

# **Merian Global Investors Series II ICAV** **(converted from Kestrel UCITS Funds plc)**

## **Annual Report and Audited Financial Statements**

For the financial year ended 30 September 2019

Merian Global Investors Series II ICAV is an open-ended umbrella investment company with variable capital and with segregated liability between sub-funds, incorporated and registered as an Irish collective asset-management vehicle on 9 December 2019 with registered number C90807 under the Irish Collective Asset-management Vehicles Act 2015 as an undertaking for collective investment in transferable securities pursuant to the European Union (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 and under the Central Bank (Supervision and Enforcement) Act 2013 (Section 24(1)) (Undertakings for Collective Investment in Transferable Securities ("UCITS")) Regulations 2015.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

For the financial year ended 30 September 2019

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# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Management and Administration of the ICAV

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### Board of Directors

Paul Phelan (Irish)\* *(resigned 9 December 2019)*  
John Ricciardi (British) *(resigned 9 December 2019)*  
Bronwyn Wright (Irish)\*  
Nicola Stronach (British) *(appointed 9 December 2019)*  
Jessica Brescia (UK/US) *(appointed 9 December 2019;  
resigned 31 December 2019)*  
Adrian Waters (Irish)\* *(appointed 9 December 2019)*  
Tom Murray (Irish)\* *(appointed 9 December 2019)*

\*Independent Director

### Registered Office

*Up until 9 December 2019*  
32 Molesworth Street  
Dublin 2  
D02 Y512  
Ireland

*Effective from 9 December 2019*  
33 Sir John Rogerson's Quay  
Dublin 2  
D02 XK09  
Ireland

### Secretary

*Up until 9 December 2019*  
MFD Secretaries Limited  
32 Molesworth Street  
Dublin 2  
D02 Y512  
Ireland

*Effective from 9 December 2019*  
Tudor Trust Limited  
33 Sir John Rogerson's Quay  
Dublin 2  
D02 XK09  
Ireland

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Management and Administration of the ICAV (continued)

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Investment Manager & UK Facilities Agent

*Up until 9 December 2019*

Kestrel Partners LLP  
1 Adam Street  
London  
WC2N 6LE  
United Kingdom

*Effective 9 December 2019*

Merian Global Investors (UK) Limited  
2 Lambeth Hill  
London  
EC4P 4WR  
United Kingdom

Manager

*Effective 9 December 2019*

Merian Global Investors (Europe) Limited  
The Wilde Suite G-01  
The Wilde  
53 Merrion Square South  
Dublin 2  
Ireland

Distributor

*Up until 9 December 2019*

Kestrel Partners LLP  
1 Adam Street  
London  
WC2N 6LE  
United Kingdom

*Effective 9 December 2019*

Merian Global Investors (Europe) Limited  
The Wilde-Suite G01, The Wilde  
53 Merrion Square  
South Dublin 2  
Ireland

Depository

SMT Trustees (Ireland) Limited  
Block 5  
Harcourt Centre  
Harcourt Road  
Dublin 2  
D02 DR52  
Ireland

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Management and Administration of the ICAV (continued)

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Administrator	Maples Fund Services (Ireland) Limited 32 Molesworth Street Dublin 2 D02 Y512 Ireland
Centralising Correspondent - France	CACEIS Bank France 1-3 Place Valhubert 75013 Paris France
Representative and Paying Agent - Luxembourg	CACEIS Bank Luxembourg 5 allée Scheffer L-2520 Luxembourg
Paying Agent - Switzerland ***	Swissquote Bank Ltd CH-1196 Gland Switzerland
Representative Agent - Switzerland ***	Oligo Swiss Fund Services SA Av. Villamont 17 1005 Lausanne Switzerland
Representative Agent - Spain	Banco Inversis, S.A. Avenida de la Hispanidad, 6 Madrid 28042 Spain
Representative Agent - Sweden	Nordea Bank ABp, filial i Sverige SE-10571 Stockholm Sweden
Independent Auditor	Grant Thornton Chartered Accountants & Statutory Audit Firm 13-18 City Quay Dublin 2 D02 ED70 Ireland

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Management and Administration of the ICAV (continued)

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Legal Advisors as to Irish Law

Maples and Calder  
75 St Stephen's Green  
Dublin 2  
D02 PR50  
Ireland

Listing Sponsor

Maples and Calder  
75 St Stephen's Green  
Dublin 2  
D02 PR50  
Ireland

\*\*\* In Switzerland, Merian Global Dynamic Allocation Fund may only be offered or distributed to qualified investors. The Swiss Representative's contact details are Tel: +41 21 311 17 77, email: [info@oligofunds.ch](mailto:info@oligofunds.ch). Any Fund documentation may be obtained free of charge from the Swiss Representative. In respect of the shares distributed in or from Switzerland, the place of performance and jurisdiction is Lausanne (Switzerland).

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Directors' Report

For the financial year ended 30 September 2019

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The Directors of Merian Global Investors Series II ICAV (the "ICAV", previously Kestrel UCITS Fund Plc) present herewith their annual report and audited financial statements for the financial year ended 30 September 2019.

### Principal Activities

The ICAV is an open ended umbrella investment company with variable capital and with segregated liability between sub funds, incorporated and registered as an Irish collective asset-management vehicle on 9 December 2019 with registered number C90807 under the Irish Collective Asset-management Vehicles Act 2015 (the "ICAV Act 2015") as an undertaking for collective investment in transferable securities pursuant to the European Union (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 and under the Central Bank (Supervision and Enforcement) Act 2013 (Section 24(1)) (Undertakings for Collective Investment in Transferable Securities ("UCITS")) Regulations 2015.

