	786,738	4,208,652	104,792	1,108,587	661,946	2,790,942	22,673	344,701
LIABILITIES								
Other payables and accrued expenses (note 5)	283,556	262,100	79,575	52,941	50,171	148,310	45,449	14,920
Total liabilities	283,556	262,100	79,575	52,941	50,171	148,310	45,449	14,920
Total equity & liabilities	1,070,294	4,470,752	184,367	1,161,528	712,117	2,939,252	68,122	359,621
Salient statistics								
Shares in issue as at 11 March 2020 (note 6)			37,579.29		411,720.823		73,407.630	
Accumulator			€		€		USD	
Net asset value as at 11 March 2020			104,792		661,946		22,673	
Net asset value as at 31 July 2019			1,108,587		2,790,942		344,701	
Net asset value as at 31 July 2018			1,127,278		2,570,901		354,856	
Net asset value per share as at 11 March 2020 – Accumulator (note 7)			2.7886		1.6908		0.3089	
Net asset value per share as at 31 July 2019 – Accumulator			3.0889		1.9213		0.5449	
Net asset value per share as at 31 July 2018 – Accumulator			3.1410		1.7699		0.5609	

These financial statements on pages 15 to 38 were authorised for issue by the Liquidator on 10 December 2020 and were signed by:


Anthony Attard
Liquidator

Statements of Changes in Equity
for the year ended 11 March 2020

	Global Funds SICAV p.l.c. Combined Statement		Global Bond Fund Plus	Malta Privatisation & Equity Fund	Malta International Equity Fund	
	Capital and reserves attributable to equity holders	Currency translation reserve	Total	Capital and reserves attributable to equity holders	USD	
	€	€	€	€	€	
At 31 July 2018	4,237,237	(236,691)	4,000,546	1,127,278	2,570,901	354,856
Comprehensive income:	192,419	-	192,419	(18,691)	220,041	(10,155)
Profit/(Loss) for the year	-	15,687	15,687	-	-	-
Other comprehensive income:	192,419	15,687	208,106	(18,691)	220,041	(10,155)
Currency translation differences arising on aggregation						
Total comprehensive income	4,429,656	(221,004)	4,208,652	1,108,587	2,790,942	344,701
At 31 July 2019	(364,683)	-	(364,683)	(34,775)	(287,252)	(47,186)
Comprehensive income:	-	(4,015)	(4,015)	-	-	-
Loss for the period	(364,683)	(4,015)	(368,698)	(34,775)	(287,252)	(47,186)
Other comprehensive income:						
Currency translation differences arising on aggregation						
Total comprehensive income	(3,053,216)	-	(3,053,216)	(969,020)	(1,841,744)	(274,842)
Transactions with owners:	(3,053,216)	-	(3,053,216)	(969,020)	(1,841,744)	(274,842)
Redemptions						
At 11 March 2020	1,011,757	(225,019)	786,738	104,792	661,946	22,673

Statements of Comprehensive Income
for the period ended 11 March 2020

	Global Funds SICAV p.l.c. Combined Statement		Global Bond Fund Plus		Malta Privatisation & Equity Fund		Melita International Equity Fund	
	11.03.2020	31.07.2019	11.03.2020	31.07.2019	11.03.2020	31.07.2019	11.03.2020	31.07.2019
	€	€	€	€	€	€	USD	USD
Income								
Interest from loans and receivables	186	1,984	186	1,254	-	730	-	-
Dividend income	15,126	188,135	10,692	35,881	4,016	150,769	462	1,689
Other net fair value movements on financial assets at fair value through profit or loss	(183,303)	300,539	306	12,560	(169,603)	284,021	(15,495)	4,499
	(167,991)	490,658	11,184	49,695	(165,587)	435,520	(15,033)	6,188
Expenses								
Management and advisory fees (notes 8a and 8b)	(15,362)	(29,079)	(3,884)	(8,060)	(7,605)	(14,863)	(4,284)	(7,000)
Registrar fees (note 8c)	(1,415)	(2,858)	(370)	(768)	(950)	(1,858)	(105)	(264)
Custodian fees (note 8d)	(6,519)	(11,615)	(1,839)	(3,000)	(2,838)	(5,588)	(2,039)	(3,442)
Transaction costs	(26,911)	(4,911)	(2,389)	(884)	(20,613)	(3,617)	(4,324)	(466)
Directors' remuneration	(34,890)	(34,998)	(8,706)	(9,518)	(24,048)	(22,943)	(2,363)	(2,884)
Professional fees	(39,751)	(201,641)	(8,952)	(54,375)	(28,984)	(132,813)	(2,007)	(16,435)
General administrative costs	(70,459)	30,304	(19,819)	8,219	(35,345)	9,164	(16,920)	14,694
	(195,307)	(254,798)	(45,959)	(68,386)	(120,383)	(172,518)	(32,042)	(15,797)
Operating (loss)/ profit	(363,298)	235,860	(34,775)	(18,691)	(285,970)	263,002	(47,075)	(9,609)
Tax expense (note 9)	(1,385)	(43,441)	-	-	(1,282)	(42,961)	(111)	(546)
Total comprehensive income/(loss)	(364,683)	192,419	(34,775)	(18,691)	(287,252)	220,041	(47,186)	(10,155)

Statements of Cash Flows
for the period ended 11 March 2020

	Global Funds SICAV p.l.c. Combined Statement		Global Bond Fund Plus		Malta Privatisation & Equity Fund		Melita International Equity Fund	
	11.03.2020	31.07.2019	11.03.2020	31.07.2019	11.03.2020	31.07.2019	11.03.2020	31.07.2019
	€	€	€	€	€	€	USD	USD
Cash flows from operating activities								
Interest received	585	2,680	585	1,847	-	833	-	-
Dividend income received	15,784	188,321	11,352	36,057	4,016	150,779	462	1,689
Operating expenses paid	(262,671)	(247,163)	(79,247)	(75,187)	(222,374)	(164,322)	(30,027)	(32,066)
Tax paid	(1,385)	(43,441)	-	-	(1,282)	(42,961)	(111)	(546)
Purchase of Investments	-	(105,704)	-	(105,704)	-	-	-	-
Proceeds from sale of investments	3,085,054	513,426	855,981	99,127	2,092,347	311,613	151,251	116,763
Net cash generated from/(used in) operating activities	2,837,367	308,119	788,671	(43,860)	1,872,707	255,942	121,575	85,840
Cash flows from financing activities								
Amounts paid on redemption of shares	(2,567,782)	-	(889,455)	-	(1,486,240)	-	(212,493)	-
Net cash generated used in financing activities	(2,567,782)	-	(889,455)	-	(1,486,240)	-	(212,493)	-
Movements in cash and cash equivalents								
Cash and cash equivalents at beginning of period/year	269,585	308,119	(100,784)	(43,860)	386,467	255,942	(90,918)	85,840
Effect of exchange rate changes	703,406	393,791	232,145	276,005	324,780	68,838	110,406	24,566
Cash and cash equivalents at end of period/ year (note 11)	973,517	703,406	131,361	232,145	711,247	324,780	19,488	110,406

NOTES TO THE FINANCIAL STATEMENTS

1. GENERAL

Global Funds SICAV p.l.c. (“the Company”) was an open-ended investment company and was incorporated as a public company with limited liability in Malta on 17 September 1998. The Company’s Funds were licensed by the Malta Financial Services Authority as Collective Investment Schemes under the Investment Services Act. The shares of all the Funds were listed on the Official List of the Malta Stock Exchange.

Global Capital Financial Management Limited, the investor manager of the Fund had to take note that the continuity of the Fund would no longer be viable or desirable. Accordingly, after the lifting of the suspension on 6th December 2019, the Board of Directors of the Fund decided that it was in the best interests of all the Investors of the Fund, by virtue of the powers granted under the Memorandum and Articles of Association and the Prospectus of the Fund to convene an Extraordinary General Meeting on 11th March 2020 in which the dissolution and voluntary winding up of the Fund was approved. The sub-Funds were subsequently de-listed from the Malta Stock Exchange on 22nd May 2020.

