PSG International Funds SICAV plc

Annual Report and Financial Statements for the year ended 28 February 2019

Directors, officers and other information

Directors	Anet Mariana Ahern Henry Laurie Burger Noel Vella
Secretary	GANADO Services Limited 171 Old Bakery Street Valletta VLT1455 Malta
Registered office	171 Old Bakery Street Valletta VLT1455 Malta
Investment Manager	PSG Fund Management (Malta) Limited SmartCity Malta, SCM01 Ground Floor, Unit G02, Ricasoli Kalkara SCM1001 Malta
Investment Advisor	PSG Asset Management (Pty) Ltd 1st Floor, PSG House Alphen Park Constantia 7806 South Africa
Administrator	Vistra Fund Services (Guernsey) Limited 11 New Street, St. Peter Port Guernsey GY1 2PF
Custodian and Banker	Sparkasse Bank Malta p.l.c 101 Townsquare Ix-Xatt Ta' Qui-Si-Sana Sliema, SLM 3112 Malta
Sub-custodian	BNP Paribas Securities Services SCA Guernsey Branch BNP Paribas House St Julian's Avenue, St Peter Port Guernsey, GY1 1WA Channel Islands
Legal Advisor	GANADO Advocates 171 Old Bakery Street, Valletta VLT1455, Malta
Auditors	PricewaterhouseCoopers, Malta 78 Mill Street Qormi Qrm3101 Malta

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The reports and statements set out below comprise the annual report and financial statements presented to the unitholders:

Directors' Report

The Directors have pleasure in submitting their report on the annual report and financial statements of PSG International Funds SICAV plc for the year ended 28 February 2019.

1. Activities and Status

PSG Mutual Fund ICC Limited, the Incorporated Cell Company, was originally incorporated on 13 March 1998 as an open-ended Protected Cell Company under The Protection Cell Companies Ordinance, 1997 as amended. The Company was authorised by The Guernsey Financial Services Commission as a Class B Collective Investment Scheme under the provisions of The Protection of Investors (Bailiwick of Guernsey) Law, 1987 and is also now subject to The Companies (Guernsey) Law, 2008.

PSG Global Flexible Fund IC Limited was an open ended Incorporated Cell of PSG Mutual ICC Limited. The Incorporated Cell Company was a Protected Cell Company, PSG Mutual PCC Limited, which was converted into an Incorporated Cell structure during the 2014 financial year.

PSG Fund Management (CI) Limited have migrated the domicile of the Company from Guernsey to Malta on 2 March 2015, where the Company continues as a sub-fund of a Malta Undertaking for Collective Investment in Transferable Securities (''UCITS'') investment company, now known as PSG International Funds SICAV plc – PSG Global Flexible Sub-Fund.

Throughout these financial statements PSG International Funds SICAV plc is referred to as (the "Company") and PSG Global Flexible Sub-Fund (the "Fund").

Statement of Investment Objective

The objective of this Fund is to follow a flexible managed investment policy which will aim to achieve superior medium to long term capital growth through exposure to selected sectors of the global equity market, and/or bond market and/or money market.

Net asset value at the last valuation date for the previous three years:

	$ 2017	$ 2018	$ 2019
Class A			
Net asset value per share	12.6673	13.9613	13.3596
Net asset value	8 709 073	10 273 215	8 184 154
Class B			
Net asset value per share	12.9514	14.3052	13.7677
Net asset value	104 121 504	129 428 825	126 241 598

There have been no material changes to the nature of the Company's business from the prior year.

2. Review of financial results and activities

At 28 February 2019, the net assets of the Fund applicable to the participating redeemable shares, calculated at close prices, as stated above. The accounts are based on the final/last valuation day in the period.

The price history for the period 28 February 2019 is as follows:

	$ Highest NAV per unit	$ Lowest NAV per unit
PSG Global Flexible Sub-Fund - Class A	14.1306	11.8631
PSG Global Flexible Sub-Fund - Class B	14.4766	12.2602

The Statement of Comprehensive Income is shown on page 13.

The Directors do not consider there to be any meaningful non-financial key performance indicators to be disclosed.

Refer to the Investment Manager's Report for a review of the Fund's performance during the current reporting period.

3. Financial risk management

The Fund's activities expose it to a variety of financial risks: market risk, credit risk and liquidity risk. For the detailed disclosures of the exposure at year end, see note 3.

4. Dividends

It is not the present intention of the Directors that the Fund will pay dividends. Income from the Fund will be accumulated and reflected in the net asset value of the Fund.

5. Directorate

The Directors who served during the period under review and as at the date of this report are as follows:

Directors
Anet Mariana Ahern
Henry Laurie Burger
Noel Vella

6. Other fees

The members of identified staff who are fully or partly involved in the activities of the Fund that have a material impact on the risk profile of the Fund, such as Directors and investment committee members and the like are compensated through fixed remuneration which is paid in cash. The Executive Directors are paid by the management company and the non-executive Director is paid a fixed quarterly director's fee payable by the Fund. Variable remuneration rules and policies are not applicable since the Directors and investment committee members are exclusively remunerated through a fixed salary and paid in cash and the reimbursement of expenses incurred in the carrying out of their duties. Disapplication has been deemed justifiable and proportionate based on the size, internal organisation as well as the nature, scope and complexity of the activities it carries out.

Fees paid to the Directors are disclosed in the Statement of Comprehensive Income.

There were no changes in the remuneration policy during the year.

7. Standard licence conditions applicable under the Investment Services Act

In accordance with SLC 7.35 of the Investment Services Rules for Investment Services Providers regulated by the Malta Financial Services Authority, licence holders are required to include breaches of standard licence conditions applicable under the Investment Services Act in the Directors' report. Accordingly, the Directors confirm that the following breach of the standard licence conditions and other breach of regulatory requirements under the Investment Services Act, was reported:

On 6 December 2018 during an Investment Committee meeting of PSG Fund Management (Malta) Limited who acts as Manager to the PSG International Funds SICAV plc, an analysis of the underlying exposures resulted in the identification of an investment which, albeit small appeared miscategorised. The Investment consisted of SPDR Gold Shares (ISIN:US78463V1070) listed on the NYSE (the "**Instrument**"). The Investment Committee accordingly queried the eligibility of the Instrument with the portfolio manager within PSG Asset Management (Pty) Limited (the "**Trading Advisor**"). At the time the Instrument represented 1.36% of the net asset value of the Fund. The risk management function and risk reporting performed by RiskCap International Limited did not flag the Instrument as an ineligible asset nor did the Depositary, Sparkasse Bank Malta plc. The Manager concluded, after investigation and obtaining legal advice, that the instrument was in fact not an eligible instrument for a UCITS. Accordingly, the Trading Advisor took a conservative approach and sold the entire holding in the Instrument on 11 December 2018. The Manager has compensated the Fund in full for the loss incurred of USD 7,187. The incident was reported to the relevant parties including the MFSA. After confirmation from the MFSA, the matter is now closed.

8. Events after the reporting period

The Directors are not aware of any material event which occurred after the reporting date and up to the date of this report.

Directors' Responsibilities and Approval

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

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

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

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

The financial statements of the Company for the year ended 28 February 2019 is published in hard-copy printed form and may be made available on the Company's website. The Directors are responsible for the maintenance and integrity of the Annual Report on the website in view of their responsibility for the controls over, and the security of, the website. Access to information published on the company's website is available in other countries and jurisdictions, where legislation governing the preparation and dissemination of financial statements may differ from requirements or practice in Malta.

Auditor

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

Signed on behalf of the Board of Directors on 13TH JUNE 2019 by:

Henry Laurie Burger

Noel Vella

Investment Manager's Report

Reflecting on the past financial year, Phillip Wörz from PSG Asset Management (Pty) Limited, summarises the global economic environment as follows:

> After relatively stable conditions in the first nine months of 2018, uncertainty returned to global markets in the 4th quarter which resulted in the MSCI World Index declining 13.8% and the S&P 500 index 14% in final quarter of 2018.
>
> For 2018, the MSCI World Index delivered a total return of -8.2%, its worst annual performance since the financial crisis. After a standout 37.8% return in 2017, MSCI Emerging Markets returned a negative 14.25%, the 5th year emerging market returns were negative in this current decade compared to 3 years in developed markets.
>
> While the market decline has mainly been attributed to fears about rising US interest rates, slowing global growth and concerns about trade wars, mainly between China and the United States, the December 2018 sell-off turned out to be a good buying opportunity with markets largely recovering their losses since the Christmas eve market lows. Year to date (to the end of February 2019), the MSCI World Index returned 11.1% while MSCI Emerging Markets returned 9%.
>
> Market conditions continue to be characterized by wide valuation divergences across geographies and sectors and a valuation gap between cheap and expensive equities as extreme as in the late 1990s. Investors should expect more muted returns from parts of the market where expectations and valuations are high, while less popular, cheaper parts should offer attractive returns to investors willing to take a long-term view.