Merian Global Dynamic Allocation Fund (the "Sub-Fund") is the only sub fund of the ICAV. The Sub-Fund was originally launched as Kestrel Global Portfolio, a sub fund of Kestrel UCITS Funds plc (the "Company") on 2 April 2012. Effective 9 December 2019, the Company converted from an Irish public liability company to an Irish collective asset-management vehicle in accordance with the ICAV Act 2015. The ICAV's name changed from Kestrel UCITS Funds plc to Merian Global Investors Series II ICAV and the Sub-Fund name changed from Kestrel Global Portfolio to Merian Global Dynamic Allocation Fund also effective 9 December 2019.

The Sub-Fund delisted from the Irish Stock Exchange on 21 November 2019.

The ICAV has only one sub-fund as at 30 September 2019. The investment objective of the Sub-Fund is to pursue capital growth by investing in transferable securities, exchange traded funds, collective investment schemes, money market instruments, cash and near cash instruments according to a central, global, long term and dynamic asset allocation model that is adjusted from time to time by short term tactical asset allocation shifts in anticipation of changing market conditions.

### Statement of Directors' responsibilities

The Directors are responsible for preparing the annual report and the audited financial statements in accordance with the Irish Collective Asset-management Vehicles Act 2015 (the "Act") and International Financial Reporting Standards, as adopted by the European Union ("IFRS").

The Act requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the ICAV and of the Statement of Comprehensive Income of the ICAV for that financial year. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the ICAV will continue in operation.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Directors' Report (continued)

For the financial year ended 30 September 2019

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### Statement of Directors' responsibilities (continued)

The Directors confirm that they have complied with the above requirements in preparing the financial statements.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the financial position of the ICAV and to enable them to ensure that the financial statements are prepared in accordance with IFRS and comply with the Act and with the European Union (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 as amended (the "UCITS Regulations") and The Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2019 ("Central Bank UCITS Regulations"). They are also responsible for safeguarding the assets of the ICAV and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. In this regard, the Directors have entrusted the assets of the Sub-Fund to the Depositary for safekeeping.

The Directors believe that they have complied with the requirements of the Act with regard to the obligation to keeping adequate accounting records by appointing the Administrator to the ICAV. The records of the ICAV are located at 32 Molesworth Street, Dublin 2, D02 Y512, Ireland. Effective 9 December 2019, the records of the ICAV are located at 33 Sir John Rogerson's Quay, Dublin 2, D02 XK09, Ireland.

### Principal risks and uncertainties

The principal risks and uncertainties faced by the ICAV are disclosed in Note 15 of the financial statements. Cybersecurity risk is explained within the additional information on page 73.

### Review of the business and future developments

A detailed review of the ICAV's activities for the financial year ended 30 September 2019 and future developments is included in the Investment Manager's Report on pages 9 to 11.

The Sub-Fund will continue to pursue its investment objective of seeking capital appreciation through its investing activities.

### Corporate Governance Statement

The ICAV has voluntarily adopted and is fully compliant with the Irish Funds Industry Association ("IFIA") corporate governance code for collective investment schemes and management companies which can be obtained from the IFIA's website at [www.irishfunds.ie](http://www.irishfunds.ie).

### Audit Information

So far as the Directors are aware, there is no relevant audit information of which the ICAV's statutory auditor is unaware and the Directors have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the ICAV's statutory auditor is aware of that information.



# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Directors' Report (continued)

For the financial year ended 30 September 2019

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### Directors

The Directors, who served the ICAV during the financial year ended 30 September 2019, are stated on page 1.

### Directors' and Secretary's interests in shares of the ICAV

Other than as stated in Note 11 of the financial statements, no Director, nor the Secretary, had, at any time during the financial year or at the end of the financial year, a material interest in any contracts or agreements of any significance in relation to the business of the ICAV.

### Results and dividends

The results of operations for the financial year are set out in the Statement of Comprehensive Income. The Directors do not intend to distribute dividends to members from the ICAV for the year ended 30 September 2019.

### Independent auditors

The independent auditor, Grant Thornton, Chartered Accountants and Statutory Audit Firm, has indicated its willingness to continue in office in accordance with the provisions of section 125 (1) of the Act.

### Events during the financial year

Significant events during the financial year are disclosed in Note 20 of the financial statements.

### Events since the financial year end

Subsequent events are disclosed in Note 22 of the financial statements.

### Segregated Liability

The ICAV has segregated liability between its sub-funds and accordingly any liability incurred on behalf of or attributable to any sub-fund shall be discharged solely out of the assets of that sub-fund. As of the date of the Statement of Financial Position, the Directors are not aware of any existing contingent liability of any sub-fund of the ICAV.

### Transactions with connected parties

The Central Bank UCITS Regulations requires that any transactions carried out with a UCITS by a management company or depositary to the UCITS, the delegates or sub delegates of the management company or depositary, and any associated group of such a management company, depositary, delegate or sub delegate ("connected persons") must be carried out as if negotiated at arm's length and in the best interests of the members.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Directors' Report (continued)

For the financial year ended 30 September 2019

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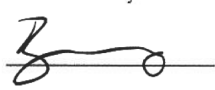
### Transactions with connected parties (continued)

The Board of Directors is satisfied that there are arrangements (evidenced by written procedures) in place, to ensure that the obligations set out in Regulation 41(1) of the Central Bank UCITS Regulations are applied to all transactions with connected parties; and the Directors are satisfied that transactions with connected parties entered into during the financial year complied with the obligations set out in this paragraph.

Signed on behalf of the Board of Directors by:



Director



Director



Dated: 24 January 2020

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Investment Manager's Report

For the financial year ended 30 September 2019

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In the year to 30 September 2019, the Kestrel Global Portfolio\* (the “Fund”) returned +6.33% (GBP Institutional Share Class). The Fund outperformed the Bloomberg Global Asset Allocation Active Index (BBOOGLAA) which returned +4.9% (GBP) over the same period.