Having received replies on the respective options chosen by investors, including the request for redemption in specie by GCLI, the Company lifted the suspension on the calculation of the NAV on the 6th December 2019. Following the lifting of the suspension, the investors’ choices were executed so that investors choosing to migrate to Merrill Funds SICAV were migrated in line with the migration agreement signed individually by investors, the Company, Merrill Funds SICAV and GCFM as manager to the Company; the request of those investors requesting a redemption in cash were executed accordingly and the redemption in specie requested by GCLI was also executed proportionately. All transactions were based on the same NAV of the 6th December 2019.

Following the execution of these investor requests, those investors that had either chosen to remain in the fund or had expressed no preference, were therefore the remaining shareholders in the Company until it was liquidated on 11th March 2020.

2. 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 years presented, unless otherwise stated.

2.1 BASIS OF PREPARATION

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

As referred to in note 1, the shareholders of the Fund approved a resolution to place the Fund into voluntary liquidation on 11th March 2020. As a result, the financial statements are being drawn up on a basis other than that of a going concern covering the period from 1 August 2019 to 11 March 2020. Comparative information covers a period from 1 August 2018 to 31 July 2019.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain accounting estimates. It also requires the Directors to exercise their judgement in the process of applying its accounting policies (note 3 – Critical accounting estimates and judgements).

NOTES TO THE FINANCIAL STATEMENTS - continued

2. ACCOUNTING POLICIES - continued

2.1 BASIS OF PREPARATION - continued

As at 11 March 2020, the Company had three sub-funds: the Global Bond Fund Plus, the Malta Privatisation & Equity Fund and the Melita International Equity Fund. Each participating share which the Company issues was allocated to a class representing a particular Fund. The Company maintained a separate account for each Fund, to which the proceeds were credited, and against which the expenses allocated were charged. Upon redemption, shareholders were entitled only to their proportion of the net assets held in the account relating to the Fund in which their participating shares were designated.

Separate Statements of Financial Position, Statements of Changes in Equity, Statements of Comprehensive Income and Statements of Cash Flows have accordingly been prepared for each Fund. All references to net assets throughout this document refer to net assets attributable to shareholders.

The Statements of Financial Position present assets and liabilities in increasing order of liquidity and does not distinguish between current and non-current items. Financial assets at fair value through profit or loss were 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 Advisor's recommendations. All other assets and liabilities are expected to be realised within one year.

Standards, interpretations and amendments to published standards effective 1 August 2019.

a) *Standards and amendments to existing standards effective 1 August 2019*

There are no standards, amendments to standards or interpretations that are effective for annual periods beginning 1 August 2019 that have a material effect on the financial statement of the Fund.

b) *New standards, amendments and interpretations effective after 1 August 2019 and which have not been early adopted*

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 August 2019, and have not been applied in preparing these financial statements. None of these are expected to have a material impact on the financial statements of the Fund.

2.2 FOREIGN EXCHANGE TRANSLATION

The Company's designated currency is Euro, which is the presentation currency used for the Combined Statements. Exchange rate differences arising on the translation of the Shareholders' Funds at the beginning of the period not denominated in Euro are taken to the Combined Statement of Changes in Equity and are shown within 'currency translation differences arising on aggregation'.

The Funds' functional currency is the currency of denomination of each Fund as stipulated in the Prospectus. Transactions carried out in currencies other than the base currency of each Fund, are translated at exchange rates ruling at the transaction dates. Assets and liabilities designated in currencies other than the base currency are translated into the base currency at exchange rates ruling at the Company's reporting date. All resulting differences are taken to the Statements of Comprehensive Income.

Translation differences on financial assets held at fair value through profit or loss are reported as part of 'other net fair value movements on financial assets at fair value through profit or loss'.

NOTES TO THE FINANCIAL STATEMENTS - continued

2. ACCOUNTING POLICIES - continued

2.3 FINANCIAL ASSETS

(a) Classification

The Fund classifies its investments in financial assets into the following categories: financial assets at fair value through profit or loss, and other receivables. The classification is dependent on the purpose for which the investments were acquired. The Directors determine the appropriate classification of investments at the time of purchase and re-evaluate such designation at the reporting date.

- (i) Financial assets designated at fair value through profit or loss at inception are financial instruments that are not classified as held for trading but are managed, and their performance evaluated on a fair value basis in accordance with the Fund's documented investment strategy.
- (ii) Other receivables are non-derivative financial assets with fixed and determinable payments that are not quoted in an active market. Other receivables consist of accrued income, other receivables and cash and cash equivalents.

(b) Recognition, de-recognition and measurement

Regular purchases and sales of investments are recognised on the trade date, the date on which the Fund commits to purchase or sell the investment. Financial assets at fair value through profit or loss are initially recognised at fair value. Transaction costs are expensed as incurred in the Statement of Comprehensive Income.

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

Subsequent to initial recognition, all financial assets at fair value through profit or loss are measured at fair value. Realised and unrealised gains and losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' are presented in the Statement of Comprehensive Income within 'other net fair value movements on financial assets at fair value through profit or loss' in the year in which they arise.

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 assets and liabilities traded in active markets are based on quoted market prices at the reporting date. The quoted market price used for financial instruments held by the Company is the current market close price.

Valuation of investments in other funds

The Fund's investments in other funds (Investee Funds) are subject to the terms and conditions of the respective Investee Fund's offering documentation. The investments in Investee Funds are primarily valued based on the latest available redemption price of such units for each Investee Fund, as determined by the administrator of such Investee Fund. The Fund reviews the details of the reported information obtained from the Investee Funds and considers: (i) the liquidity of the Investee Fund or its underlying investments, (ii) the value date of the net asset value (NAV) provided, (iii) any restrictions on redemptions, and (iv) the basis of accounting and, in instances where the basis of accounting is other than fair value, fair valuation information provided by the Investee Fund's advisors. If necessary, the Fund makes adjustments to the NAV of various Investee Funds to obtain the best estimate of fair value. Other net fair value movements on financial asset at fair value through profit or loss in the Statement of Comprehensive Income includes the change in fair value of each Investee Fund.

NOTES TO THE FINANCIAL STATEMENTS - continued

2. ACCOUNTING POLICIES - continued

2.4 OFFSETTING FINANCIAL INSTRUMENTS

Financial assets and liabilities are offset and the net amount reported in the Statements of Financial Position when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

2.5 OTHER RECEIVABLES AND PAYABLES

Other receivables and payables represent amounts receivable and payable respectively, for transactions contracted for but not yet delivered by the end of the period.

These amounts are initially recognised at fair value and subsequently measured at amortised cost less any provision for impairment for other receivables. A provision for impairment of amounts due is established when there is objective evidence that the fund will not be able to collect all amounts due. These are recognised within the Statements of Comprehensive Income.

Settlements receivable relate to assets which had been officially sold, but for which the sub-fund hasn't as yet received any proceeds.

2.6 CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash in hand, deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less and bank overdrafts. Bank overdrafts are shown in liabilities in the Statements of Financial Position.

2.7 ACCRUED EXPENSES

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

2.8 REDEEMABLE SHARES

The Fund issues redeemable shares, which are redeemable at the holder's option and are classified as equity in accordance with the IAS 32 (amendment) that meet the definition of a financial liability to be classified as equity where certain strict criteria are met.

Should the redeemable shares' terms or conditions change such that they do not comply with the strict criteria contained in the Amendment, the redeemable shares would be reclassified to financial liability from the date the instrument ceases to meet the criteria. The financial liability would be measured at the instrument's fair value at the date of reclassification. Any difference between the carrying value of the equity instrument and fair value of the liability on the date of reclassification would be recognised in equity.

Redeemable shares can be put back to the Fund at any time for cash equal to a proportionate share of the Fund's trading net asset value calculated in accordance with the Fund's regulations. Redeemable shares are issued and redeemed at the holders' option at prices based on the Fund's net asset value per share at the time of issue or redemption.

In accordance with the provision of the Fund's regulations investment positions are valued based on the last traded market price for the purpose of determining the net asset value per share for subscriptions and redemptions.

NOTES TO THE FINANCIAL STATEMENTS – continued

2. ACCOUNTING POLICIES - continued

2.8 INCOME RECOGNITION

All distributions from financial assets included in the Statements of Comprehensive Income are recognised on the date on which the stock is quoted ex-dividend up to the Company's year-end. Interest income from financial assets not classified as fair value through profit or loss is recognised using the effective interest method. Other gains or losses, including interest income, arising from changes in the fair value of the financial assets at fair value through profit or loss category are presented in the Statements of Comprehensive Income within "other net fair value movements on financial assets at fair value through profit or loss" in the year in which they arise.