PSG Global Flexible Sub-Fund (the "Sub-Fund")

The investment objective of the Sub-Fund is to seek to follow a flexible managed investment policy which will aim to achieve superior medium to long term capital growth through exposure to selected sectors of the global equity market, and/or bond market and/or the money market.

To achieve the Investment objective noted above, the asset allocation of the Sub-Fund will be actively managed and will continually reflect the Investment Manager's view of the relative attractiveness of the equity, bond and money markets, globally. The selected sectors of the equity portion of the Sub-Fund's portfolio will change from time to time in accordance with changing market conditions and economic trends.

The Sub-Fund's portfolio may also include investment in shares or units of CIS whose investment strategy is, in the Investment Manager's view, consistent with the Sub-Fund's investment objective. These may include other CIS that are managed by the Investment Manager or by an associate of the Investment Manager. The Investment Manager uses the same investment criteria and will observe the same investment limits (if any) in selecting CIS notwithstanding whether the Investment Manager manages them or not.

Subject to the Investment Restrictions, nothing contained in the Offering Supplement shall preclude the Investment Manager from varying the ratio of securities and assets in liquid form in terms of changing economic factors or market conditions and from retaining cash or placing cash on deposit in terms of the Offering Supplement; provided that the Investment Manager shall ensure that the aggregate value of the assets comprising the portfolio consists of securities and assets in liquid form.

PSG Fund Management (Malta) Limited

Custodian Report

We, Sparkasse Bank Malta plc as custodian to PSG International Funds SICAV plc (the "Company") hereby confirm that having enquired into the conduct of the Manager and the Scheme from 1 March 2018 to 28 February 2019, it is our opinion that during the period, except as described below, the Company has been managed:

- In accordance with the limitations imposed upon the investment and borrowing powers of the Company by the Constitutional documents and by the Malta Financial Services Authority;
- Otherwise in accordance with the provisions of the Constitutional documents and the Company's license conditions.

The Depositary was informed that, during an Investment Committee meeting held on 6 December 2018, the investment in SPDR Gold Shares (ISIN: US78463V1070) was classified as a non-UCITS-eligible asset. The independent legal opinion obtained from Ganado Advocates confirmed such classification. Consequently the holdings in SPDR Gold Shares were sold on the 11 December 2018, resulting in a loss of 7,187 USD, which was compensated by the Manager. On the 19 December 2018 the MFSA was informed in writing about such matter. After confirmation from the MFSA the matter is now closed.

For and on behalf of

Sparkasse Bank Malta plc

pwc

Independent auditor's report

To the Shareholders of PSG International Funds SICAV PLC

Report on the audit of the financial statements

Our opinion

In our opinion:

- PSG International Funds SICAV PLC's financial statements give a true and fair view of the company's financial position as at 28 February 2019, and of the company's financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

What we have audited

PSG International Funds SICAV PLC's financial statements, set out on pages 12 to 36, comprise:

- the statement of financial position as at 28 February 2019;
- the statement of comprehensive income for the year then ended;
- the statement of changes in net assets attributable to holders of redeemable participating shares for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

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

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

Independence

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

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Independent auditor's report - *continued*

To the Shareholders of PSG International Funds SICAV PLC

Other information

The directors are responsible for the other information. The other information comprises the Directors, officers and other information, Directors' Report, Directors' Responsibilities and Approval, Investment Manager's Report and Annexure A (but does not include the financial statements and our auditor's report thereon).

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

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

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

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

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

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

Responsibilities of the directors for the financial statements

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

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

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Independent auditor's report - *continued*

To the Shareholders of PSG International Funds SICAV PLC

Auditor's responsibilities for the audit of the financial statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

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Independent auditor's report - *continued*

To the Shareholders of PSG International Funds SICAV PLC

Report on other legal and regulatory requirements

Other matters on which we are required to report by exception

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

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

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

PricewaterhouseCoopers
78, Mill Street
Qormi
Malta

Joseph Camilleri
Partner

17 June 2019

Statement of Financial Position as at 28 February 2019

Figures in US Dollar	Note	2019	2018
Assets			
Current Assets			
Financial assets at fair value through profit and loss	5	121 367 594	113 074 470
Cash and cash equivalents	8	12 893 644	26 536 001
Due from brokers		3 597 553	888 742
Prepayments		17 197	21 543
Dividends receivable		218 411	166 501
Interest receivable		22 118	44 900
Total Assets		**138 116 517**	**140 732 157**
Liabilities			
Current Liabilities			
Due to brokers		3 489 455	913 529
Management fee payable	12	54 171	57 469
Administration fee payable	12	25 535	26 762
Custodian fee payable	13	15 162	16 529
Other payables		11 437	15 829
Redeemable shares payable		95 005	-
Liabilities (excluding net assets attributable to holders of redeemable participating shares)		**3 690 765**	**1 030 118**
Net assets attributable to holders of redeemable participating shares		**134 425 752**	**139 702 039**
Net assets attributable to holders of redeemable shares:			
PSG Global Flexible Sub-Fund Class A		8 184 154	10 273 214
PSG Global Flexible Sub-Fund Class B		126 241 598	129 428 825
Redeemable shares outstanding :			
PSG Global Flexible Sub-Fund Class A	9	612 606	735 834
PSG Global Flexible Sub-Fund Class B	9	9 169 411	9 047 707
Net asset value per redeemable share outstanding:			
PSG Global Flexible Sub-Fund Class A		$ 13.3596	$ 13.9613
PSG Global Flexible Sub-Fund Class B		$ 13.7677	$ 14.3052

The accompanying notes on pages 16 to 36, form an integral part of these financial statements.

The financial statements on pages 12 to 36, were approved and authorised for issue by the Board of Directors on 13TH JUNE 2019 and signed on its behalf by:

Henry Laurie Burger

Noel Vella

Statement of Comprehensive Income

Figures in US Dollar	Note	2019	2018
Income			
Dividend income		2 843 803	2 081 262
Net realised foreign currency gains and losses on cash and cash equivalents and other balances		(340 059)	510 629
Net changes in fair value of financial assets and liabilities carried at fair value through profit or loss:			
- Unrealised gains and losses		(10 977 262)	1 786 928
- Realised gains and losses		4 671 561	11 078 949
Interest income		481 107	203 601
Total net income		**(3 320 850)**	**15 661 369**
Operating expenses			
Management fees	12	(726 293)	(676 548)
Administration fees	12	(340 264)	(314 479)
Performance fees		-	(1 389 827)
Transaction costs		(291 501)	(253 179)
Custodian fees	13	(94 387)	(117 806)
Directors fees		(4 665)	(4 624)
Audit fees	13	(8 307)	(8 911)
Other operating expenses		(53 629)	(59 756)
Total operating expenses		**(1 519 046)**	**(2 825 130)**
Operating profit before tax		**(4 839 896)**	**12 836 239**
Withholdings taxes		(407 183)	(238 323)
Changes in net assets attributable to holders of redeemable participating shares		**(5 247 079)**	**12 597 916**

The accompanying notes on pages 16 to 36 form an integral part of the financial statements.

Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares

Figures in US Dollar	Note	2019	2018
Operating activities			
Changes in net assets attributable to holders of redeemable participating shares		(5 247 079)	12 597 916
Capital share transactions			
Proceeds from redeemable participating shares issued		6 531 366	18 474 264
Redemption of redeemable participating shares		(6 560 574)	(4 200 718)
Change in net assets attributable to holders of redeemable participating shares from capital share transactions		**(29 208)**	**14 273 546**
Change in net assets attributable to holders of redeemable participating shares in the year		**(5 276 287)**	**26 871 462**
Net asset value attributable to holders of redeemable participating shares at the beginning of the year		139 702 039	112 830 577
Net asset value attributable to holders of redeemable participating shares at the end of the year		**134 425 752**	**139 702 039**

The accompanying notes on pages 16 to 36 form an integral part of the financial statements.