### Financial markets developments and Fund performance 1 October 2018 to 30 September 2019

The year under review has seen two distinct periods of returns for global risk assets, with markets reacting in line with both changes in macroeconomic conditions and a switch in direction of Federal Reserve policy. Global equity markets, measured by the MSCI World Total Return Index ended up 1.83% (USD) over the full period, although this hides significant intra-period volatility with global equity markets having been down significantly in Q4 2018 only to recover strongly during 2019. Global government bond yields came down sharply as the Federal Reserve realised that they had overtightened policy and began to reduce rates, with the US ten year government bond yield lower by 140 basis points to 1.66% and UK ten year government bond yield lower by 109 basis points to 0.49%.

The early part of the period saw risk assets drop significantly. This was led by weaker than expected economic data combined with a Federal Reserve that was tightening monetary policy. This resulted in sharp rises in US Bond Prices and a significant drop in global equity markets with the MSCI World (USD) dropping 17.53% from the start of the period to the low on 25 December 2018. This performance was mirrored in both MSCI Emerging Markets and MSCI Far East markets dropping 10.72% and 13.28% respectively from the period start to the lows, although hitting the lows much sooner on 29 October 2018.

This trend began to reverse in late 2018 when it became clear that US rate increases were on hold, followed by a significant rally through much of 2019 as the Federal Reserve then reversed policy and began to reduce rates. This up-trend was most strongly felt in the US. From the lows on the dates above, until period end, the MSCI World (USD) fully recovered the losses returning +23.47%, whilst the MSCI Emerging markets (USD) and MSCI Far East (USD) returned +7.08% and +7.59% respectively.

### Fund Activity - Diversification and rebalancing in volatile markets

We have kept a focus upon ensuring that the Fund's long-term strategic targets and shorter-term tactical targets for exposures to global financial markets are maintained throughout the period.

The Fund's principal tactical shifts above its long-term strategic targets during the period were to maintain its reduced exposure to major market equities to start the period, with a tactical shift back to an equal risk allocation for equities & bonds following the perceived shift towards a looser monetary policy stance from the Federal Reserve in early November 2018.

Finally, the Fund began to increase risk exposure into period end, this was the early stages of a more significant shift anticipated to continue into the subsequent period.

\*The Investment Manager's Report was provided prior to the acquisition of Kestrel UCITS Funds plc by Merian Global Investors on 9 December 2019, and before its conversion to an ICAV on the same date, resulting in the Fund's new name of Merian Global Dynamic Allocation Fund.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Investment Manager's Report (continued)

For the financial year ended 30 September 2019

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### Current Fund Strategy and Kestrel Forecasts

We believe that world equity valuations are very attractive and are likely to continue to support share prices in Q4 2019, even as bond yields find a floor during the quarter when the global cycle turns up with worldwide producer prices, production, and exports reaccelerating. Standard measures comparing equity prices to earnings, book value, and cash flow, as well as those comparing earnings and dividend yields to bond yields, show global shares trading at substantial discounts to their average valuations in this cycle. Valuations are at their most attractive since 2016, and the number of undervalued markets is the highest since then. Moreover, worldwide central bank support for output, lending, and prices is the highest for six years and is aligned with historical positioning for enhanced US economic growth in the run-up to a presidential election year.

Contrary to reportedly higher recession fears, and the jump in the current 'recession' news stories, indications are for a global cycle rebound with new accelerations in production and prices during Q4 2019. This reflects lower inventory accumulation over 2019 supporting a production rebound with the usual lag, as well as the lower cost of capital with much lower nominal and real rates of interest. The relatively stable US dollar is another positive for growth, with the shift from the Chinese Yuan to the Mexican Peso very evident in US trade figures. Energy production is expanding at a rapid rate in North America, with the US now the world's largest oil and gas producer.

Political and military tensions in Asia so far have not translated into global supply chain interruptions that could generate spikes in consumer inflation. Nor have the Middle Eastern and Central American disruptions so far raised oil prices even to their levels of 2018. In addition, the significant imbalance in 2018 between US monetary tightening and Europe's and China's needs for policy loosening have vanished with this year's alignment among the principal central banks in their decisions to provide monetary support for consumption and to mitigate headwinds to investment and production in their respective economic blocks. The worldwide shift in 2019 to financial conditions that are supportive of economic activity, exports, and producer prices likely will have the global cycle showing signs of a rebound in the next months, giving a boost to share prices.

Investors likely will do well to continue shifting from bonds to shares in Q4 2019, when risk assets likely will benefit further from both central bank monetary support and from the first stages of a rebound in worldwide output and inflation.

In October 2019, Merian Global Investors ("MGI") signed an agreement to acquire the global asset allocation business from Kestrel Partners LLP. As a part of the deal, which is expected\*\* to complete in December 2019 (subject to regulatory and shareholder approval), management of the Fund will transfer to MGI along with the portfolio management team. MGI is an ideal home for the team and will allow us to continue to develop and grow the strategy.

John Ricciardi  
Lead Fund Manager  
Kestrel Partners LLP  
29 October 2019

Sources: Maples Fund Services Limited, Bloomberg LLP

\*\* The deal transaction occurred on 9 December 2019 and Kestrel UCITS Funds plc was acquired by Merian Global Investors and converted on the same date to an ICAV, resulting in the Fund's new name of Merian Global Dynamic Allocation Fund.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Investment Manager's Report (continued)

For the financial year ended 30 September 2019

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### Disclaimer

This report is issued by Kestrel Partners LLP which is authorised and regulated by the Financial Conduct Authority. Kestrel Investment Partners is a trading name of Kestrel Partners LLP ("Kestrel").

No investment in the Fund should be considered without reading the Prospectus, Supplement and KIIDs in relation thereto and in particular the risk warnings contained therein.

Performance has been calculated after taking into account all charges paid by the Fund including fees paid to Kestrel as well as the distributor and promoter of the Fund. No account has been taken of any other fees or charges that may be payable by the investor such as tax or advisers' fees. Past performance is not a guide to future performance. The value of investments may go down as well as up and you may not get back the full amount originally invested.