2.9 TRANSACTION COSTS

Transaction costs are costs incurred to acquire and dispose financial assets 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 the Statements of Comprehensive Income as an expense.

3. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

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

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

NOTES TO THE FINANCIAL STATEMENTS - continued

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Global Bond Fund Plus	Fair value 2020	% of net assets	Fair value 2019	% of net assets
	€		€	
Quoted Local Equities	-	-	21,295	1.92
Quoted Local Corporate Bonds	-	-	20,534	1.85
Foreign Collective Investment Schemes	-	-	886,494	79.97
	-	-	928,323	83.74

Malta Privatisation & Equity Fund	Fair value 2020	% of net assets	Fair value 2019	% of net assets
	€		€	
Quoted Local Equities	-	-	2,593,820	92.94
Quoted Foreign Equities	-	-	5,302	0.19
	-	-	2,599,122	93.13

Melita International Equity Fund	Fair value 2020	% of net assets	Fair value 2019	% of net assets
	USD		USD	
Quoted Local Equities	-	-	63,254	18.35
Quoted Foreign Equities	-	-	2,253	0.65
Foreign Collective Investment Schemes	-	-	183,708	53.29
	-	-	249,215	72.30

5. OTHER PAYABLES AND ACCRUED EXPENSES

	Global Bond Fund Plus		Malta Privatisation & Equity Fund		Melita International Equity Fund	
	2020	2019	2020	2019	2020	2019
	€	€	€	€	USD	USD
Accrued and other payables						
Management fees	4,536	7,082	9,636	17,933	4,496	2,132
Registrar fees	439	692	1,125	1,752	128	208
Custodian fees	696	357	642	481	656	286
Legal and secretarial fees	15,089	27,438	43,753	69,482	4,132	7,409
Liquidation Costs	2,722	13,150	7,048	33,300	717	3,961
Other accrued expenses and payables	56,093	4,222	(12,033)	25,362	35,320	924
	79,575	52,941	50,171	148,310	45,449	14,920

NOTES TO THE FINANCIAL STATEMENTS - continued

6. SHARE CAPITAL

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

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

a) Authorised share capital

	2020 Shares	2019 Shares
Authorised shares	<u>500,000,000</u>	<u>500,000,000</u>

b) Issued and fully paid

	Global Bond Fund Plus	
	11 March 2020 Shares	31 July 2019 Shares
Shares in issue at beginning of period	358,888.480	358,888.480
Redeemed during the period	(321,309.190)	-
Shares in issue at end of period	<u>37,579.29</u>	<u>358,888.480</u>

b) Issued and fully paid - continued

	Malta Privatisation & Equity Fund	
	11 March 2020 Shares	31 July 2019 Shares
Shares in issue at beginning of period	1,452,592.455	1,452,592.455
Redeemed during the period	(1,040,871.632)	-
Shares in issue at end of period	<u>411,720.823</u>	<u>1,452,592.455</u>

	Melita International Equity Fund	
	11 March 2020 Shares	31 July 2019 Shares
Shares in issue at beginning of period	632,642.400	632,642.400
Redeemed during the period	(559,234.770)	-
Shares in issue at end of period	<u>73,407.630</u>	<u>632,642.400</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

6. SHARE CAPITAL - continued

Capital risk management

The capital of the Fund is represented by the net assets attributable to holders of redeemable shares.

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

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

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

The Fund has no restrictions or specific capital requirements on the subscriptions and redemptions of shares.

The relevant movements are shown above and in the Statements of Changes in Equity. In accordance with the objectives outlined in the prospectus and the risk management policies in note 13, the Company endeavours to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowing or disposal of listed securities where necessary.

Following the decision taken at the Extraordinary General Meeting held on 11 March 2020, the Company and its Funds were placed into liquidation and thus all units are in the process of being redeemed.

7. NET ASSET VALUE

The consideration received or paid for units issued or re-purchased respectively is based on the value of the Funds' net asset value per redeemable share at the date of the transaction. The Funds' net asset value per redeemable unit is calculated by dividing the Funds' net assets with the total number of outstanding units in issue.

In accordance with the provisions of the Funds' regulations, investment positions were valued based on the average traded weighted price for the purpose of determining the trading net asset value per share for subscriptions and redemptions for the prior day. The investment prices within the statement of financial position were in accordance with accounting policy 3 as at 31 July 2019. This created a difference between the pricing NAV and the financial reporting NAV which was not material for the Fund.

NOTES TO THE FINANCIAL STATEMENTS - continued

8. FEES

(a) Management fees

The Manager received a management fee of 1.05% (exclusive of advisory fees) per annum of the net asset value of the Global Bond Fund Plus, 0.80% (exclusive of advisory fees) per annum of the net asset value of the Malta Privatisation & Equity Fund and 0.60% (exclusive of advisory fees) per annum of the net asset value of the Melita International Equity Fund subject to a minimum of USD 10,000 per annum. As from 01 August 2018, including for the current period, the above mentioned fees were discounted by 30%. The manager received this management fee until 11 March 2020.

(b) Advisory fees

Following the merger between GlobalCapital Fund Advisors Limited with GlobalCapital Financial Management Limited on 22 July 2010, the Investment Advisor, GlobalCapital Financial Management Limited, received an advisory fee of 0.45% per annum of the net asset value of the Global Bond Fund Plus and the Malta Privatisation & Equity Fund, and 1.15% per annum of the net asset value of the Melita International Equity Fund. As from 01 August 2018, including for the current period, the above mentioned fees were fully waived. The advisor received this advisory fee until 11 March 2020.

(c) Registrar fees

The Manager received for its services as Registrar of the Company a fee of 0.10% per annum of the net asset value of each Fund. As from 01 August 2018, including for the current period, the above mentioned fees were discounted by 30%. The manager received this registrar fee until 11 March 2020.

(d) Custodian fees

The Custodian received a custody fee of 0.2% calculated as a percentage per annum of the value of the investments of each Fund, subject to a minimum annual fee of €3,000. The custodian received this custodian fee until 11 March 2020.

(e) Performance fees

The Investment Advisor shall, in addition to the investment advisory fee received from the Manager, be entitled to a fee based on the performance of each Fund, payable by the Company with respect to the Fund concerned, as follows:

Malta Privatisation & Equity Fund and the Melita International Equity Fund

The performance fee in respect of the Malta Privatisation & Equity Fund and the Melita International Equity Fund shall become payable to the Investment Advisor in the event that the relevant Fund outperforms the relevant index (as defined below) for that Fund in any one financial year.

NOTES TO THE FINANCIAL STATEMENTS - continued

8. FEES - continued

(e) Performance fees - continued

The performance fee payable was calculated as at the annual accounting reference date each year by taking the increase in the net asset value per share for the relevant Fund during that financial year as on the last dealing day of that annual accounting period (before deduction of the performance fee) and comparing this with the relevant index for that Fund for that period. The performance fee payable was equal to 25% of the amount by which the increase in the net asset value per share of the relevant Fund had outperformed the relevant index for that Fund, multiplied by the average number of shares in issue in that Fund, taken at each valuation point, during that annual accounting period.

If a Fund had underperformed the relevant index in any preceding financial year such underperformance was recouped before a performance fee became payable in any subsequent financial year with respect to that Fund. No performance fee was paid in any financial year if the net asset value per share of the Fund concerned was below that Fund's initial offer price at the end of that financial year.

The relevant index for the purpose of the payment of the performance fee was:

- a. in so far as the Malta Privatisation & Equity Fund is concerned, the MSE Index;
- b. in so far as the Melita International Equity Fund is concerned, the Morgan Stanley Capital International (MSCI) World Local Index.

For the current period, the performance fee payable by Malta Privatisation & Equity Fund and Melita International Equity Fund amounted to €Nil (2019: €NIL).

Global Bond Fund Plus

The performance fee in respect of the Global Bond Fund Plus was payable to the Investment Advisor in the event that the Fund outperformed the relevant benchmark (as defined below) in any one financial year.