Statement of Cash Flows

Figures in US Dollar	Note	2019	2018
Cash flows from operating activities			
Changes in net assets attributable to holders of redeemable participating shares		(5 247 079)	12 597 916
Adjustments for:			
Dividend income		(2 843 803)	(2 081 262)
Withholding taxes		407 183	238 323
Interest income		(481 107)	(203 601)
Realised gains and losses		(4 671 561)	(11 078 949)
Unrealised gains and losses		10 977 262	(1 786 928)
Exchange gains and losses on cash and cash equivalents		340 059	(510 629)
		(1 519 046)	(2 825 130)
Changes from operating assets and liabilities			
Decrease / (increase) in prepayments		4 346	(4 195)
(Decrease)/ increase in amounts due to and from brokers		(132 885)	249 605
(Decrease) / increase in management fee payable		(3 298)	12 716
(Decrease) / increase in administration fee payable		(1 227)	6 038
(Decrease) in custodian fee payable		(1 367)	(641)
(Decrease) / increase in other payables		(4 392)	8 205
(Decrease) in performance fee payable		-	(213 232)
Decrease in redeemable shares receivable		95 005	-
Amounts paid on purchases of investments		(157 058 572)	(107 098 481)
Proceeds on sale of investments		142 459 747	86 791 875
Cash used in operations		**(16 161 689)**	**(23 073 240)**
Interest received		503 889	161 755
Dividend received		2 384 710	1 798 433
Net cash used in operating activities		**(13 273 090)**	**(21 113 052)**
Cash flows from financing activities			
Proceeds from redeemable participating shares issued		6 531 366	18 474 264
Redemption of redeemable participating shares		(6 560 574)	(4 200 718)
Net cash from financing activities		**(29 208)**	**14 273 546**
Total cash movement for the year		**(13 302 298)**	**(6 839 506)**
Cash at the beginning of the year	8	26 536 001	32 864 878
Exchange gains and losses on cash and cash equivalents		(340 059)	510 629
Total cash at end of the year	8	**12 893 644**	**26 536 001**

The accompanying notes on pages 16 to 36 form an integral part of the financial statements.

Accounting Policies

General information - The Company and the Fund

PSG Global Flexible Sub-Fund (the "Fund") was originally incorporated in the Bailiwick of Guernsey on 14 December 2012, as an incorporated cell of PSG Mutual Fund ICC Limited (formerly PSG Mutual Fund PCC Limited), a Guernsey incorporated cell company authorised by the Guernsey Financial Services Commission as an authorised Class B Collective Investment Scheme. Prior to PSG Mutual Fund ICC Limited's conversion into an incorporated cell company and the Fund's registration as an incorporated cell, the assets and liabilities of the Fund constituted a protected cell of PSG Mutual Fund PCC Limited originally called the "Global Equity Cell (USD)" (the "Original Portfolio") and created on 13 September 2000.

PSG Fund Management (CI) Limited have migrated the domicile of the Fund from Guernsey to Malta on 2 March 2015, where the Fund continued as a sub-fund of a Malta Undertaking for Collective Investment in Transferable Securities (''UCITS'') investment company, known as PSG International Funds SICAV plc (the "Company").

The Company is an open-ended Collective Investment Scheme organised as a multi-fund public limited liability company with variable share capital registered under the laws of Malta and licensed by the Malta Financial Services Authority ("MFSA") in terms of the Investment Services Act (Chapter 370, Laws of Malta).

At the reporting date, the Company had one sub-fund, PSG Global Flexible Sub-Fund with two classes of participating shares. These financial statements represents the results of the Fund.

The Fund's objective is to generate significant medium to long-term capital growth. It aims to achieve this objective by trading a highly diversified portfolio of listed securities on recognised exchanges around the world.

The Fund's investment activities are managed by PSG Fund Management (Malta) Limited (the 'Investment Manager'), with the administration delegated to Vistra Fund Services (Guernsey) Limited (the 'Administrator').

1. Significant accounting policies

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

1.1 Basis of preparation

The financial statements of the Fund have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS) and comply with the Maltese Companies Act (Cap. 386).

The financial statements have been prepared on the historic cost convention.

1.2 Foreign currency translation

(a) Functional and presentation currency

These financial statements are presented in US Dollars, which is the Fund's functional and presentation currency. The subscriptions and redemptions of redeemable shares are denominated in US Dollar, the performance of the Fund is measured and reported to investors in US Dollar. The Board of Directors considers the US Dollar as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign currency assets and liabilities are translated into the functional currency using the exchange rate prevailing at the reporting date.

Foreign exchange gains and losses arising from translation are included in the Statement of Comprehensive Income.

Foreign exchange gains and losses relating to cash and cash equivalents are presented in the Statement of Comprehensive Income within the 'net foreign currency gains and losses on cash and cash equivalents and other balances'.

Foreign exchange gains and losses relating to the financial assets and liabilities carried at fair value through profit or loss are presented in the Statement of Comprehensive Income within 'net changes in fair value on financial assets and financial liabilities carried at fair value through profit or loss'.

1.3 Financial instruments

Financial instruments recognised on the Statement of Financial Position include financial assets, consisting of equity securities, debt securities, unit-linked investments, loans and advances, derivative financial assets, amounts due from brokers, receivables, cash and cash equivalents, as well as financial liabilities, consisting of amounts due to brokers, other payables, management fee payable, custodian fee payable and administration fee payable.

Initial recognition and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the entity commits to purchase or sell the asset.

At initial recognition, the Fund measures a financial asset or financial liability at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset or financial liability, such as fees and commissions. Transaction costs of financial assets and financial liabilities carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance (ECL) is recognised for financial assets measured at amortised cost and investments in debt instruments measured at FVOCI, as described in note 1.3.1, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

1.3.1 Financial assets

From 1 March 2018, the Fund has applied IFRS 9 and classifies its financial assets in the following measurement categories:

- Fair value through profit or loss (FVPL);
- Fair value through other comprehensive income (FVOCI); or
- Amortised cost.

The classification requirements for debt and equity instruments are described below:

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will either be recorded in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVOCI).

Debt instruments

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective, such as loans, government and corporate bonds.

Classification and subsequent measurement of debt instruments depend on:

(i) the Fund's business model for managing the asset; and
(ii) the cash flow characteristics of the asset.

Based on these factors, the Fund classifies its debt instruments into one of the following three measurement categories:

Classification and subsequent measurement

Financial assets at amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ('SPPI'), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets is adjusted by any expected credit loss allowance recognised and measured as described below. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

1.3 Financial instruments (continued)

1.3.1 Financial assets (continued)

Financial assets at fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVPL, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses on the instrument's amortised cost which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Realised gains and losses'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

Financial assets at fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the Statement of Comprehensive Income in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in 'Realised gains and losses'.

The Fund subsequently measures all equity investments at fair value. Where the management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit and loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Fund's right to receive payments is established.

Derecognition of financial assets

Financial assets are derecognised when the right to receive cash flows from the financial asset has expired or has been transferred, and the Fund has transferred substantially all risks and rewards of ownership. The Fund also derecognises a financial asset when the Fund retains the contractual rights of the assets but assumes a corresponding liability to transfer these contractual rights to another party and thereby transfers substantially all the risks and benefits associated with the asset.

Impairment of financial assets

The Fund assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

From 1 March 2018, the Fund assesses on a forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost.

Expected credit losses are a probability-weighted estimate of credit losses and are measured as the present value of all cash short falls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the company expects to receive).

The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Fund determines whether the credit risk on a financial asset has increased significantly by comparing this risk of default occurring on the financial asset as at the reporting date with the risk of default occurring on the financial asset as at the date of initial recognition together with reasonable and supporting information that indicates a significant increase in credit risk since initial recognition.

If there is no indication that there has been a significant increase in a financial asset's credit risk since initial recognition, the loss allowance is measured at an amount equal to the 12-month expected credit loss. However if the credit risk on a financial asset has increased significantly since initial recognition, the loss allowances are measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial asset, whereas 12-month expected credit losses are the portion of expected credit losses that result from default events that are possible within the 12 months after the reporting date.