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In Switzerland, the Fund has appointed as Swiss Representative Oligo Swiss Fund Services SA, Av. Villamont 17, 1005 Lausanne, Switzerland, Tel: +41 21 311 17 77, email: [info@oligofunds.ch](mailto:info@oligofunds.ch). The Fund's paying agent is Swissquote Bank SA.

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# Merian Global Investors Series II ICAV

## Depository's Report

For the financial year ended 30 September 2019

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### Report of the Depository to the Members

We have enquired into the conduct of the Merian Global Investor Series II ICAV (the "ICAV") for the financial year ended 30 September 2019, in our capacity as Depository to the ICAV.

This report including the opinion has been prepared for and solely for the members of the ICAV as a body, in accordance with the Central Bank UCITS Regulations, and for no other purpose. We do not, in giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown.

### Responsibilities of the Depository

Our duties and responsibilities are outlined in the Central Bank UCITS Regulations. One of those duties is to enquire into the conduct of the ICAV in each annual accounting period and report thereon to the members.

Our report shall state whether, in our opinion, the ICAV has been managed in that period, in accordance with the provisions of the ICAV's Constitutional Document and the UCITS Regulations. It is the overall responsibility of the ICAV to comply with these provisions. If the ICAV has not so complied, we as Depository must state why this is the case and outline the steps which we have taken to rectify the situation.

### Basis of Depository Opinion

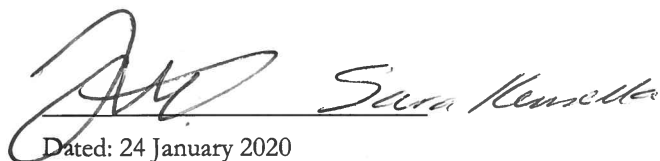
The Depository conducts such reviews as it, in its reasonable opinion, considers necessary in order to comply with its duties as outlined in the Central Bank UCITS Regulations and to ensure that, in all material respects, the ICAV has been managed (i) in accordance with the limitations imposed on the investment and borrowing powers of the ICAV by the ICAV's Constitutional Document and the Central Bank UCITS Regulations; and (ii) otherwise in accordance with the provisions of the ICAV's Constitutional Document and the Central Bank UCITS Regulations.

### Opinion

In our opinion the ICAV has been managed during the financial year, in all material respects:

- (i) in accordance with the limitations imposed on the investment and borrowing powers of the ICAV by the ICAV's Constitutional Document and the Central Bank UCITS Regulations; and
- (ii) Otherwise in accordance with the provisions of the ICAV's Constitutional Document and the Central Bank UCITS Regulations.

SMT Trustees (Ireland) Limited



Dated: 24 January 2020

## **Independent Auditor's Report to the shareholders of Merian Global Investors Series II ICAV**

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

#### **Opinion**

We have audited the financial statements of Merian Global Investors Series II ICAV (converted from Kestrel UCITS Funds plc) (or the "ICAV"), which comprise the Statement of Financial Position, the Statement of Comprehensive Income, the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares and the Statement of Cash Flows for the financial year end 30 September 2019, and the related notes to the financial statements, including the summary of significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is Irish law and International Financial Reporting Standards ("IFRS") as adopted by the European Union.

In our opinion, the ICAV's financial statements:

- give a true and fair view in accordance with IFRS as adopted by the EU of the assets, liabilities and financial position of the ICAV as at 30 September 2019 and of its financial performance and cash flows for the financial year end 30 September 2019; and
- have been properly prepared in accordance with the requirements of the Irish Collective Asset-management Vehicles Act 2015 and applicable regulations.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (Ireland) (or "ISAs (Ireland)") and applicable law. Our responsibilities under those standards are further described in the 'Responsibilities of the auditor for the audit of the financial statements' section of our report. We are independent of the ICAV in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, namely the Irish Auditing and Accounting Supervisory Authority (or "IAASA") Ethical Standard concerning the integrity, objectivity and independence of the auditor, and the ethical pronouncements established by Chartered Accountants Ireland, applied as determined to be appropriate in the circumstances for the entity. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **Conclusions relating to going concern**

We have nothing to report in respect of the following matters in relation to which the ISAs (Ireland) require us to report to you where:

- the Board of Directors (or the "Directors") use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the ICAV's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Under the Listing Rules, we are required to review the Directors' statement as set out on page 5 in relation to going concern. We have nothing to report having performed our review.

#### **Key audit matters**

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

## **Independent Auditor's Report to the shareholders of Merian Global Investors Series II ICAV (continued)**

### **Overall audit strategy**

We designed our audit by determining materiality and assessing the risks of material misstatement in the financial statements. In particular, we looked at where the Directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the Directors that represented a risk of material misstatement due to fraud.

Our audit areas of focus included:

- Existence and valuation of transferrable securities, and
- Existence and valuation of derivative contracts (forward currency contracts).

### **How we tailored our audit scope**

The ICAV is an investment fund with segregated liability between its sub-funds. The Directors control the affairs of the ICAV and they are responsible for the overall investment policy which is determined by them. The ICAV has engaged the Investment Manager and Manager as disclosed on page 2 of these financial statements to manage certain duties and responsibilities with regards to the day-to-day management of the ICAV. We tailored the scope of our audit taking into account the types of investments within the ICAV, the involvement of third party service providers, the accounting processes and controls, and the industry in which the ICAV operates.

The Directors have delegated certain responsibilities to Maples Fund Services (Ireland) Limited (or the "Administrator") including maintenance of the accounting records. The financial statements, which remain the responsibility of the Directors, are prepared on their behalf by the Administrator. The ICAV has appointed SMT Trustees (Ireland) Limited (or the "Depositary") to act as custodian of the ICAV's assets.

In establishing the overall approach to our audit we assessed the risk of material misstatement at the ICAV level, taking into account the nature, likelihood and potential magnitude of any misstatement. As part of our risk assessment, we considered the ICAV's interaction with the Administrator, and we assessed the control environment in place at the Administrator.