The performance fee payable was calculated as at the annual accounting reference date each year by taking the increase in the net asset value per share for the Fund during that financial year as on the last dealing day of that annual accounting period (before deduction of the performance fee) and comparing this with the relevant benchmark for that period. The performance fee payable was equal to 25% of the amount by which the increase in the net asset value per share for the Fund has outperformed the relevant benchmark, multiplied by the average number of shares in issue in the Fund, taken at each valuation point, during that annual accounting period. No performance fee in respect of the Fund was paid or accrued until the net asset value per share of the Fund exceeded the "water mark", that is, the highest of the previous highest net asset value per share for the Fund on which the performance fee was paid (if any), the initial offer price, or the relevant benchmark. In any financial year the performance fee was only payable on the increase over the "water mark".

The performance fee payable for the period by Global Bond Fund Plus amounted to €Nil (2019 - €Nil).

The relevant benchmark for the purpose of the payment of the performance fee in respect of the Fund was the BBA 3 Month Libid Euro Rate being the British Bankers' Association London Interbank Bid Rate for EURO for a three (3) month period. This rate was based upon the British Bankers' Association LIBOR and was determined by subtracting one eighth (0.125) from the British Bankers' Association 3 Month Libor Euro Rate as of 11.00a.m. GMT on each dealing day.

NOTES TO THE FINANCIAL STATEMENTS - continued

8. FEES - continued

f) Auditor's remuneration

Fees charged by the auditor for services rendered during the financial period/year ended 11 March 2020 and 31 July 2019 relate to:

	2020 €	2019 €
Annual statutory audit	11,000	26,000
Taxation services	800	800
	<u>11,800</u>	<u>26,800</u>

g) Liquidation costs

Liquidation costs amounting to €50,411 were accounted for in the year ended 31 July 2019, to ensure an even allocation of liquidation costs on the remaining shareholders. These costs are classified as part of professional fees in the Statements of Comprehensive Income.

9. TAX EXPENSE

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

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

On the other hand the Global Bond Fund Plus and the Melita International Equity Fund are currently classified as non-prescribed funds for Maltese income tax purposes and therefore these Funds should not be subject to Maltese income tax on the income or gains derived by such funds in terms of the Income Tax Act (Cap. 123 of the Laws of Malta) 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 any redemption, liquidation or cancellation of units in these Funds. Nevertheless, the Maltese resident investor may request the Funds not to effect the deduction of the said 15% final withholding tax. In this latter case Maltese resident investors would be required to declare the gains in their income tax returns and will be subject to tax at the normal rates of tax.

Any gains or profits derived on the transfer of units in the Funds by investors who are not resident in Malta, whether in respect of units in prescribed or non-prescribed Funds should be exempt from Maltese income tax subject to the satisfaction of the applicable statutory conditions.

No distributions were made by the Funds during this financial year and therefore no Maltese tax considerations should arise in this respect.

In case of the Fund's foreign investments, any capital gains, dividends, interest and other gains or profits may be subject to tax imposed by the country of origin concerned and such taxes may not be recoverable by the Fund or by its shareholders under Maltese domestic tax law. This could, inter alia, be the case for the Global Bond Fund Plus and the Melita International Equity Fund.

NOTES TO THE FINANCIAL STATEMENTS - continued

10. 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.

Under the terms of an agreement dated 17 September 1998, the Manager appointed GlobalCapital Financial Management Limited (GCFM) as Investment Advisor to the Company. By an agreement dated 28 February 2000, the Manager substituted GlobalCapital Financial Management Limited with GlobalCapital Fund Advisors Limited as Advisor to the Company.

Following the merger between GlobalCapital Fund Advisors Limited with GlobalCapital Financial Management Limited on the 22 July 2010, GlobalCapital Fund Advisors Limited has now ceased to exist and GlobalCapital Financial Management Limited has taken over the responsibility as advisor.

The advisory fees and performance fees due for the reporting year are disclosed in the Statements of Comprehensive Income and the outstanding advisory fees and performance fees are detailed in note 5. For the year under review, the above mentioned fees were discounted by 100%.

The registrar fees due payable to GCFM for the reporting period are disclosed in the Statements of Comprehensive Income and the outstanding registrar fees are detailed in note 5.

During the period ended 11 March 2020, sales of local investment securities for all the Funds were transacted through GlobalCapital Financial Management Limited. No extra charges were charged by GCFM with respect to the liquidation process until 11 March 2020.

The commissions payable to GlobalCapital Financial Management Limited amounted to €NIL (2019: €NIL) for Global Bond Fund Plus.

A fee amounting to €10,300, payable to GCFM has been accrued for during the period ended 11 March 2020. The fee relates to services which GCFM is carrying out to assist the Liquidator in the redemption process of the remaining investors in the Fund.

The following financial assets were held with GlobalCapital p.l.c.:

	2020	2019
Global Bond Fund Plus	-	€21,295
Malta Privatisation & Equity Fund	-	€137,804

The following shares were held in the sub-funds by companies forming part of GlobalCapital p.l.c.:

	Shares 11 March 2020	2020 % of total shares	Shares 31 July 2019	2019 % of total shares
Global Bond Fund Plus	-	-	68,904.016	19.20
Malta Privatisation & Equity Fund	-	-	349,465.354	24.06
Melita International Equity Fund	-	-	372,347.190	58.86

Except for the portion repaid in cash (GBFP: €128,616, MPEF: €370,094 and MIEF: €128,512), the shares held in the Funds were redeemed in specie.

NOTES TO THE FINANCIAL STATEMENTS - continued

10. RELATED PARTIES - continued

The following shares were held through GlobalCapital Financial Management Limited as nominees:

	Shares 11 March 2020	2020 % of total shares	Shares 31 July 2019	2019 % of total shares
Global Bond Fund Plus	14,373.40	38.25	157,832.037	43.98
Malta Privatisation & Equity Fund	59,145.82	14.37	196,985.074	13.56
Melita International Equity Fund	10,518.53	14.33	138,552.005	21.90

11. CASH AND CASH EQUIVALENTS

The year-end cash and cash equivalents comprise bank balances held at call and bank overdraft balances as follows:

	11 March 2020	% of net assets	31 July 2019	% of net assets
Global Bond Fund Plus	€131,361	125.35	€232,145	20.94
Malta Privatisation & Equity Fund	€711,247	107.45	€324,780	11.64
Melita International Equity Fund	USD19,488	85.95	USD110,406	32.03

12. ASSETS HELD ON BEHALF OF THIRD PARTY

The year-end assets held on behalf of third party represent assets held by Global Fund Plus on behalf of GlobalCapital Life Insurance Limited (GCLI), being an investor in the Fund, as part of the liquidation process. These assets are being priced as at 5 December 2019, being the date that GCLI and Global Funds committed to this transfer in specie.

13. FINANCIAL INSTRUMENTS

Risk Management

The Funds' activities expose them to a variety of financial risks: market risk (including price risk, interest rate risk and currency risk), credit risk and liquidity risk.

Price Risk

The Funds traded in financial instruments, taking positions in traded instruments. All securities presented a risk of loss of capital. The Manager moderated this risk through a careful selection of securities and other financial instruments within specified limits. The maximum risk resulting from financial instruments was determined by the fair value of the financial instruments. The Funds' overall market positions were monitored on a regular basis by the Funds' Manager.

The Funds' equity and debt securities were susceptible to market price risk arising from uncertainties about future prices of securities.

The Funds were exposed to equity price risk either through their direct investment in equity securities or indirectly through the assets held by the respective underlying collective investment schemes.

The Funds' exposures are summarised in the table below, which provides an analysis on the impact of the Funds' net assets attributable to holders of redeemable shares (gross of expenses), and of a reasonable possible change in the relevant index, with all other variables held constant.

NOTES TO THE FINANCIAL STATEMENTS - continued

13. FINANCIAL INSTRUMENTS - continued

Price Risk - continued

	Exposure (as a % of net assets)		Relevant index	Reasonable possible change		+/- Impact on NAV	
	2020	2019		2020	2019	2020	2019
Global Bond Fund Plus	-	1.92	General price movement	-	5%	-	€1,065
Malta Privatisation & Equity Fund	-	93.13	MSE Index	-	10%	-	€191,376
Melita International Equity Fund	-	72.30	MSCI World Local Index	-	10%	-	\$31,336

Debt securities were affected by interest rate movements, which are covered below.

