

18<sup>th</sup> September 2019

## FREQUENTLY ASKED QUESTIONS

### **1. What are the three choices available for the shareholders holding shares in one of the Sub-Funds of Global Funds SICAV plc (“GFS” or the “Scheme”)?**

The Shareholders of the Sub-Funds of the Global Funds SICAV plc can opt for three alternatives regarding their investments:

1. Option 1 - Remain in the Sub-Fund of the Global Funds SICAV plc in which they are currently invested;
2. Option 2 - Redeem their Shares for cash. Shareholders must be aware that should a large number of redemptions be requested, the prospectus of GFS allows deferral of cash payments; or
3. Option 3 - Transfer their holding in one of the sub funds of their choice under Merrill SICAV plc (the “migration option”).

### **2. What happens if an investor does not choose one of the above choices?**

If no communication as to the choice is received from any one investor, then it will be assumed that the investor has chosen to remain invested in the Sub-Fund of Global Fund SICAV plc in which he is invested.

### **3. What should investors do before making their decision on which option to choose?**

Following the Information Meeting held at the Waterfront Hotel on Wednesday, 18th September 2019 at 6.00pm each shareholder should seek advice from a financial adviser who will assist the investor in making his/her own choice. The Financial Planning Managers (“FPMs”) at GlobalCapital Financial Management Limited are available to meet investors by appointment to assist each investor with his/her choice. These FPMs can be contacted on the following numbers:

- Mrs. Mandy Mifsud – Direct Line 2279 6304
- Mr. Rodian Formosa – Direct Line 2279 6301
- Mr. Josman Cilia – Direct Line 2279 6303

#### **4. What documents should investors submit in order to make their choice?**

Every investor should communicate his/her choice by delivering Annex 1 attached to the letter dated 6th September 2019 and sent to investors together with the requested documentation in line with the option chosen. These documents should be delivered to the FPMs at GlobalCapital Financial Management by 16:30 of the 11th October 2019.

Should investors wish to mail the required documents, they may do so by sending the documents to the following address:

*GlobalCapital Financial Management Ltd, Fund Administration, Testaferrata Street, Ta'Xbiex XBX 1403, Malta.*

**It is important to note that the closing date for the choice of the preferred option will be 4:30pm on Friday 11th October 2019.**

A copy of Annex 1 can be found here (<https://www.globalcapital.com.mt/investors-relation-corporate/>)

The following documents are required for the various options:

- *Option 1 – ID Card, Recent Utility Bill (not older than three months old) and completed Annex 1;*
- *Option 2 – ID Card, Recent Utility Bill (not older than three months old), completed Annex 1 and signed Redemption Form;*
- *Option 3 – ID Card, Recent Utility Bill (not older than three months old), completed Annex 1 and signed Investment Migration Agreement;*

#### **5. What happens after the choices have been elected?**

- For those investors that have chosen Option 1: Remain in the Sub-Fund

Those investors that have opted for this option or those investors for whom no instruction was received by the deadline (i.e.4:30pm on Friday 11th October 2019), will retain the investment in GFS. Once the suspension on the calculation of the Net Asset Value (“NAV”) is lifted, these investors will be able to redeem their investments at any time, in line with the redemption process outlined in the prospectus of the Scheme. Their redemption will be effected at the NAV calculated on the day on which their redemption is effected.

Kindly note that, if for any reason, the value assets of the Scheme fall below the minimum threshold, the sub funds may be subject to a mandatory redemption.

- For those investors who have chosen Option 2: Redemption of shares for cash

These investors will receive the relevant payment from the redemption of their units in the Sub Funds. These will be redeemed at the first official NAV that will be published after the suspension on the NAV calculation is lifted. The redemption proceeds will be sent directly to the investor’s bank account.

The prospectus of the Scheme contains clauses that allow for the postponement of the payment of redemption proceeds so as to allow adequate time for the Portfolio Manager to liquidate the portfolio in a timely and efficient manner and to obtain the best prices for the securities. This redemption will take place immediately after the execution of any migration process and once the suspension on the calculation of the NAV is lifted.

- For those investors who have chosen Option 3: Transfer their holding in a sub fund of Merrill SICAV plc

In this case there will be a transfer of the exact same value of the investors' holdings from the relative Sub Fund of Global Fund SICAV plc into the chosen Sub-Funds of Merrill SICAV plc. This will be implemented by way of transfer of a pro-rata portion of all underlying assets from the respective Global Funds SICAV Sub Fund that exactly matches the monetary value of the holdings of the investors that have chosen this option.

Kindly note that the investment migration process (and relevant Investment Migration Agreement) have been designed and drafted as a **cash transaction** due to particular regulatory complications that may have been encountered if the transaction was considered as an "*in-specie*" transfer.

Once the migration is effected, investors will receive a new contract note that shows the units in the sub fund of Merrill SICAV plc that they have chosen.