### **Materiality**

The scope of our audit is influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the ICAV as follows: 0.5% of Net Assets as at 30 September 2019. Net Assets was considered to be the most appropriate benchmark on which to base our materiality based on the activities of the ICAV. We agreed with the Directors that we would report to them misstatements identified during our audit above 5% of materiality as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

### **Significant matters identified**

The risks of material misstatement that had the greatest effect on our audit, including the allocation of our resources and effort, are set out below as significant matters together with an explanation of how we tailored our audit to address these specific areas in order to provide an opinion on the financial statements as a whole. This is not a complete list of all risks identified by our audit.



**Independent Auditor's Report to the shareholders of Merian Global Investors Series II ICAV  
(continued)**

**Significant matters identified (continued)**

<b>Significant risk</b>	<b>Description of significant risk and audit response</b>
<b>Transferable securities – existence and valuation (Page 18, notes 3 and 15)</b>	<p>There is a risk that the transferrable securities held by the ICAV do not exist or that the balance included in the Statement of Financial Position of the ICAV at 30 September 2019 is not valued in line with IFRS as adopted by the European Union.</p> <p>The following audit work has been performed to address the risks:</p> <ul style="list-style-type: none"> <li>• Obtained year end reconciliations to check that the financial assets were complete and recorded in the correct period;</li> <li>• Obtained direct independent confirmation of the transferrable securities and re-performed the reconciliation; and</li> <li>• Re-priced all financial assets to independent pricing sources.</li> </ul> <p>Our planned audit procedures were completed without material exception.</p>
<b>Derivative contracts (forward currency contracts) – existence and valuation (Page 18, notes 3 and 15)</b>	<p>There is a risk that the derivative contracts held by the ICAV do not exist or that the balance included in the Statement of Financial Position of the ICAV at 30 September 2019 is not valued in line with IFRS as adopted by the European Union.</p> <p>The following audit work has been performed to address the risks:</p> <ul style="list-style-type: none"> <li>• Obtained year end reconciliations to check that the derivative contracts were complete and recorded in the correct period;</li> <li>• Obtained direct independent confirmation of the derivative contracts and re-performed the reconciliation; and</li> <li>• Re-priced all derivative contracts to independent pricing sources.</li> </ul> <p>Our planned audit procedures were completed without material exception.</p>

**Other information**

Other information comprises information included in the annual report, other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies in the financial statements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Long term viability of the ICAV**

Under the Listing Rules we are required to review the Directors' statement on page 6 that they have carried out a robust assessment of the principal risks facing the ICAV and the Directors' statement in relation to the longer term viability of the ICAV. Our review was substantially less in scope than an audit and only consisted of making inquiries and considering the Directors' process supporting their statements; and considering whether the statements are consistent with the knowledge acquired by us in the course of performing our audit. We have nothing to report having performed our review.

## **Independent Auditor's Report to the shareholders of Merian Global Investors Series II ICAV (continued)**

### **Matters on which we are required to report**

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit;
- In our opinion the accounting records of the ICAV were sufficient to permit the financial statements to be readily and properly audited;
- The financial statements are in agreement with the accounting records; and
- In our opinion the information given in the Directors' report is consistent with the financial statements and the Directors report has been prepared in accordance with the ICAV Act.

### **Responsibilities of those charged with governance for the financial statements**

As explained more fully in the Statement of Directors' Responsibilities, the Directors are responsible for the preparation of the financial statements which give a true and fair view in accordance with IFRS as adopted by the EU, and for such internal control as they determine 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 responsible for assessing the ICAV'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 intends to liquidate the ICAV or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the ICAV's financial reporting process.

### **Responsibilities of the auditor for the audit of the financial statements**

The auditor's 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 their opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (Ireland) 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 (Ireland), the auditor will exercise professional judgment and maintain professional scepticism throughout the audit. The auditor will 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 their 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 controls 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 ICAV's internal controls.
- 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 ICAV's ability to continue as a going concern. If they conclude that a material uncertainty exists, they are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify their opinion. Their conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause the ICAV to cease to continue as a going concern.

**Independent Auditor's Report to the shareholders of Merian Global Investors Series II ICAV  
(continued)****Responsibilities of the auditor for the audit of the financial statements (continued)**

The auditor communicates 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 may be identified during the audit. The auditor also provides those charged with governance with a statement that they have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on their independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, the auditor determines those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. These matters are described in the auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, the auditor determines that a matter should not be communicated in the report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**The purpose of our audit and to whom we owe our responsibilities**

This report is made solely to the ICAV's shareholders, as a body, in accordance with section 120 of the Irish Collective Asset-management Vehicles Act 2015. Our audit work has been undertaken so that we might state to the ICAV's shareholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the ICAV and the ICAV's shareholders as a body, for our audit work, for this report, or for the opinions we have formed.

**Report on other legal and regulatory requirements**

We were appointed by the Directors on 27 August 2012. The period of total uninterrupted engagement including previous renewals and reappointments of the firm is 7 years.

We are responsible for obtaining reasonable assurance that the financial statements taken as a whole are free from material misstatement, whether caused by fraud or error. Owing to the inherent limitations of an audit, there is an unavoidable risk that material misstatements (including fraud risk) of the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (Ireland). Our audit approach is a risk-based approach and is explained more fully in the 'responsibilities of the auditor for the audit of the financial statements' section of our report.

The non-audit services prohibited by the IAASA's Ethical Standard were not provided to the ICAV and we remain independent of the ICAV in conducting our audit.