In the prior year, the portfolio of the Malta Privatisation and Equity Fund had a concentration towards equity securities. The fund held no investment as at 11 March 2020. As at 31 July 2019, 72.96% of the net asset value of the Fund was invested in five equity securities. This concentration of market risk was managed by ensuring that such investments were held with reputable counterparties and by monitoring against the investment restrictions as stipulated in the Prospectus. If any of the investment restrictions was exceeded, the manager sought to remedy the situation in the shortest time possible.

The Melita International Equity Fund portfolio's main concentration as at 31 July 2019 was towards two foreign collective investment schemes amounting to 43.50% of the net asset value of the Fund. In addition, the fund invested in a number of securities listed on the Malta Stock Exchange. As at 31 July 2019, 18.35% of the net asset value of the Fund was invested in four securities. No investment was held as at 11 March 2020.

Interest Rate Risk

The Funds are exposed to interest rate risk either through directly holding interest-bearing financial assets or indirectly through interest-bearing financial assets held by the respective underlying collective investment schemes.

Assets earning interest at variable rates expose the Funds to cash flow interest rate risk, whereas assets earning interest at fixed rates expose the Funds to fair value interest rate risk. The Funds' exposure to interest rate risk is summarised in the table below.

	Assets held at fixed rates (as a % of NAV)		Assets held at variable rates (as a % of NAV)	
	2020	2019	2020	2019
Global Bond Fund Plus	-	1.85	125.35	20.94
Malta Privatisation & Equity Fund	-	-	107.45	11.64
Melita International Equity Fund	-	-	85.95	32.03

a) Global Bond Fund Plus

The above exposure of the Global Bond Fund Plus included a direct exposure to interest rate risk through its investments held in corporate bonds, which in total amounted to 1.85% of the Fund's net asset value.

NOTES TO THE FINANCIAL STATEMENTS - continued

13. FINANCIAL INSTRUMENTS - continued

a) Global Bond Fund Plus - continued

At 31 July 2019, should interest rates had lowered/increased by 25 basis points with all other variables remaining constant, the increase/decrease in net assets attributable to holders of redeemable shares for the year would have amounted to approximately €620, arising from the change in market values of these corporate and sovereign bonds and changes in cash flow arising on assets held at variable rates including cash. The direct exposure in interest rate risk was managed through investment in debt securities with different maturity dates over the time bands as illustrated in the tables below. In addition, investment limits in interest-bearing securities were prescribed in the Prospectus. The Manager monitored such exposure against these limits on a regular basis.

	Time Bands	
	1 to 5 years	5 to 15 years
Maturities of debt securities as at 31 July 2019	€20,534	-

The Global Bond Fund Plus was also indirectly exposed to a level of interest rate risk through its investments in underlying collective investment schemes, which amounted to 79.97% of the Fund's net asset value. The strategy of the underlying collective schemes was diversified. These collective investment schemes invested in assets exposed to both fixed and floating rates of interest within different industry sectors, as well as in different regions or countries and having different maturities in order to mitigate and diversify risks arising from macroeconomic cycles, geopolitical hazards, currency exposure, and debt interest rates amongst others. During the prior year, these collective investment schemes, in fact, experienced a low yield movement and accordingly, a sensitivity analysis for interest rate risk disclosing how the net assets attributable to holders of redeemable shares for the year would have been affected by changes in interest rates that were reasonably possible at the reporting date is not deemed necessary.

As at the end of the reporting period, the Global Bond Fund Plus did not have a material exposure to interest rate risk and accordingly, a sensitivity analysis for interest rate risk disclosing how the net assets attributable to holders of redeemed shares for the year would have been affected by changes in interest rates that were reasonably possible at the reporting date was not deemed necessary.

b) Malta Privatisation and Equity Fund

The Malta Privatisation and Equity Fund does not have a material exposure to interest rate risk and accordingly, a sensitivity analysis for interest rate risk disclosing how the net assets attributable to holders of redeemable shares for the year would have been affected by changes in interest rates that were reasonably possible at the reporting date is not deemed necessary.

c) Melita International Equity Fund

The Melita International Equity Fund does not have a material exposure to interest rate risk and accordingly, a sensitivity analysis for interest rate risk disclosing how the net assets attributable to holders of redeemable shares for the year would have been affected by changes in interest rates that were reasonably possible at the reporting date is not deemed necessary.

Currency fluctuations between the functional currency of the Funds and the currency of the underlying investments of the Funds, may adversely affect the value of investments and the income derived there from. Up to the reporting date, the Company did not have any hedging policy with respect to foreign exchange risk.

NOTES TO THE FINANCIAL STATEMENTS - continued

13. FINANCIAL INSTRUMENTS - continued

Currency Risk

As at the end of the period, none of the funds has a material exposure to currency risk. In the comparative period, exposure to currency risk is as per the table below.

As at 31 July 2019	Functional currency	EURO % of net assets	GBP % of net assets	USD % of net Assets
Global Bond Fund Plus	EURO	N/A	24.17	29.24
Melita International Equity Fund	USD	18.35	0.65	N/A

The table below provides an analysis on the impact of the Funds' net assets attributable to holders of redeemable shares (gross of expenses), and of a reasonable possible change in exchange rates, with all other variables held constant.

	Functional currency	Exposure to currency	Reasonable possible change		+/- Impact on NAV	
			2020	2019	2020	2019
Global Bond Fund Plus	EURO	USD	-	6%	-	€19,451
Global Bond Fund Plus	EURO	GBP	-	6%	-	€16,080
Melita International Equity Fund	USD	EURO	-	6%	-	\$3,795

In accordance with the Fund's policy, the Manager monitors the Funds' currency position on a regular basis.

The Global Bond Fund Plus and Melita International Equity Fund were also exposed to an unknown level of foreign exchange risk in relation to the underlying assets of its investments in collective investment schemes. As disclosed in the interest rate risk section, the risks arising from these collective investment schemes was managed through the wide diversification of its underlying assets.

Credit Risk

Credit risk is the risk that an issuer or counterparty will be unable or unwilling to meet a commitment that it has entered into with the Company. Financial assets, which potentially subject the Funds to credit risk, consist principally of debt securities and cash and cash equivalents.

All financial assets are classified as fully performing assets. The Funds have no history of past default associated with their portfolio and do not hold any impaired assets as at the end of the reporting date. The Funds mainly invest in financial assets, which have an investment grade as rated by a well-known rating agency.

NOTES TO THE FINANCIAL STATEMENTS - continued

13. FINANCIAL INSTRUMENTS - continued

Credit Risk - continued

The following tables provide information regarding the Funds' aggregated credit risk exposure with external credit ratings.

Global Bond Fund Plus

As at 11 March 2020

	Not rated	Carrying value €
Cash and cash equivalents	100%	<u>131,361</u>

As at 31 July 2019

	Not rated	Carrying value €
Other receivables	100%	1,060
Cash and cash equivalents	100%	<u>232,145</u>
		233,205
Debt securities classified as fair value through profit or loss	100%	<u>20,534</u>
		<u>253,739</u>

Malta Privatisation and Equity Fund

As at 11 March 2020

	Not rated	Carrying value €
Settlements receivable	100%	870
Cash and cash equivalents	100%	<u>711,247</u>
		<u>712,117</u>

Malta Privatisation and Equity Fund - continued

As at 31 July 2019

	Not rated	Carrying value €
Settlements Receivable	100%	15,350
Cash and cash equivalents	100%	<u>324,780</u>
		<u>340,130</u>

NOTES TO THE FINANCIAL STATEMENTS - continued

13. FINANCIAL INSTRUMENTS - continued

Credit Risk - continued

Melita International Equity Fund

As at 11 March 2020

	Not rated	Carrying value USD
Settlements Receivable	100%	48,634
Cash and cash equivalents	100%	<u>19,488</u>
		<u>68,122</u>

As at 31 July 2019

	Not rated	Carrying value USD
Cash and cash equivalents	100%	<u>110,406</u>

The carrying amounts disclosed above represent the maximum exposure to credit risk. The Funds do not hold any collateral as security.