For trade receivables, the Fund applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

1.3 Financial instruments (continued)

1.3.1 Financial assets (continued)

An impairment gain or loss is recognised in profit or loss for the amount of expected credit losses (or reversals) that is required to adjust the loss allowance at the reporting date.

The gross carrying amount of a financial asset is written off and reduced when there is no reasonable expectation of recovering a financial asset in its entirety or a portion thereof.

Accounting policies applied until 28 February 2018:

Financial instruments

Classification

The Fund classifies financial assets and financial liabilities into the following categories:

- Financial assets at fair value through profit or loss - held for trading: derivative financial instruments
- Financial assets designated at fair value through profit or loss at inception: equity investments and treasury bills
- Financial assets at amortised cost: loans and receivables, cash and cash equivalents and balances due from brokers
- Financial liabilities at fair value through profit or loss - held for trading: securities sold short and derivative financial instruments
- Financial liabilities measured at amortised cost: other payables, balances due to brokers, management fees, administration fees and custodian fees

Classification depends on the purpose for which the financial instruments were obtained/ incurred and takes place at initial recognition. Classification is re-assessed on an annual basis, except for derivatives and financial assets designated as at fair value through profit or loss, which shall not be classified out of the fair value through profit or loss category.

A financial instrument is classified as held for trading if:

- It is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- on initial recognition, it is part of the portfolio that is managed together and for which there is evidence of a recent pattern of short-term profit-taking; or
- it is a derivative, other than a designated and effective hedging instrument.

The Fund designates all equity investments at fair value through profit or loss at inception because it manages and evaluates the performance of these securities on a fair value basis in accordance with its documented investment strategy.

A non-derivative financial asset with fixed or determinable payments may be classified as a loan and receivable unless it is quoted in an active market or is an asset for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration.

Initial recognition and measurement

Financial assets and liabilities at fair value through profit or loss are initially recognised on the trade date, which is the date the Fund commits to purchase or sell the investment. Other financial assets and financial liabilities are recognised on the date which they are originated.

Financial assets and financial liabilities at fair value through profit or loss are initially recognised at fair value, with transaction costs recognised in profit or loss. Financial assets or financial liabilities not at fair value through profit or loss are initially recognised at fair value plus transactions cost that are directly attributable to their acquisition or issue.

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

Dividend income from financial assets at fair value through profit or loss is recognised in the Statement of Comprehensive Income within 'dividend income' when the Fund's right to receive payments is established. Dividend expense on short sales of equity securities is included within 'other net changes in fair value on financial assets and financial liabilities at fair value through profit or loss'.

1.3 Financial instruments (continued)

1.3.1 Financial assets (continued)

Fair value estimation

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 close of trading on the reporting date.

If a significant movement in fair value occurs subsequent to the close of trading up to midnight on the reporting date, valuation techniques will be applied to determine the fair value. A significant event is any event that occurs after the last market price for a security, close of market or close of the foreign exchange, but before the Fund's valuation time that materially affects the integrity of the closing prices for any security, instrument, currency or securities affected by that event so that they cannot be considered 'readily available' market quotations.

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. The Fund uses a variety of methods and makes assumptions that are based on market conditions existing at each reporting date. Valuation techniques used include the use of comparable recent arm's length transactions, reference to other instruments that are substantially the same and other valuation techniques commonly used by market participants making the maximum use of market inputs and relying as little as possible on entity-specific inputs.

Amortised cost measurement

The amortised cost of a financial asset or liability is the amount at which the financial asset or financial liability is measured at initial recognition, minus principal payments, plus or minus the cumulative amortisation using the the effective interest rate method of any difference between the initial amount recognised and the maturity amount, minus any reduction for impairment.

Impairment of financial assets

A financial asset not classified at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence of impairment. A financial asset or a group of financial assets is 'impaired' if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset(s) and that loss event(s) had an impact on the estimated future cash flows of that asset(s) that can be estimated reliably.

Objective evidence that financial assets are impaired includes significant financial difficulty of the borrower or issuer, default or delinquency by a borrower, restructuring of the amount due on terms that the Fund would not otherwise consider, indications that a borrower or issuer will enter bankruptcy, or adverse changes in the payment status of the borrowers.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses are recognised in profit and loss and reflected in an allowance account against receivables. Interest on the impaired asset continues to be recognised. If an event occurring after the impairment was recognised causes the amount of impairment loss to decrease, then the decrease in impairment loss is reversed through profit and loss.

Derecognition

The Fund derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Fund neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset that is derecognised) and the consideration received (including any new asset obtained less any new liability assumed) is recognised in profit or loss. Any interest in such transferred financial assets that is created or retained by the Fund is recognised as a separate asset or liability.

The Fund derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired.

Transfers between levels of the fair value hierarchy

Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting period.

Accounting Policies

1.3 Financial instruments (continued)

1.3.2 Financial liabilities

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another entity.

Financial liabilities include borrowings and trade and other payables.

Financial liabilities are initially recognised at fair value less transaction costs that are directly attributable to the raising of the funds, for all financial liabilities carried at amortised cost. All financial liabilities measured at fair value through profit or loss are initially recognised at fair value. The best evidence of the fair value at initial recognition is the transaction price (i.e. the fair value of the consideration received) unless the fair value of that instrument is evidenced by comparison with other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable markets.

Financial liabilities, or a portion thereof, are derecognised when the obligation specified in the contract is discharged, cancelled or expired. On derecognition, the difference between the carrying amount of the financial liability, including related unamortised costs, and settlement amounts paid are included in the Statement of Comprehensive Income.

Financial liabilities are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

In both the current and prior period, financial liabilities are classified as subsequently measured at amortised cost.

1.4 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 current liabilities in the Statement of Financial Position.

1.5 Accrued expenses and other payables

Accrued expenses and other payables are recognised when the Fund has a present obligation arising from past events, the settlement of which is expected to result in an outflow of economic benefits from the Fund. Accrued expenses and other payables are recognised initially at fair value and subsequently stated at amortised cost using the effective interest rate method.

1.6 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the statement of financial position where the Fund currently has a legally enforceable right to set-off the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the company or the counterparty.

1.7 Due from and due to brokers

Amounts due from and to brokers represent receivables for securities sold and payables for securities purchased that have been contracted for but not yet settled or delivered on the statement of financial position date respectively. The due from brokers balance is held for collection.

These amounts are recognised initially at fair value and subsequently measured at amortised cost. At each reporting date, the Fund shall measure the loss allowance on amounts due from broker at an amount equal to the lifetime expected credit losses if the credit risk has increased significantly since initial recognition. If, at the reporting date, the credit risk has not increased significantly since initial recognition, the Fund shall measure the loss allowance at an amount equal to 12-month expected credit losses. Significant financial difficulties of the broker, probability that the broker will enter bankruptcy or financial reorganisation, and default in payments are all considered indicators that a loss allowance may be required. If the credit risk increases to the point that it is considered to be credit impaired, interest income will be calculated based on the gross carrying amount adjusted for the loss allowance. A significant increase in credit risk is defined by management as any contractual payment which is more than 30 days past due. Any contractual payment which is more than 120 days past due is considered credit impaired.

Accounting Policies

1.8 Redeemable shares

The Fund issues two classes of redeemable shares, which are redeemable at the holder's option. Such shares are classified as financial liabilities. Redeemable shares can be put back to the Fund at any dealing date for cash equal to a proportionate share of the Fund's net asset value attributable to the share class. Shares are redeemable daily.

The redeemable shares are carried at amortised cost which corresponds to the redemption amount that is payable at the reporting date if the holder exercises the right to redeem their units in the Fund.

Redeemable shares are issued and redeemed at the holder's option at prices based on the Fund's net asset value per share at the time of issue or redemption. The Fund's net asset value per share is calculated by dividing the net assets attributable to the holders of each class of redeemable shares with the total number of outstanding redeemable shares for each respective class. In accordance with the provisions 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.

1.9 Income

Dividend income is recognised when the right to receive payment is established. Where applicable, withholdings taxes are deducted at source on investment income and the gross amounts recognised in the Statement of Comprehensive Income.

1.10 Transaction costs

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

1.11 Expenses

Expenses are recognised on an accrual basis and recognised in the Statement of Comprehensive Income.