John Glennon  
For and on behalf of  
Grant Thornton  
Chartered Accountants & Statutory Audit Firm  
13-18 City Quay  
Dublin 2  
Ireland

Date: 24 January 2020

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Statement of Financial Position

As at 30 September 2019

		Merian Global Dynamic Allocation Fund* 2019 GBP	Merian Global Dynamic Allocation Fund* 2018 GBP
	Note		
<b>Assets</b>			
<i>Financial assets at fair value through profit or loss</i>			
Transferable securities	3,16	120,761,285	85,307,311
Unrealised gains on forward currency contracts	5,16	945,800	473,767
<i>Financial assets at amortised cost</i>			
Cash and cash equivalents	14	2,735,331	4,950,926
Other receivables	4	249,566	136,323
<b>Total assets</b>		<b>124,691,982</b>	<b>90,868,327</b>
<b>Liabilities</b>			
<i>Financial liabilities at fair value through profit or loss</i>			
Unrealised losses on forward currency contracts	5,16	1,460,097	1,383,798
<i>Financial liabilities at amortised cost</i>			
Investment management fees payable	10.1	88,146	76,493
Administration fees payable	10.2	30,546	24,142
Depository fees payable	10.3	17,069	3,927
Other liabilities	6	147,407	122,614
<b>Total liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>1,743,265</b>	<b>1,610,974</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>122,948,717</b>	<b>89,257,353</b>

\* Merian Global Dynamic Allocation Fund is the only sub-fund of the ICAV. The Sub-Fund previously traded as Kestrel Global Portfolio (a sub-fund of Kestrel UCITS Funds plc).

The notes on pages 23 to 52 are an integral part of these financial statements.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

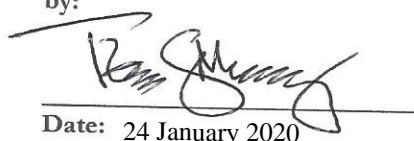
## Statement of Financial Position (continued)

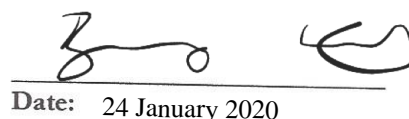
As at 30 September 2019

Merian Global Dynamic Allocation Fund*	Redeemable participating shares in issue 2019	Redeemable participating shares in issue 2018	Net asset value per redeemable share in issue 2019	Net asset value per redeemable share in issue 2018
Class A - GBP	420,413.74	570,153.07	15.23	14.49
Class A - USD	486,452.65	685,565.94	15.62	14.61
Class A - EUR	1,070,838.00	1,174,374.45	14.41	13.90
Class A - CHF	78,505.00	110,002.03	13.94	13.50
Class A - SEK	17,198.98	60,019.83	123.02	118.51
Class B - GBP	251,637.40	351,125.82	12.50	11.80
Class B - USD	122,955.57	1,000.00	11.10	10.31
Class B - EUR	52,856.41	26,307.62	10.52	10.07
Class I - GBP	2,322,041.68	2,319,733.61	15.35	14.43
Class I - USD	5,065,129.83	1,322,191.52	12.32	11.39
Class I - EUR	362,076.75	640,658.98	13.90	13.27

\* Merian Global Dynamic Allocation Fund is the only sub-fund of the ICAV. The Sub-Fund previously traded as Kestrel Global Portfolio (a sub-fund of Kestrel UCITS Funds plc).

The financial statements were approved by the Board of Directors on 24 January 2020 and signed on its behalf by:

  
Date: 24 January 2020

  
Date: 24 January 2020

The notes on pages 23 to 52 are an integral part of these financial statements.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Statement of Comprehensive Income

For the financial year ended 30 September 2019

		Merian Global Dynamic Allocation Fund* 2019 GBP	Merian Global Dynamic Allocation Fund* 2018 GBP
	Note		
<b>Investment income</b>			
Interest income		1,554,896	664,099
Dividend income		1,394,024	1,477,299
Net gains on transferable securities	7	10,023,763	5,597,668
Net losses on forward currency contracts	8	(4,245,434)	(3,150,344)
Net gains on forward currency transactions		290,286	109,734
Other income		42,677	60,177
<b>Total investment income</b>		<b>9,060,212</b>	<b>4,758,633</b>
<b>Operating expenses</b>			
Investment management fees	10.1	(891,155)	(1,081,184)
Transaction costs	10.4	(234,453)	(154,265)
Administration fees	10.2	(93,451)	(94,367)
Directors' fees	10.5	(47,631)	(32,506)
Depository fees	10.3	(44,895)	(45,453)
Global registration fees	10.6	(30,643)	(47,656)
Auditor's fees	10.7	(15,274)	(22,663)
Interest expense		(111)	(8,225)
Other expenses	9	(252,354)	(313,216)
<b>Total operating expenses</b>		<b>(1,609,967)</b>	<b>(1,799,535)</b>
<b>Increase in net assets from operations attributable to holders of redeemable participating shares before tax</b>		<b>7,450,245</b>	<b>2,959,098</b>
Withholding tax expense	2	(226,526)	(332,879)
<b>Increase in net assets from operations attributable to holders of redeemable participating shares</b>		<b>7,223,719</b>	<b>2,626,219</b>

\* Merian Global Dynamic Allocation Fund is the only sub-fund of the ICAV. The Sub-Fund previously traded as Kestrel Global Portfolio (a sub-fund of Kestrel UCITS Funds plc).

Income and expenses arise solely from continuing operations. There were no recognised gains and losses other than those detailed within the Statement of Comprehensive Income.