The Global Bond Fund Plus was also indirectly exposed to credit risk through its investments in collective investment schemes that in turn invest in bonds. As at 31 July 2019, these amounted to 21.40% of its net asset value. These bonds carried a higher risk as to the issuer's ability to make payments of principal and interest since they invested predominantly in securities which did not constitute investment grade securities.

The Investment Manager assessed the risk associated with these investments by prior financial analysis of the relevant collective investment schemes and by assessing the reputation of the relevant fund manager as part of their normal scrutiny of prospective investments.

As at 11 March 2020, bank balances held by the Global Bond Fund Plus, Melita International Equity Fund and the Malta Privatisation and Equity Fund were all held with Sparkasse Bank Malta p.l.c. This credit risk is managed by ensuring that such assets are held with institutions that are considered to be reputable and/or enjoy a high credit standing.

Generally, concentration of credit risk is also managed by ensuring adherence to the investment restrictions as stipulated in the prospectus. The Manager monitors the Funds' investment restrictions on a regular basis and if any of the investment restrictions is exceeded, the Manager seeks to remedy the situation in the shortest time possible.

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

NOTES TO THE FINANCIAL STATEMENTS - continued

13. FINANCIAL INSTRUMENTS - continued

Liquidity Risk

The Funds' listed securities were considered to be readily realisable as they were listed on recognised stock exchanges. The Funds had the ability to borrow to meet short term liquidity requirements.

In respect of securities listed on the Malta Stock Exchange, despite the fact that such securities were listed, the market in such securities may be illiquid in view of the fact that the trading volumes on the Malta Stock Exchange, which is a relatively small market when compared to more established markets, were limited.

The Global Bond Fund Plus was also exposed to an unknown level of liquidity risk in view of its underlying collective investment schemes which had investments in high yield bonds and/or securities in emerging markets. As disclosed in the interest rate risk section, risks arising from these collective investment schemes was managed through the wide diversification of its underlying assets.

The Manager monitored the Funds' liquidity position on a regular basis. Redeemable shares were redeemed on demand at the holder's option. All other liabilities are due within less than one year.

Following the lifting of the suspension on 6th December 2019, the investors' choices were executed so that investors choosing to migrate to Merrill Funds SICAV were migrated in line with the migration agreement signed individually by investors, the Company, Merrill Funds SICAV and GCFM as manager to the Company; the request of those investors requesting a redemption in cash were executed accordingly and the redemption in specie requested by GCLI was also executed proportionately. All transactions were based on the same NAV of the 6th December 2019.

Following the execution of these investor requests, those investors that had either chosen to remain in the fund or had expressed no preference, were therefore the remaining shareholders in the Company until it was liquidated on 11th March 2020.

Fair values

The fair value of publicly traded investments classified as financial assets through profit or loss was based on quoted market prices at the reporting date. At 31 July 2019, the carrying amount of the Funds' financial assets approximated their fair values.

Fair value estimation

The Company adopted the amendment to IFRS 7, effective 1 January 2009. This requires the Company 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:

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

As at 11 March 2020 the Company had no assets that are measured at fair value.

NOTES TO THE FINANCIAL STATEMENTS - continued

13. FINANCIAL INSTRUMENTS - continued

The following table presents the Company's assets that are measured at fair value at 31 July 2019:

	Level 1	Level 2	Level 3	Total
Global Bond Fund Plus	€	€	€	€
Assets				
Fair value through profit or loss				
- equity securities	-	21,295	-	21,295
- debt securities	-	20,534	-	20,534
- collective investment schemes	-	886,494	-	886,494
	-	928,323	-	928,323
Malta Privatisation and Equity Fund	€	€	€	€
Assets				
Fair value through profit or loss				
- equity securities	1,487,865	1,111,257	-	2,599,122
- debt securities	-	-	-	-
	1,487,865	1,111,257	-	2,599,122
Melita International Equity Fund	USD	USD	USD	USD
Assets				
Fair value through profit or loss				
- equity securities	50,838	14,669	-	65,507
- collective investment schemes	-	169,039	-	183,708
	50,838	183,708	-	249,215

There were no transfers between levels for the year ended 31 July 2019 and period ended 11 March 2020.

Statement of Changes in the Composition of the Portfolios

The composition of the portfolio in comparison with the Portfolio Statements as at 11 March 2020 stood as follows:

	% of net Assets 11.03.2020	% of net assets 31.07.2019
Global Bond Fund Plus		
Quoted Local Equities	-	1.92
Quoted Local Corporate Bonds	-	1.85
Foreign Collective Investment Schemes	-	79.97
Malta Privatisation & Equity Fund		
Quoted Local Equities	-	92.94
Quoted Local Corporate Bonds	-	-
Quoted Foreign Equities	-	0.19
Melita International Equity Fund		
Quoted Local Equities	-	18.36
Quoted Foreign Equity	-	0.65
Foreign Collective Investment Schemes	-	53.29

INFORMATION ABOUT THE SCHEME

1. Authorisation

The Company is licensed by the Malta Financial Services Authority as a Collective Investment Scheme pursuant to Section 6 of the Investment Services Act, 1994.

2. Income

No distributions were made in either of the sub-funds. Instead, all income was accumulated within the price of the shares, and therefore no equalisation was required.

3. Current Taxation

The tax regime for collective investment schemes was 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. 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 eighty-five percent of the value of the total assets of the fund. On the basis that the Malta Privatisation & Equity Fund was classified as a prescribed fund for income tax purposes, it was subject to Maltese tax on its investment income as defined in the Income Tax Act at a rate of 10% or 15% depending on the nature of the income. No tax on capital gains was incurred by resident investors upon the disposal of units in such fund.

The Global Bond Fund Plus and the Melita International Equity Fund were classified as non-prescribed funds for income tax purposes and therefore these funds were not subject to tax on their income or gains but resident investors therein could have been subject to a 15% final withholding tax on capital gains realised on redemptions of units. However, the investor could have requested the Company not to effect the deduction of the said 15% withholding tax in which case the investor would have been required to declare the gains in his income tax return and would be subject to tax at the normal rates of tax.

In case of the Company's foreign investments, any capital gains, dividends, interest and other gains or profits might have been subject to tax imposed by the country of origin concerned and such taxes were not recoverable by the Company or by its shareholders. This could, inter alia, have been the case for the Global Bond Fund Plus and the Melita International Equity Fund.

4. Up-front Charges and other Fees

	Initial charge	Management Fee as a % per annum of the Net Asset Value of each Fund	Custody Fee as a % per annum of the Value of Investments of each Fund	Registrar Fee as a % per annum of the Net Asset Value of each Fund
Global Bond Fund Plus	A spread between the Offer Price and the Bid Price of up to 5%, discounted to 3%	1.5 % (<i>inclusive of the Investment Advisory Fee</i>)	0.2%, subject to a minimum of €3,000	0.1%
Malta Privatisation & Equity Fund	A spread between the Offer Price and the Bid Price of up to 4%, discounted to 3%	1.25 % (<i>inclusive of the Investment Advisory Fee</i>)	0.2%, subject to a minimum of €3,000	0.1%
Melita International Equity Fund	An initial charge of up to 5%, set at 5% on the amount invested	0.60% * + 1.15% **	0.2%, subject to a minimum of €3,000	0.1%

INFORMATION ABOUT THE SCHEME - continued

4. Up-front Charges and other Fees - continued

* This part of the Management Fee was retained by the Manager, and was subject, in the aggregate, to a minimum fee payable to the Manager of USD10,000 with respect to Melita International Equity Fund only.

**This part of the Management Fee was payable by the Manager to the Investment Advisor as an Investment Advisory Fee.

For the year under review, management fees have been discounted by 30%.

Performance fees

With effect from 1 October 2007, the Performance Fee payable to the Investment Advisor was amended in accordance with the Investment Services Act (Performance Fees) Regulations, (Legal Notice 239 of 2006).

The Investment Advisor, in addition to the Investment Advisory Fee received from the Manager, would have been entitled to a fee based on the performance of each Fund (the "**Performance Fee**"), payable by the Company with respect to the Fund concerned, as follows:

(i) The Performance Fee in respect of the Malta Privatisation & Equity Fund and the Melita International Equity Fund was payable to the Investment Advisor in the event that the relevant Fund out performed the Relevant Index (as defined below) for that Fund in any one Financial Year. The Performance Fee was equal to 25% of the return made by the Fund concerned over the Relevant Index for that Fund in any one Financial Year. This Performance Fee was paid quarterly to the Investment Advisor within three (3) months from the end of the quarter to which it relates.