1.12 Distributions payable to holders of redeemable shares

It is not the present intention of the Directors that the Fund will make a distribution, however, the Directors reserve the right at any time if they consider a distribution is appropriate. Income from the Fund will be accumulated and reflected in the net asset value of the Fund.

1.13 Increase/decrease in net assets attributable to holders of redeemable shares from operations

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

1.14 Taxation

The Company is domiciled in Malta. Under the current laws of Malta, there is no income, estate, corporation, capital gains or other taxes payable by the Company.

The Sub-Fund incurred withholding taxes imposed by certain countries on investment income and capital gains. Such income or gains are recorded gross of withholding taxes in the Statement of Comprehensive Income. Withholding taxes are shown as a separate line item in the Statement of Comprehensive Income.

2. New Standards and Interpretations

2.1 Standards and interpretations effective and adopted in the current year

In the current year, the Fund has adopted the following standards and interpretations that are effective for the current financial year and that are relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Impact:
• Amendments to IFRS 15: Clarifications to IFRS 15 Revenue from Contracts with Customers	01 January 2018	The impact of the standard is not material.

IFRS 9 Financial Instruments

The Fund has adopted IFRS 9 as issued by the IASB in July 2014 with a date of transition of 1 March 2018, which resulted in changes in accounting policies. The Fund did not early adopt any of IFRS 9 in previous periods.

As permitted by the transitional provisions of IFRS 9, the Fund elected not to restate comparative figures. Any adjustments to the carrying amounts of financial assets and liabilities at the date of transition were recognised in the opening retained earnings and other reserves of the current period. The Fund has also elected to continue to apply the hedge accounting requirements of IAS 39 on adoption of IFRS 9.

Consequently, for notes disclosures, the consequential amendments to IFRS 7 disclosures have also only been applied to the current period. The comparative period notes disclosures repeat those disclosures made in the prior year.

The adoption of IFRS 9 has resulted in changes in our accounting policies for recognition, classification and measurement of financial assets and financial liabilities and impairment of financial assets. IFRS 9 also significantly amends other standards dealing with financial instruments such as IFRS 7 ‘Financial Instruments: Disclosures’.

The effective date of the standard is for years beginning on or after 01 January 2018.

IFRS 15 Revenue from Contracts with Customers

The Fund has adopted IFRS 15 Revenue from Contracts with Customers from 1 March 2018 which resulted in changes in accounting policies. In accordance with the transition provisions in IFRS 15, the Fund has adopted the new rules with the cumulative effect method. However, no adjustments were passed on adoption on IFRS 15. There were no material effect on revenue recognised by the Fund on the adoption of IFRS 15.

The effective date of the standard is for years beginning on or after 01 January 2018.

2. New Standards and Interpretations (continued)

2.2 Standards and interpretations not yet effective or relevant

The following standards and interpretations have been published and are mandatory for the Fund's accounting periods beginning on or after 01 March 2019 or later periods but are not relevant to its operations:

Standard/ Interpretation:	Effective date: Years beginning on or after	Expected impact:
• IFRS 17 Insurance Contracts	01 January 2021	Unlikely there will be a material impact
• Plan Amendment, Curtailment or Settlement - Amendments to IAS 19	01 January 2019	Unlikely there will be a material impact
• Long-term Interests in Joint Ventures and Associates - Amendments to IAS 28	01 January 2019	Unlikely there will be a material impact
• Prepayment Features with Negative Compensation - Amendment to IFRS 9	01 January 2019	Unlikely there will be a material impact
• Amendments to IFRS 3 Business Combinations: Annual Improvements to IFRS 2015 - 2017 cycle	01 January 2019	Unlikely there will be a material impact
• Amendments to IFRS 11 Joint Arrangements: Annual Improvements to IFRS 2015 - 2017 cycle	01 January 2019	Unlikely there will be a material impact
• Amendments to IAS 12 Income Taxes: Annual Improvements to IFRS 2015 - 2017 cycle	01 January 2019	Unlikely there will be a material impact
• Amendments to IAS 23 Borrowing Costs: Annual Improvements to IFRS 2015 - 2017 cycle	01 January 2019	Unlikely there will be a material impact
• Uncertainty over Income Tax Treatments	01 January 2019	Unlikely there will be a material impact
• IFRS 16 Leases	01 January 2019	Unlikely there will be a material impact

2.3 Impact on adoption of IFRS 9

Classification and measurement

The following table shows the original classification and carrying amount under IAS 39, and the new carrying amount under IFRS 9 for each class of the Fund's financial assets and financial liabilities as at 1 March 2018:

	IAS 39 Classification	IFRS 9 Classification	IAS 39 Carrying amount	IFRS 9 Carrying amount	Difference
Financial assets					
Financial assets at fair value through profit and loss	Fair value through profit and loss	Fair value through profit and loss	113 074 470	113 074 470	-
Cash and cash equivalents	Amortised cost	Amortised cost	26 536 001	26 536 001	-
Due from brokers	Amortised cost	Amortised cost	888 742	888 742	-
Other receivables	Amortised cost	Amortised cost	211 401	211 401	-
Financial liabilities					
Management fee payable	Amortised cost	Amortised cost	57 469	57 469	-
Administration fee payable	Amortised cost	Amortised cost	26 762	26 762	-
Custodian fee payable	Amortised cost	Amortised cost	16 529	16 529	-
Other payables	Amortised cost	Amortised cost	15 829	15 829	-
Due to brokers	Amortised cost	Amortised cost	913 529	913 529	-
Net assets attributable to holders of redeemable shares	Fair value through profit and loss	Fair value through profit and loss	139 702 039	139 702 039	-

Notes to the Annual Report and Financial Statements

Figures in US Dollar	2019	2018

3. Financial risks

3.1 Financial risk factors

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

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

The Fund's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Fund is exposed and seeks to minimise potential adverse effects on the Fund's financial performance.

The management of these risks is carried out by the investment manager under policies approved by the Board of Directors. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments and the investment of excess liquidity.

The Fund uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

3.1.1 Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates and market prices.

(a) Price risk

The Fund is exposed to equity securities price risk. This arises from investments held by the Fund for which prices in the future are uncertain. Where non-monetary financial instruments - for example, equity securities - are denominated in currencies other than US Dollar, the price is initially expressed in foreign currency and then converted into US Dollar, this will also fluctuate because of changes in foreign exchange rates. Paragraph (b) 'Foreign exchange risk' below sets out how this component of price risk is managed and measured.

The Fund's policy is to manage price risk through diversification and selection of securities and other financial instruments within specified limits set by the Board of Directors. The Fund's policy limits individual equity securities to no more than 5% of net assets attributable to holders of redeemable shares.

The majority of the Fund's equity investments are publicly traded. The Fund's policy requires that the overall market position is monitored on a daily basis by the Fund's Investment Manager.

At the period end the Funds overall exposure to price risk were as follows:

	Fair value	
Equity securities	110 373 375	92 852 146

The Fund also manages its exposure to price risk by analysing the investment portfolio by industrial sector. The Fund's policy is to concentrate the investment portfolio in sectors where management believe the Fund can maximise the returns derived for the level of risk to which the Fund is exposed.

Figures in US Dollar	2019	2018

3. Financial risks (continued)

3.1.1 Market risk (continued)

(a) Price risk (continued)

The table below is a summary of the significant sector concentrations within the equity portfolio as a percentage of net asset value.

Sector	Fund's equity portfolio as a % of NAV	Fund's equity portfolio as a % of NAV
Industrial	4.84	5.24
Basic Materials	11.46	7.56
Financial	39.53	28.31
Consumer, Non-cyclical	9.70	7.49
Energy	2.59	0.72
Communications	6.50	5.93
Utilities	-	0.71
Technology	0.96	1.26
Consumer, Cyclical	6.53	7.90
Other	-	1
Total	**82.11**	**66.12**

The table below summarises the sensitivity of the Fund's net assets attributable to holders of redeemable shares to equity price movements as at the period end.