The notes on pages 23 to 52 are an integral part of these financial statements.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

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

For the financial year ended 30 September 2019

	<b>Merian Global Dynamic Allocation Fund* GBP</b>
<b>Balance at 1 October 2018</b>	<b>89,257,353</b>
Increase in net assets from operations attributable to holders of redeemable participating shares	7,223,719
Contributions and redemptions by holders of redeemable participating shares	
Issue of redeemable participating shares	45,880,572
Redemptions of redeemable participating shares	(19,412,927)
Net contributions and redemptions by holders of redeemable participating shares	26,467,645
<b>Balance at 30 September 2019</b>	<b>122,948,717</b>
 <b>Balance at 1 October 2017</b>	 <b>98,975,979</b>
Increase in net assets from operations attributable to holders of redeemable participating shares	2,626,219
Contributions and redemptions by holders of redeemable participating shares:	
Issue of redeemable participating shares	6,367,794
Redemptions of redeemable participating shares	(18,712,639)
Net contributions and redemptions by holders of redeemable participating shares	(12,344,845)
<b>Balance at 30 September 2018</b>	<b>89,257,353</b>

\* Merian Global Dynamic Allocation Fund is the only sub-fund of the ICAV. The Sub-Fund previously traded as Kestrel Global Portfolio (a sub-fund of Kestrel UCITS Funds plc).

The notes on pages 23 to 52 are an integral part of these financial statements.



# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Statement of Cash Flows

For the financial year ended 30 September 2019

	Merian Global Dynamic Allocation Fund* 2019 GBP	Merian Global Dynamic Allocation Fund* 2018 GBP
<i>Cash flows from operating activities</i>		
Increase in net assets from operations attributable to holders of redeemable participating shares before tax	7,450,245	2,959,098
<i>Adjustments for:</i>		
Movement in net unrealised gains on financial assets at fair value through profit or loss	(2,353,831)	(2,366,989)
Movement in net unrealised (gains)/losses on forward currency contracts	(395,734)	863,082
Withholding tax paid	(226,526)	(346,815)
<b>Operating cash flow before movement in working capital</b>	<b>4,474,154</b>	<b>1,108,376</b>
(Increase)/decrease in other receivables	(113,243)	24,355
Increase/(decrease) in administration fees payable	6,404	(30,233)
Increase in depositary fees payable	13,142	1,735
Increase/(decrease) in investment management fees payable	11,653	(31,273)
Increase/(decrease) in other liabilities	24,793	(16,927)
Payments for purchase of investments	(160,349,235)	(193,017,648)
Proceeds from sale of investments	127,249,092	201,252,516
<b>Net cash (used in)/provided by operating activities</b>	<b>(28,683,240)</b>	<b>9,290,901</b>
<i>Cash flows from financing activities</i>		
Proceeds from issue of redeemable participating shares	45,880,572	6,368,571
Payments for redeemable participating shares redeemed	(19,412,927)	(18,712,639)
<b>Net cash flows provided by/(used in) financing activities</b>	<b>26,467,645</b>	<b>(12,344,068)</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(2,215,595)</b>	<b>(3,053,167)</b>
Cash and cash equivalents at beginning of the financial year	4,950,926	8,004,093
<b>Cash and cash equivalents at end of the financial year</b>	<b>2,735,331</b>	<b>4,950,926</b>

\* Merian Global Dynamic Allocation Fund is the only sub-fund of the ICAV. The Sub-Fund previously traded as Kestrel Global Portfolio (a sub-fund of Kestrel UCITS Funds plc).

The notes on pages 23 to 52 are an integral part of these financial statements.



# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements

For the financial year ended 30 September 2019

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### 1. General information

Merian Global Investor Series II ICAV (the "ICAV") is an open ended umbrella investment company with variable capital and with segregated liability between sub-funds, incorporated and registered as an Irish collective asset-management vehicle on 9 December 2019 with registered number C90807 under the Irish Collective Asset-management Vehicles Act 2015 (the "ICAV Act 2015") as an undertaking for collective investment in transferable securities pursuant to the European Union (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 and under the Central Bank (Supervision and Enforcement) Act 2013 (Section 24(1)) (Undertakings for Collective Investment in Transferable Securities ("UCITS")) Regulations 2015.

Merian Global Dynamic Allocation Fund (the "Sub-Fund") is the only sub-fund of the ICAV. The Sub-Fund was originally launched as Kestrel Global Portfolio, a sub-fund of Kestrel UCITS Funds plc (the "Company") on 2 April 2012. Effective 9 December 2019, the ICAV converted from an Irish public liability company to an Irish collective asset-management vehicle in accordance with the ICAV Act 2015. The entity's name changed from Kestrel UCITS Funds plc to Merian Global Investors Series II ICAV and the Sub-Fund name changed from Kestrel Global Portfolio to Merian Global Dynamic Allocation Fund, also effective 9 December 2019.

The Sub-Fund delisted from the Irish Stock Exchange on 21 November 2019.

The investment objective of the Sub-Fund is to pursue capital growth by investing in transferable securities, exchange traded funds, collective investment schemes, money market instruments, cash and near cash instruments according to a central, global, long term and dynamic asset allocation model that is adjusted from time to time by short term tactical asset allocation shifts in anticipation of changing market conditions.

### 2. Significant accounting policies

#### 2.1. Basis of preparation

The financial statements for the ICAV have been prepared in accordance with International Financial Reporting Standards, as adopted by the European Union ("IFRS"), and comply with the Irish Statute comprising the ICAV Act 2015, the UCITS Regulations, the Central Bank UCITS Regulations and the Listing Rules of the Irish Stock Exchange.

The preparation of financial statements in conformity with IFRS and requires the use of accounting estimates. It also requires management to exercise its judgement in the process of applying the ICAV's accounting policies. The resulting accounting estimates may not, by definition, equal the related actual result.

The Directors consider it appropriate that the financial statements are prepared on a going concern basis supported by the Directors' belief that the ICAV has adequate resources to continue in existence for the foreseeable future.

The functional and presentation currency of the ICAV is the Great British Pound ("GBP"). GBP is the currency noted in the Prospectus and is relevant to the stated investment strategy. The functional currency of the Sub-Fund was evaluated by the Board of the Directors at fund launch based on the currency that they expected to most faithfully represent the economic effects of the underlying transactions, events, investors' base and conditions.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

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### 2. Significant accounting policies (continued)

#### 2.1. Basis of preparation (continued)

The ICAV consistently applied the below accounting policies to all periods presented in these financial statements, with the exception of the adoption of IFRS 9 Financial Instruments ("IFRS 9"). This is the first set of the ICAV's annual financial statements in which IFRS 9 Financial Instruments has been applied. Refer to Note 2.1(i).