## Q&As RAISED DURING THE INVESTORS' INFORMATION MEETING

### **6. Was the scheme trading its underlying assets when the suspension on the NAV determination was in place?**

Yes, the manager of the Scheme was free to trade its underlying assets during this time because the suspension was on the calculation of the NAV and not on the trading of the scheme's assets.

### **7. which portfolio of shares were sold by the scheme recently?**

Global Funds SICAV plc recently sold the entire portfolio of shares held in GlobalCapital p.l.c equities in each of its Sub-Funds.

The reason of this sale was twofold. Firstly, this was a pre-condition requested by Merrill SICAV plc for the negotiation of the Investment Migration Agreement, since these equities were deemed to be illiquid and therefore difficult to determine their fair value. The second

reason was that the directors of the Scheme felt that it was independently important to ensure there was sufficient liquidity available, following lifting of the suspension.

The proceeds generated from the sale of GlobalCapital plc shares are currently held in cash in the respective Sub-Funds from which they were sold.

**8. What percentage of holding in the relevant Sub-Funds of the Scheme is there in the top performing equities noted by the fund manager?**

Global Bond Fund Plus Top Performers:

Top performers	Performance Price % [EUR]	Percentage of holding [%] as of 30.08.2019
Aberdeen Global- Select Emerging Markets Bond Fund A Minc [USD]	+11.27	24.667%
Wisdom Tree AT1 CoCo Bond UCITS ETF [EUR]	+7.57	5.318%
Amundi Floating Rate USD Corporate UCITS ETF [USD]	+5.10	4.995%

Malta Privatisation and Equity Fund Top Performers:

Security Name	Performance % [EUR]	Percentage of holding [%] as of 30.08.2019
International Hotel Investment [EUR]	+ 34.73	6.634%
Malta Properties Co PLC [EUR]	+ 29.98	1.903%
Malta International Airport PLC [EUR]	+ 24.69	19.456%

Melita International Equity Fund Top Performers:

Security Name	Performance % [USD]	Percentage of holding [%] as of 30.08.2019
Malta International Airport PLC [EUR]	+ 21.20	9.129%
Kames Global Equity Income Fund [EUR]	+11.06	23.006%



**12. How are the fees charged by the Fund Manager of the Scheme levied? Were these discounted, as noted in previous meetings?**

The fees are charged in line with the agreement signed between the Scheme and the manager and have been discounted by 30% in line with the Fund Manager's previous statements. This discount was applied as from 1<sup>st</sup> August 2018.

**13. For those investors who elect option one and thus choose to stay in the fund, could these investors choose to redeem their investment at a later stage?**

Yes, once the suspension on the calculation of the NAV is lifted, all investors who remain in the fund can choose to redeem on any day. The price of such redemption will be the published NAV at the time of redemption and will be in line with the redemption procedures outlined in the prospectus. Investors should be aware that this might also be subject to deferral as stated above

Additionally, those investors who choose option one, i.e. to stay in the fund may be affected by a mandatory redemption, in the event that this is triggered by the Fund Manager of the Scheme. This has been described in question 5 above.

**14. How will the fund manager manage the expected large volume of redemption requests, under Option 2?**

The Fund Manager will address redemption requests in line with the clauses defined by the Prospectus whereby payments of redemption proceeds are allowed to be postponed so as to allow adequate time for the Portfolio Manager to liquidate the portfolio in a timely and efficient manner and obtain the best price for the underlying securities.

**15. Will the redemptions of those investors who elect Option 2, be processed at the same time?**

Yes, all redemption requests received until the closing date of the 11<sup>th</sup> October will rank *pari passu* and will be paid *pro rata* if the deferral of redemption is applied. Redemption requests received after that date will be satisfied after those received within the election period.

**16. How will redemption proceeds be paid when choosing Option 2?**

The payment of redemption proceeds for those investors choosing Option 2 will be by a transfer of the redemption proceeds to the investor's bank account.

**17. Will there be a run-down of shares as a consequence of Option 3?**

No there will not be a run-down of shares as a consequence of Option 3 (the Migration Option). This is because the Investment Migration Agreement stipulates that an exact equal, vertical proportion of assets will be transferred from the Sub-Fund of Global Funds SICAV



plc to Merrill SICAV plc to match the value of migration requests received from investors. This transfer will be executed by way of novation.

**18. Who shall be conducting the independent valuations of the investments for the purpose of Option 3?**

Deloitte has been appointed to conduct the independent valuations of the underlying assets for the purpose of Option 3. The cost for the independent valuation will be paid by Merrill SICAV plc.

**19. Where should the investors wishing to pursue Option 3, present the signed investments migration agreement?**

Investors who wish to elect Option 3 should present the signed Investment Migration Agreement to the FPMs at GlobalCapital Financial Management Ltd. together with a copy of their ID Card, driver's license or recent utility bill (not older than 3 months)