Effect on net assets attributable to redeemable shares to a 20% increase in equity prices	22 074 675	18 570 429
Effect on net assets attributable to redeemable shares to a 20% decrease in equity prices	(22 074 675)	(18 570 429)

(b) Foreign exchange risk

The Fund operates internationally and holds both monetary and non-monetary assets denominated in currencies other than US Dollar, the functional currency. Foreign currency risk as defined in IFRS 7 arises as the value of future transactions, recognised monetary assets and monetary liabilities denominated in other currencies fluctuate due to changes in foreign exchange rates. IFRS 7 considers the foreign exchange exposure relating to non-monetary assets and liabilities to be a component of market price risk not foreign currency risk. However, management monitors the exposure on all foreign currency denominated assets and liabilities. The table below provides analysis between monetary and non-monetary items to meet the requirements of IFRS 7.

The Fund does not necessarily pursue an active currency management strategy. Currency exposure within the Fund tends to mirror the geographic exposure of the investments, their selection being the result of a rigorous bottom-up process. However, given the significant impact that exchange rate movements can have on the Fund's returns, the Fund can use forward currency contracts to provide protection against exchange risks. These forward positions may be long in benchmark or non-benchmark currencies, without holding underlying assets in those currencies. The Fund is prohibited from entering into a transaction that would result in having a net negative exposure to a currency when assessed using the Fund's usual accounting principles. Indirect currency exposure may be taken by holding underlying assets in these currencies. The below sensitivity analysis may not necessarily indicate the total effect on the Fund's net assets attributable to holders of redeemable shares of future movements in foreign exchange rates.

3. Financial risks (continued)

3.1.1 Market risk (continued)

(b) Exchange risk (continued)

The table below summarises the Fund's assets and liabilities, monetary and non-monetary, which are denominated in a currency other than US Dollar.

Concentration of foreign currency exposure

28 February 2019	**Assets**		**Liabilities**	
	Monetary assets	**Non-monetary assets**	**Monetary liabilities**	**Non-monetary liabilities**
CAD	685 864	11 543 691	-	-
DKK	-	4 474 188	-	-
EUR	2 531 930	3 918 205	(9 187)	-
GBP	3 754 463	18 130 336	-	-
HKD	48 361	4 706 935	-	-
JPY	562	18 107 883	-	-
NOK	2 472 950	714 040	-	-
SGD	-	951 082	-	-
ZAR	277 379	6 548 421	-	-
	9 771 509	**69 094 781**	**(9 187)**	**-**
28 February 2018				
CAD	823 839	9 630 034	-	-
DKK	32 493	4 008 394	-	-
EUR	5 102 698	1 784 878	(12 703)	-
GBP	5 933 714	20 421 359	-	-
HKD	248 523	8 603 157	-	-
IDR	888 742	2 535 876	-	-
JPY	1 757 261	6 363 831	(76 802)	-
NOK	2 655 838	348 424	(60 893)	-
SGD	-	977 565	-	-
ZAR	141 262	8 052 806	-	-
	17 584 370	**62 726 324**	**(150 398)**	**-**

The table below summarises the sensitivity of the Fund's monetary assets and liabilities to changes in foreign exchange movements at the period end. The analysis is based on the assumptions that the relevant foreign exchange rate increased/decreased by the percentage disclosed in the table below, with all other variables held constant. This represents management's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates.

	Reasonable possible shift in rate 28 February 2019	**Impact 28 February 2019**	**Reasonable possible shift in rate 28 February 2018**	**Impact 28 February 2018**
Currency				
CAD	1%	6 858	4%	32 954
EUR	2%	50 454	6%	305 400
GBP	2%	75 089	6%	356 023
HKD	1%	483	1%	2 485
JPY	1%	5	4%	67 218
IDR		-	2%	17 775
NOK	1%	24 729	4%	103 798

Figures in US Dollar	2019	2018

3. Financial risks (continued)

(c) Interest rate risk

Interest rate risk arises from the effects of fluctuations in the prevailing levels of markets interest rates on the fair value of financial assets and liabilities. The Fund holds cash and cash equivalents consisting of bank balances and short-term deposits. Bank balances do not expose the Fund to fair value interest rate risk as the bank accounts are non-interest bearing. The fund also hold US Treasury bills, these bills do not expose the fund to interest rate risk.

At the period end the Funds overall exposure to interest risk were as follows:

Short-term deposits	9 649 215	18 171 757

The table below summarises the sensitivity of the Fund's net assets attributable to holders of redeemable shares to interest rate movements as at the period end:

	28 February 2019 1% Increase	28 February 2019 1% Decrease	28 February 2018 1% Increase	28 February 2018 1% Decrease
Short-term deposits	96 492	(96 492)	181 718	(181 718)

3.1.2 Liquidity risk

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

The Fund invests primarily in marketable securities and other financial instruments, which under normal market conditions are readily convertible to cash. In addition, the Fund's policy is to maintain sufficient cash and cash equivalents to meet the normal operating requirements and expected redemption requests.

The Fund may not borrow securities and may not borrow other than to meet redemption obligations. Such borrowing is limited to 10% of the Fund's net asset value and must be repaid within 90 days.

The analysis below analyses the Fund's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

At 28 February 2019	**Carrying amount**	**Less than 7 days**	**7 days to 3 months**	**> 3 months**
Due to brokers	3 489 455	3 489 455	-	-
Management fee payable	54 171	-	54 171	-
Administration fee payable	25 535	-	25 535	-
Custodian fee payable	15 162	-	15 162	-
Other payables	11 437	-	4 229	7 208
Net assets attributable to holders of redeemable shares	134 425 752	67 212 876	67 212 876	-
Contractual cash out flows	**138 021 512**	**70 702 331**	**67 311 973**	**7 208**
At 28 February 2018				
Due to brokers	913 529	913 529	-	-
Management fee payable	57 469	-	57 469	-
Administration fee payable	26 762	-	26 762	-
Custodian fee payable	16 529	-	16 529	-
Other payables	15 829	-	8 134	7 695
Net assets attributable to holders of redeemable shares	139 702 039	69 851 020	69 851 019	-
Contractual cash out flows	**140 732 157**	**70 764 549**	**69 959 913**	**7 695**

Figures in US Dollar	2019	2018

3. Financial risks (continued)

3.1.2 Liquidity risk (continued)

Redeemable shares are redeemed on demand at the holder's option. However, the Board of Directors does not envisage that the contractual maturity disclosed in the table above will be representative of the actual cash outflows, as holders of these instruments typically retain them for the medium to long term.

The Directors may in their exclusive discretion limit the total amount of redemptions effected on any redemption day to 10% of the outstanding redeemable shares on that day. In such circumstances the Fund or its authorised agent may scale down pro rata the number of redeemable shares to be redeemed in response to each request for redemption to the extent necessary to ensure that the foregoing limit is not exceeded, and shall carry forward the balance for redemption as at the next redemption day and so on to each succeeding redemption day until each request has been complied with in full. There were no limits placed in the current reporting period.

The Fund manages its liquidity risk by investing predominantly in securities that it expects to be able to liquidate within 7 days or less. The following table illustrates the expected liquidity of assets held:

At 28 February 2019	**Carrying value**	**Less than 7 days**	**7 days to 1 month**	**1-12 months**
Financial assets at fair value through profit or loss	111 396 152	111 396 152	-	-
Cash and cash equivalents	22 865 086	22 865 086	-	-
Dividends receivable	218 411	-	218 411	-
Interest receivable	22 118	4 548	9 888	7 682
Due from brokers	3 597 553	3 597 553	-	-
Total assets	**138 099 320**	**137 863 339**	**228 299**	**7 682**
At 28 February 2018				
Financial assets at fair value through profit or loss	113 074 470	113 074 470	-	-
Cash and cash equivalents	26 536 001	26 536 001	-	-
Interest Receivable	44 900	10 815	15 015	19 070
Due from brokers	888 742	888 742	-	-
Dividends receivable	166 501	-	166 501	-
Total assets	**140 710 614**	**140 510 028**	**181 516**	**19 070**

3.1.3 Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Fund is exposed to counterparty credit risk on cash and cash equivalents, amounts due from brokers and other receivable balances.

The analysis below summarises the credit quality of the Fund's portfolio as at the period end:

P-1	12 967 970	18 245 827
P-2	-	8 364 244
P-3	1 030 458	1 299 993
F1+	-	18 956 415
Not rated	13 727 517	991 989
Total	**27 725 945**	**47 858 468**

All transactions in listed securities are settled/paid for upon delivery using approved brokers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker has received payment. Payment is made on a purchase once the securities have been received by the broker. The trade will fail if either party fails to meet its obligation.