At the end of each Financial Year, the Performance Fee properly due for that Financial Year with respect to the relevant Fund was determined on the basis of the actual performance of the Fund concerned during that Financial Year on the basis of the audited financial statements of the Company. If, at the end of the Financial Year, it resulted that the Investment Advisor had received an overpayment of the fee with reference to the relevant Fund, such amount as has been overpaid was to be repaid to the Fund concerned within three (3) months from the date of determination of the Performance Fee properly due to the Investment Advisor with respect to that Fund. In the event that after determination of the Performance Fee properly due and payable to the Investment Advisor with respect to the Fund concerned it resulted that the Investment Advisor had received an underpayment of such fee, then the Fund concerned was to pay the difference of such underpayment within three (3) months from the date of the determination of the Performance Fee properly due to the Investment Advisor with respect to that Fund.

The Performance Fee payable was calculated as at the annual accounting reference date each year by taking the increase in the Net Asset Value per Share for the relevant Fund during that Financial Year as on the last Dealing Day of that annual accounting period (before deduction of the Performance Fee) and comparing this with the Relevant Index for that Fund for that period. The Performance Fee payable would have been equal to 25% of the amount by which the increase in the Net Asset Value per Share of the relevant Fund has outperformed the Relevant Index for that Fund, multiplied by the average number of Shares in issue in that Fund, taken at each valuation point, during that annual accounting period.

Provided that if a Fund had underperformed the Relevant Index in any preceding Financial Year such under performance was recouped before a Performance Fee became payable in any subsequent Financial Year with respect to that Fund. Provided further that no Performance Fee would have been paid in any Financial Year if the Net Asset Value per Share of the Fund concerned is below that Fund's Initial Offer Price at the end of that Financial Year.

INFORMATION ABOUT THE SCHEME - continued

4. Up-front Charges and other Fees - continued

Performance fees - continued

The **Relevant Index** for the purpose of the payment of the Performance Fee was:

- (a) in so far as the Malta Privatisation & Equity Fund was concerned, the MSE Index (as defined below);
- (b) in so far as the Melita International Equity Fund was concerned, the Morgan Stanley Capital International (MSCI) World Local Index (as defined below).

"MSE Index" means the index maintained and produced by the Malta Stock Exchange as the official equity index of the Malta Stock Exchange (as displayed on either of the Malta Stock Exchange website (www.borzamalta.com.mt) or the relevant page of the Bloomberg screen with the code *MALTEX Index*) as of close of business on the latest day immediately preceding each Dealing Day (or, if the said rate is not available at such time or on such day, as of the latest available time and day. If both of the MSE and Bloomberg codes were replaced or if both these services ceased to be available, the Investment Advisor notified the Manager and the Company of such other Bloomberg code or of such other service displaying the appropriate index, if available).

"Morgan Stanley Capital International (MSCI) World Local Index" means the index maintained and produced by Morgan Stanley Capital International Inc. as the Morgan Stanley Capital International (MSCI) World Local index (as displayed on either of the relevant page of the Bloomberg screen with the code *MSDLWI Index* or the relevant page of the Reuters screen with the code *.CIWL*) as of close of business on the latest day immediately preceding each Dealing Day (or, if the said rate was not available at such time or on such day, as of the latest available time and day. If both of the Bloomberg and Reuters codes were replaced or if both of these services ceased to be available, the Investment Advisor notified the Manager and the Company of such other code or of such other service displaying the appropriate index, if available).

The Investment Advisory Agreement further provided that if any Relevant Index ceased to be available, or if the Investment Advisor otherwise determined that adequate and fair means did not exist for ascertaining a Relevant Index or that such index had become inappropriate as a benchmark to measure a Fund's performance, by reference to that Fund's investment objective and asset allocation, then the Investment Advisor notified the Manager and the Company of that fact and:

(a) within five (5) Business Days of receipt of the notification, the Investment Advisor, the Manager and the Company entered into negotiations for a reasonable period with a view to agreeing an alternative basis for determining the method for the calculation of the Performance Fee for the Fund concerned in line with the Investment Services Act (Performance Fees) Regulations (L.N. 239 of 2006) (the "Regulations);

(b) an alternative basis for determining such Performance Fee may have included any alternative index or indices which were published in an appropriate manner or benchmark and which were considered appropriate by the Investment Advisor, the Manager and the Company to measure a Fund's performance by reference to its investment objective and asset allocation, as long as such alternative was in line with the Regulations and without prejudice to the Company's obligations under the Regulations.

INFORMATION ABOUT THE SCHEME - continued

4. Up-front Charges and other Fees - continued

Performance fees - continued

(ii) The Performance Fee in respect of the Global Bond Fund Plus was payable to the Investment Advisor in the event that the Fund outperforms the Relevant Benchmark (as defined below) in any one Financial Year. The Performance Fee was equal to 25% of the return made by the Fund over the Relevant Benchmark in any one Financial Year. This Performance Fee was paid quarterly to the Investment Advisor within three (3) months from the end of quarter to which it relates.

At the end of each Financial Year, the Performance Fee properly due for that Financial Year with respect to the Fund was determined on the basis of the actual performance of the Fund during that Financial Year on the basis of the audited financial statements of the Company. If, at the end of the Financial Year, it resulted that the Investment Advisor had received an overpayment of the fee with respect to the Fund, such amount as has been overpaid was to be repaid to the Fund within three (3) months from the date of determination of the Performance Fee properly due to the Investment Advisor. In the event that after determination of the Performance Fee properly due and payable to the Investment Advisor with respect to the Fund it resulted that the Investment Advisor had received an underpayment of such fee, then the Fund was to pay the difference of such underpayment within three (3) months from the date of the determination of the Performance Fee properly due to the Investment Advisor.

The Performance Fee payable was calculated as at the annual accounting reference date each year by taking the increase in the Net Asset Value per Share for the Fund during that Financial Year as on the last Dealing Day of that annual accounting period (before deduction of the Performance Fee) and comparing this with the Relevant Benchmark for that period. The Performance Fee payable was equal to 25% of the amount by which the increase in the Net Asset Value per Share for the Fund has outperformed the Relevant Benchmark, multiplied by the average number of Shares in issue in the Fund, taken at each valuation point, during that annual accounting period.

Provided that no Performance Fee in respect of the Fund was paid or accrued until the Net Asset Value per Share of the Fund exceeded the "water mark", that is, the highest of the previous highest Net Asset Value per Share for the Fund on which the Performance Fee was paid (if any), the Initial Offer Price, or the Relevant Benchmark. In any Financial Year was only payable on the increase over the "water mark".

The Relevant Benchmark for the purpose of the payment of the Performance Fee in respect of the Fund was the BBA 3 Month Libid Euro Rate being the British Bankers' Association London Interbank Bid Rate for EURO for a three (3) month period. This rate was based upon the British Bankers' Association LIBOR fixings (as displayed on either of the relevant page of the Bloomberg screen with the code EU0003M or the relevant page of the Reuters screen with code *LIBOR=*) and was determined by subtracting one eighth (0.125) from the British Bankers' Association 3 Month Libor Euro Rate as of 11.00a.m. GMT on each Dealing Day (or, if the said BBA 3 Month Libor Euro Rate was not available at such time or on such day, as of the latest available time and day. If both of the Bloomberg and Reuters codes were replaced or if both of these services ceased to be, the Investment Advisor notified the Manager and the Company of such other code or of such other service displaying the appropriate index, if available).

INFORMATION ABOUT THE SCHEME - continued

4. Up-front Charges and other Fees - continued

Performance fees - continued

The Investment Advisory Agreement further provided that if any Relevant Benchmark ceased to be available, or if the Investment Advisor otherwise determined that adequate and fair means did not exist for ascertaining a Relevant Benchmark or that such index became inappropriate as a benchmark to measure the Fund's performance, by reference to the Fund's investment objective and asset allocation, then the Investment Advisor notified the Manager and the Company of that fact and:

(a) within five (5) Business Days of receipt of the notification, the Investment Advisor, the Manager and the Company entered into negotiations for a reasonable period with a view to agreeing an alternative basis for determining the method for the calculation of the Performance Fee for the Fund in line with the Investment Services Act (Performance Fees) Regulations (L.N. 239 of 2006) (the "Regulations");

(b) an alternative basis for determining such Performance Fee included any alternative index or indices which were published in an appropriate manner or benchmark and which were considered appropriate by the Investment Advisor, the Manager and the Company to measure the Fund's performance by reference to its investment objective and asset allocation, as long as such alternative was in line with the Regulations and without prejudice to the Company's obligations under the Regulations.