Figures in US Dollar	2019	2018

3. Financial risks (continued)

3.1.3 Credit risk (continued)

The maximum exposure to credit risk at the period end is the carrying amount of the financial assets as set out below.

Cash and cash equivalents	12 893 644	26 536 001
Treasury bills	9 971 442	18 931 497
Bonds	1 022 777	1 290 827
Due from brokers	3 597 553	888 742
Dividends receivable	218 411	166 501
Interest receivable	22 118	44 900
Total	**27 725 945**	**47 858 468**

The Fund measures credit risk and expected credit losses using probability of default, exposure at default and loss given default. Management consider both historical analysis and forward looking information in determining any expected credit loss. At 28 February 2018 and 28 February 2019, all other receivables, amounts due from brokers, cash and short-term deposits are held with counterparties with a credit rating of P-3 or higher and are due to be settled within 1 week. Management consider the probability of default to be close to zero as the counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Fund.

The clearing and depository operations for the Fund's security transactions are mainly concentrated with one prime broker, namely Sparkasse Bank Malta plc. Sparkasse is a subsidiary of Sparkasse Schwaz AG, which is a member of Erste Group Bank AG. At 28 February 2019, Erste Group Bank AG has a Moody's credit rating of P-1 (2018: P-2).

Credit ratings were obtained from Moody's rating agency.

3.2 Fair value estimation

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at the close of trading on the year end date. The fund classifies fair value measurements within a hierarchy which gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are:

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

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Fund. The Fund considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

Investments whose values are based on quoted market prices in active markets, and are therefore classified within Level 1, include active listed equities. The Fund does not adjust the quoted price for these investments.

Financial instruments that trade in markets that are not considered to be active but are valued based on quoted market prices, dealer quotations or alternative pricing sources supported by observable inputs are classified within Level 2. These include listed equities. As Level 2 investments include positions that are not traded in active markets and/or are subject to transfer restrictions, valuations maybe adjusted to reflect illiquidity and/or non-transferability, which are generally based on available market information.

3. Financial risks (continued)

3.2 Fair value estimation (continued)

Investments classified within Level 3 have significant unobservable inputs, as they trade infrequently. Level 3 instruments include private equity. As observable prices are not available for these securities, the Fund will use valuation techniques to derive the fair value.

The following table analyses within the fair value hierarchy the Fund's assets and liabilities measured at fair value:

28 February 2019	**Level 1**	**Level 2**	**Level 3**	**Total**
Equities	110 373 375	-	-	110 373 375
Treasury bills	-	9 971 442	-	9 971 442
Bonds	1 022 777	-	-	1 022 777
	111 396 152	**9 971 442**	**-**	**121 367 594**
28 February 2018				
Equities	92 852 146	-	-	92 852 146
Treasury bills	-	18 931 497	-	18 931 497
Bonds	1 290 827	-	-	1 290 827
	94 142 973	**18 931 497**	**-**	**113 074 470**

For assets and liabilities carried at amortised cost, their carrying values are a reasonable approximation of fair value.

3.3 Capital risk management

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

The Directors may in their exclusive discretion limit the total amount of redemptions effected on any redemption day to 10% of the outstanding redeemable shares on that day. In such circumstances the Fund or its authorised agent may scale down pro rata the number of redeemable shares to be redeemed in response to each request for redemption to the extent necessary to ensure that the foregoing limit is not exceeded, and shall carry forward the balance for redemption as at the next redemption day and so on to each succeeding redemption day until each request has been complied with in full. There were no limits placed in the current reporting period.

4. Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and based on historical 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 which are made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

5. Financial assets at fair value through profit and loss

	28 February 2019	% of Nav	28 February 2018	% of Nav
Financial assets designated at fair value through profit and loss at inception				
- Listed equity securities	110 373 375	82.11	92 852 146	66.46
- Treasury bills	9 971 442	7.42	18 931 497	13.55
- Bonds	1 022 777	0.76	1 290 827	0.92
	121 367 594	**90.29**	**113 074 470**	**80.93**

Other net changes in fair value on financial assets at fair value through profit or loss:		
- Realised gains and losses	4 671 561	11 078 949
- Change in unrealised gains and losses	(10 977 262)	1 786 928
	(6 305 701)	**12 865 877**

6. Financial assets by category

The accounting policies for financial instruments have been applied to the line items below:

28 February 2019

	Financial assets at amortised cost	Fair value through profit or loss	Total
Financial assets at fair value through profit and loss	-	111 396 152	111 396 152
Cash and cash equivalents	22 865 086	-	22 865 086
Dividends receivable	218 411	-	218 411
Interest receivable	22 118	-	22 118
Due from brokers	3 597 553	-	3 597 553
	26 703 168	**111 396 152**	**138 099 320**

28 February 2018

Financial assets at fair value through profit and loss	-	113 074 470	113 074 470
Cash and cash equivalents	26 536 001	-	26 536 001
Dividend receivable	166 501	-	166 501
Interest receivable	44 900	-	44 900
Due from brokers	888 742	-	888 742
	27 636 144	**113 074 470**	**140 710 614**

Notes to the Annual Report and Financial Statements

Figures in US Dollar	2019	2018

7. Financial liabilities by category

The accounting policies for financial instruments have been applied to the line items below:

Financial liabilities at amortised cost		
Administration fee payable	25 535	26 762
Management fee payable	54 171	57 469
Custodian fee payable	15 162	16 529
Other payables	11 437	15 829
Due to brokers	3 489 455	913 529
Redeemable shares payable	95 005	-
Net assets attributable to holders of redeemable participating shares	134 425 752	139 702 039
	138 116 517	**140 732 157**

8. Cash and cash equivalents

For the purposes of the cash flow statement, cash and cash equivalents comprise the following balances with original maturity of less than 90 days:

Bank balances	3 244 429	8 364 244
Short-term deposits	9 649 215	18 171 757
	12 893 644	**26 536 001**

9. Share capital and redeemable shares

Authorised

The share capital of the Company shall be equal to the value of the issued share capital of the Fund. The authorised share capital of the Fund is ten billion one hundred (10,000,000,100) with no nominal value assigned to them. At 28 February 2019, the Fund had issued “Management Shares” and “Investor Shares”.

Management Shares

The initial share capital of the Fund is USD 100 divided into 100 Management Shares. These are fully paid and are held by PSG Fund Management (C.I.) Limited, a company incorporated in Guernsey and is the immediate parent company of the Investment Manager. Holders of Management Shares shall not be entitled to participate in any dividends or other distribution of the Fund or in the assets of the Fund on a winding-up.

The Management Shares do not form part of the net asset value of the Fund and are thus disclosed in the financial statements by way of this note only. In the opinion of the Directors, this disclosure reflects the nature of the Fund’s business as an investment company.

Issued and full paid investor shares

During the year ended, the number of shares issued, redeemed and outstanding were as follows:

Class A		
Shares outstanding at the beginning of the year	735 834	687 504
Redeemable shares issued	41 101	96 004
Redeemable shares redeemed	(164 329)	(47 674)
Shares outstanding at the period end	**612 606**	**735 834**

Notes to the Annual Report and Financial Statements

Figures in US Dollar	2019	2018

9. Share capital and redeemable shares (continued)

Class B		
Shares outstanding at the beginning of the year	9 047 707	8 039 400
Redeemable shares issued	464 071	1 318 898
Redeemable shares redeemed	(342 367)	(310 591)
	9 169 411	**9 047 707**

Holders of Investors Shares, have the right to receive notice of, attend, and vote on any matter requiring the approval of members. The Investor Shares carry the right to one vote each, provided that no voting rights shall be attached to fractional shares.

The Directors have the ability to limit cash redemption if it exceeds 10% of the total number of shares in issue on any redemption dealing day. The limitation will be applied pro rata to all shareholders who have requested redemptions to be effected on such redemption dealing day so that the proportion of each holding redeemed is the same for all shareholders.

10. Distributions

It is not the present intention of the Directors that the Fund will pay dividends. Income from the Fund will be accumulated and reflected in the net asset value of the Fund.

11. Taxation

The tax regime for collective investment schemes in Malta is based on the classification of funds into prescribed or non-prescribed funds in terms of the conditions set out in the Collective Investment Schemes (Investment Income) Regulations, 2001 (as amended). In general, a prescribed fund is defined as a resident fund, which has declared that the value of its assets situated in Malta amount to at least 85% of the value of the total assets of the fund.