At the end of the first Accounting Period and in the event that the Investment Advisory Agreement was terminated otherwise than at the end of an Accounting Period, the Performance Fee payable for any period less than a quarter was calculated proportionately and paid within three months from the end of the first Accounting Period or the termination of the Investment Advisory Agreement (as the case may be).

If the determination of the Net Asset Value of any Fund was suspended pursuant to the Articles or the Laws on any Dealing Day, the Performance Fee shall be calculated by reference to the Net Asset Value of such Fund on the Dealing Day immediately preceding such suspension.

5. Risk Warnings

Market Fluctuations

Investments in the Funds were regarded as a long-term investment. The Funds' investments were subject to normal market fluctuations and the risks inherent in all investments and there were no assurances that capital appreciation will occur.

The price of shares and the income from them (if any) could have gone down as well as up and investors might not have realised the amount of their initial investment. Past performance was no guarantee of future performance. The value of the Funds, including the currencies in which they were denominated, could have fallen as well as rose.

Erosion of Capital

When an Investor redeemed part of his/her holding, the Investor was aware that these redemptions / payments were made from the sale of Shares and may have resulted in an erosion of capital.

Exchange Rate Fluctuations

Currency fluctuations between the base currency of a Fund, and,

(i) the investor's currency of reference, and

(ii) the currency of the underlying investments of that Fund,

may have adversely affected the value of investments and the income derived therefrom.

INFORMATION ABOUT THE SCHEME - continued

5. Risk Warnings - continued

Investments on the Malta Stock Exchange

Some of the Funds, directly or indirectly through collective investment schemes, may have invested in debt securities and equity securities quoted on the Malta Stock Exchange ("the MSE"). When compared to more established markets, the MSE is a relatively new market and, accordingly, the investments that can be made thereon are limited. This might have led to an exposure to a particular security or industry sector that was higher than that normally associated with a diversified portfolio. This may have exposed the Funds to higher levels of volatility and may have adversely affected the performance of the Funds.

Despite the fact that such securities were listed, the market in such securities may have been illiquid in view that the trading volumes on emerging stock exchanges such as the MSE, were substantially less than in the world's leading stock markets. Accordingly the buying and selling of securities may have been time consuming and may needed to be effected at unfavourable prices.

Investments in Smaller Companies

The Funds, directly or indirectly through collective investment schemes, may have invested in the securities of smaller companies. Investments in the securities of smaller companies may have involved greater risk than is customarily associated with investment in larger, more established companies.

In particular, smaller companies often have limited product lines, markets or financial resources, and may be dependent for their management on one or two key individuals. This may result in investments in such companies to be more volatile than in larger companies.

Investments in Companies Operating in Particular Industry Sectors

The Funds, directly or indirectly through collective investment schemes, may have invested in companies operating in particular industry sectors. Such companies were subject to a higher degree of commercial and financial risk. This may have resulted in investments in such companies being subject to higher levels of volatility and may have adversely affected the performance of the Funds investing in such companies.

Investments in Unlisted Securities

The Funds, directly or indirectly through collective investment schemes, may have invested in unlisted securities. Investment in unquoted securities may been subjected to risks not normally associated with quoted securities. These risks mainly relate to the illiquidity of the market.

Foreign and Local Equity Investments

The Funds, directly or indirectly through collective investment schemes, may have invested in foreign and local equity securities. Investment in equities was subject to certain risks inherent in the market that are attributable to general market conditions. Furthermore, equity investment was also subject to firm specific risk that reflected the risk peculiar to an individual firm. Investors were therefore aware that Funds that invested part or their entire portfolio directly in equities were subject to both market and firm specific risk.

Investments in Sub-Investment Grade Securities

Some of the Funds, directly or indirectly through collective investment schemes, may have invested a significant part of their assets in sub-investment grade debt securities. Sub-investment grade debt securities offered a very low level of protection insofar as the honouring of principal and interest payments by the issuers thereof is concerned. The lower the rating of a sub-investment grade debt security, the lower the protection (if at all) afforded against credit default by the respective issuer. In view of the special risks associated with investment in sub-investment grade securities, an investment in Funds investing in such securities were regarded as involving a greater degree of risk.

INFORMATION ABOUT THE SCHEME - continued

5. Risk Warnings - continued

Specific Risks in respect of Funds investing in Emerging Markets

Some of the Funds, directly or indirectly through collective investment schemes, may have invested a significant part of their assets in securities of issuers in emerging markets. Investments in emerging markets could have been subjected to risks not normally associated with more developed markets. These risks mainly relate to the instability of the economies of the countries concerned, political uncertainties and, in some cases, illiquidity of the market concerned. Such investments may have also been adversely affected by higher counter-party risks, greater currency risks, higher price volatility and the effect of exchange control regulations or other governmental laws or restrictions. The supervision by governmental authorities and the legal environment of these economies may have been less than adequate and some of these markets might not have been subjected to accounting, auditing and financial reporting standards comparable to those existing in more developed countries, thereby exposing the Funds to a greater degree of risk, including the risk of fraudulent securities. Furthermore, settlement and custody systems in emerging markets are not as well developed as those in more developed markets.

Investors were aware that any downturn in the economies of emerging markets may have adversely affected the servicing and ultimate repayment of the investments of the Funds. Additionally, market practices in relation to the settlement of securities transactions and the custody of assets in emerging markets could have provided increased risk of loss to the Funds.

Investments in Collective Investment Schemes

The Funds invested in collective investment schemes that may in turn have invested globally in a range of securities. As a result, these Funds were subject to the same risk factors as the underlying assets in which they invested. Some of the underlying collective investment schemes in which the Funds may have invested may be priced at intervals that are more than weekly. Accordingly, in pricing, the Manager may have used a price that was more than a week or fifteen days old. This could result in a higher or lower price for such investments than that which could be obtained on the day of pricing of such investments.

Performance Fee

The Performance Fees payable to the Investment Advisor may have incentivised the Investment Advisor to take higher risks in the investment recommendations made by it to the Board of Directors. All investment decisions were taken by the Board of Directors or a sub-committee thereof.

The amount of Performance Fees payable to the Investment Advisor was not subject to any cap or maximum amount.

The increase in NAV which was used as a basis for the calculation of the Performance Fees may have been comprised both of realised gains as well as unrealised gains as at the end of the calculation period and, as a result, Performance Fees might have been paid on unrealised gains which may subsequently have never been realised by the Company.

The Company did not operate an equalisation account nor any other method to ensure an equal treatment for the payment of the Performance Fees irrespective of the timing of the application for or redemption of Shares in the Company. Accordingly, Shareholders might, when purchasing and/or redeeming Shares in the Company, indirectly underpaid or overpaid an under-performance accrual or an over-performance accrual as the case may be.

6. Scheme Particulars

The above details were extracted from the latest version of the Global Funds SICAV p.l.c. Prospectus dated 1 March 2010, which was available upon request from the Manager and was at the date of this Annual Report and Financial Statements. Persons who wished to invest in the shares should have done so on the basis of the full information contained in the Prospectus.

INFORMATION ABOUT THE SCHEME - continued

8. Dissolution and voluntary winding up

Global Capital Financial Management Limited, the investor manager of the Fund had to take note that the continuity of the Fund would no longer be viable or desirable. Accordingly, after the lifting of the suspension on 6th December 2019, the Board of Directors of the Fund decided that it was in the best interests of all the Investors of the Fund, by virtue of the powers granted under the Memorandum and Articles of Association and the Prospectus of the Fund to convene an Extraordinary General Meeting on 11th March 2020 in which the dissolution and voluntary winding up of the Fund was approved. The sub-Funds were subsequently de-listed from the Malta Stock Exchange on 22nd May 2020.