On the basis that the sub-funds within the Company are currently classified as non-prescribed funds for Maltese income tax purposes, the sub-funds should not be subject to tax on their income or gains, other than on any income from immovable property situated in Malta (if any).

However, Maltese resident investors therein may be subject to a 15% final withholding tax on capital gains realised on redemption, cancellations or liquidation of units in the sub-funds. The Maltese resident investor may however request the Company not to effect the deduction of the said 15% withholding tax in which case the said investor would be required to declare the gains in his/her Maltese income tax return and will be subject to tax at the normal rates of tax.

Gains or profits derived on any transfer of units in the sub-funds by investors who are not resident in Malta should not be chargeable to Maltese income tax, subject to the satisfaction of certain statutory conditions.

No distributions were made by the sub-funds during this financial period and therefore no Maltese tax considerations should arise in this respect.

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

Naturally non-resident investors may be required to pay non-Maltese income tax, or any other kind of foreign tax on distributions or deemed distributions from the Company, capital gains within the Company, (whether or not realised), income received or accrued, capital gains arising on the Redemption of units or deemed received within the Company etc., according to the laws and practices of the country of residence of the shareholder.

12. Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions.

12.1 Investment Manager's fees

The Fund is managed by PSG Fund Management (Malta) Limited. Pursuant to the investment management agreement, the Investment Manager is entitled to receive fees based on the net asset value (NAV) of the Fund.

Figures in US Dollar	2019	2018

12. Related parties (continued)

12.1.1 Management fee

The Fund will pay the Investment Manager an investment management fee of 1.5% per annum for Class A and 0.5% for Class B, calculated on the class NAV. During the year ended 28 February 2019, the investment management fee incurred amounted to $726 293 (2018: $676 548) of which $54 171 (2018: $57 469) remained outstanding.

12.1.2 Performance fee

The Investment Manager is also entitled to receive out of the assets of the Fund a performance fee in respect of each performance period. The Investment Manager may at its absolute discretion rebate to any shareholder the whole or portion of the performance fee paid by that shareholder. The performance periods for the Fund comprise each successive six (6) month period from 1 January to 30 June and from 1 July to 31 December, (each a 'performance period').

The performance fee shall be equal to 20% of the net trading gain in excess of the MSCI Daily Total Return Net World USD ('benchmark') calculated on the NAV at each valuation point. During the year 28 February 2019, performance fees of nil incurred (2018: $1 389 827) of which nil (2018: nil) remained outstanding.

12.1.3 Administration fees

The Investment Manager is entitled to receive an administration fee of 0.25% per annum of the Net Asset Value of the Fund payable pro rata monthly in arrears on the last business day in each calendar month of each year. The Investment Manager is entitled to receive a minimum Administration Fee of $10,000 per annum.

The Investment Manager will be reimbursed for all properly incurred and approved out-of-pocket expenses.

The Administrator is entitled to a fee payable by the Investment Manager as agreed between the Administrator and Investment Manager from time to time. During the year ended 28 February 2019, the administration fee incurred amounted to $340 264 (2018: $314 479) of which $25 535 (2018: $26 762) remained outstanding.

12.2 Director's fees

The Directors of the Company receive for their services such remuneration as may be determined by the Fund. Director's fees incurred during the year amounted to $4 665 (2018: $4 624) of which $1 979 (2018: $2 126) remained outstanding.

13. Other fees

Custody fees

The Fund will pay the Custodian, a Custody Fee of 0.07% per annum of NAV of the Fund subject to an aggregate relationship of USD 150 million. The fee will accrue on every valuation point and payable quarterly in arrears. During the year ended 28 February 2019, custody fees incurred amounted to $94 387 (2018: $117 806) of which $15 162 (2018: $16 529) remained outstanding.

The Fund shall also pay the Custodian a transaction fee as agreed from time to time and which the schedule is available in request from the Investment Manager. During the year ended 28 February 2019, transaction fees incurred amounted to $56 729 (2018: $41 601).

The Custodian will also be reimbursed for all reasonably incurred and properly documented out-of-pocket expenses (by way of receipts, invoices or otherwise) by the Custodian, whether directly or indirectly, in the performance of its functions or duties under the Custody Agreement.

Audit fees

Fees charged by the auditor for services rendered during the year ended 28 February 2019 relate to the following (excluding VAT):

Annual statutory audit services	8 307	8 911

Figures in US Dollar	2019	2018

14. Events after the reporting period

No matters which are material to the financial affairs of the Fund occurred between 28 February 2019 and the date of approval of the financial statements.

Annexure A

Financial assets at fair value through profit or loss	Currency	Market value	% of Net asset value
Equities			
GLENCORE PLC	GBP	3 911 269.57	2.91%
BROOKFIELD ASSET MANAGE-CL A	CAD	11 543 690.64	8.59%
HSBC HOLDINGS PLC	HKD	1 879 953.43	1.40%
BOUSTEAD SINGAPORE LTD	SGD	951 082.14	0.71%
COLFAX CORP	USD	1 410 900.12	1.05%
ROSENBAUER INTERNATIONAL AG	EUR	218 188.03	0.16%
LIBERTY GLOBAL INC-A	USD	6 640 200.00	4.94%
STAR BULK CARRIERS CORP	USD	384 280.00	0.29%
LIBERTY LATIN AMERIC-CL C	USD	1 779 827.49	1.32%
DISCOVERY LTD	ZAR	2 825 809.48	2.10%
AIA GROUP LTD	HKD	2 826 982.03	2.10%
PREMIER FOODS PLC	GBP	2 067 206.16	1.54%
MOSAIC CO/THE	USD	5 784 950.00	4.30%
BABCOCK INTL GROUP PLC	GBP	4 878 136.28	3.63%
AFLAC INC	USD	1 965 600.00	1.46%
L BRANDS INC	USD	6 142 900.00	4.57%
PANDORA A/S	DKK	2 415 364.90	1.80%
LIBERTY LATIN AMERIC-CL A	USD	313 920.00	0.23%
TEEKAY OFFSHORE PARTNERS LP	USD	637 192.58	0.47%
ISRAEL CHEMICALS LTD	USD	2 163 978.42	1.61%
TRANSOCEAN LTD	USD	1 919 950.00	1.43%
PSG GROUP LIMITED	ZAR	1 421 914.03	1.06%
JAPAN POST INSURANCE CO LTD	JPY	8 718 708.63	6.49%
NEDBANK GROUP LTD	ZAR	929 972.12	0.69%
AECI	ZAR	347 960.22	0.26%
STOLT-NIELSEN LTD	NOK	714 039.79	0.53%
SIMON PROPERTY GROUP INC	USD	3 623 200.00	2.70%
JAPAN POST BANK CO LTD	JPY	1 953 875.87	1.45%
AP MOELLER-MAERSK A/S-A	DKK	2 058 823.53	1.53%
WASHINGTON PRIME GROUP	USD	4 710 700.00	3.50%
RESONA HOLDINGS INC	JPY	3 462 928.25	2.58%
OLD MUTUAL LTD	GBP	2 477 447.60	1.84%
QUILTER PLC	GBP	577 650.57	0.43%
WHEATON PRECIOUS METALS CORP	USD	3 546 880.00	2.64%
LAM RESEARCH CORP	USD	880 450.00	0.65%
ANHEUSER-BUSCH INBEV NV	EUR	2 126 641.65	1.58%
ROYAL DUTCH SHELL PLC-A SHS	EUR	1 561 006.15	1.16%
MICRON TECHNOLOGY INC	USD	408 800.00	0.30%
PRUDENTIAL PLC	GBP	4 218 625.63	3.14%
ASAHI GROUP HOLDINGS LTD	JPY	3 972 370.45	2.96%

Annexure A

Financial assets at fair value through profit or loss	Currency	Market value	% of Net asset value
Bonds			
R2037 8.50% 310137	ZAR	1 022 777.00	0.76%
Treasury bills			
US TREASURY BILL 20190328	USD	2 988 064.00	2.22%
US TREASURY BILL 20190314	USD	3 493 923.13	2.60%
US TREASURY BILL 20190416	USD	3 489 454.50	2.60%
Total financial assets at fair value through profit or loss		**121 367 594.39**	**90.29%**