##### i. New and revised IFRS

The ICAV has applied the following standards, amendments and interpretations for the first time for their annual reporting period commencing 1 October 2018.

IFRS 9 became effective for annual periods beginning on or after 1 January 2018 and replaced IAS 39, Financial Instruments: Recognition and Measurement ("IAS 39"). IFRS 9 revises the classification and measurement of financial instruments, general hedge accounting requirements and carries forward the principles on recognition and derecognition of financial instruments. IFRS 9 modifies the assessment of impairments to financial assets at amortised cost, introducing an expected credit loss model replacing the previously applicable incurred credit loss model.

The changes in accounting policies resulting from the adoption of IFRS 9 are required to be applied retrospectively with an exemption allowing entities not to restate comparative period information with respect to classification and measurement (including impairment) changes.

The ICAV's investment portfolio continues to be classified as fair value through profit or loss and other financial assets continue to be measured at amortised cost. The adoption of IFRS 9 did not have a significant impact to the ICAV's financial position or performance; however various disclosures have been amended or included within these financial statements.

There are no other new accounting developments which are considered to have a significant impact on the ICAV's financial position or performance.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

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## 2. Significant accounting policies (continued)

### 2.2. Financial assets and liabilities

#### i. Classification

The ICAV classifies its financial assets and liabilities into the categories below.

##### **Financial assets and liabilities at fair value through profit or loss**

The ICAV designates all debt and equity instruments at fair value through profit or loss on initial recognition because it manages these instruments on a fair value basis in accordance with its documented investment strategy. The ICAV holds all debt instruments for trading purposes and the financial assets are classified as part of 'other' business model. Internal reporting and performance measurement of these securities are on a fair value basis.

##### **Financial assets and liabilities at amortised cost**

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

Financial assets includes cash and cash equivalents and other receivables.

Financial liabilities includes investment management fees payable, administration fees payable, withholding tax payable, due to broker, depositary fees payable, other liabilities and net assets attributable to holders of redeemable participating shares.

#### ii. Recognition

The ICAV recognises financial assets and financial liabilities on the date it becomes a party to the contractual provisions of the instrument.

A regular way purchase of financial assets is recognised using trade date accounting. From this date any gains and losses arising from changes in fair value of the financial assets or financial liabilities are recorded in the Statement of Comprehensive Income.

#### iii. Measurement

Financial assets and financial liabilities are measured initially at cost which is the fair value of the consideration given or received.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

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### 2. Significant accounting policies (continued)

#### 2.2. Financial assets and liabilities (continued)

##### iii. Measurement (continued)

All recognised financial assets that are within the scope of IFRS 9 are required to be subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets.

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 are presented in the Statement of Comprehensive Income in the period in which they arise.

Other financial assets and financial liabilities are initially measured at cost and subsequently carried at amortised cost using the effective interest rate method, except for redeemable shares, which is measured at the redemption amount.

##### iv. Impairment

The introduction of IFRS 9 replaces the model used to calculate impairments under IAS 39, which was based primarily on incurred losses, with a model based on the expected credit losses. The scope of the new model consistently includes all financial assets and liabilities that are recognised at amortised cost.

The ICAV assesses on a forward-looking basis the expected credit losses associated with its financial assets carried at amortised cost and with the exposure arising from loan commitments and financial guarantee contracts. The ICAV recognises a loss allowance for such losses at each reporting date.

The measurement of expected credit losses reflects:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

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### 2. Significant accounting policies (continued)

#### 2.2. Financial assets and liabilities (continued)

##### v. Derecognition

The ICAV derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it 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 ICAV 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 the Statement of Comprehensive Income. Any interest in such transferred financial assets that is created or retained by the ICAV is recognised as a separate asset or liability.

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

##### vi. Valuation of investments

The fair value of financial instruments is based on their quoted market prices where available at the financial year end date. Quoted investments and investments traded on over the counter markets are valued at last traded price. Forward contracts are valued at market settlement price.

##### vii. Specific financial instruments

The unrealised gain or loss on forward currency contracts is calculated by reference to the difference between the contracted rate and the market rate to close out such contracts and is included in the Statement of Financial Position and in the Statement of Comprehensive Income.

#### 2.3. Income recognition

Interest and dividends receivable are recognised on an accruals basis as they are earned. Income arising on investments, as well as deposit interest, is accounted for on an effective interest basis. The effective interest method is a method of calculating the amortised cost of a financial asset or financial liability and of allocating the interest income or interest expense over the relevant financial period. The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts throughout the expected life of the financial instrument, or shorter financial period where appropriate, to the net carrying amount of the financial assets or financial liabilities.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

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### 2. Significant accounting policies (continued)

#### 2.3. Income recognition (continued)

Dividend income is recognised in the Statement of Comprehensive Income on the date upon which the relevant securities are listed as "ex-dividend". Dividend income is shown gross of any withholding taxes, which are disclosed separately in the Statement of Comprehensive Income, net of any amounts reclaimed.

#### 2.4. Expenses

The ICAV is responsible for all normal operating expenses including administration fees, fees and expenses of the Investment Manager and the Depositary, audit fees, stamp and other duties and charges incurred on the acquisition and realisation of investments. Such costs are expensed in the financial period to which they relate. Interest expense is accrued on an effective interest basis.

#### 2.5. Transaction costs

Transaction costs are incurred on the acquisition or disposal of financial assets or liabilities at fair value through profit or loss. Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial assets or liability. They includes fees and commission paid to agents, advisers, brokers or dealers. Transaction costs, when incurred, are expenses immediately in the Statement of Comprehensive Income.

#### 2.6. Foreign exchange translation

The functional and presentational currency of the ICAV is GBP. Transactions in foreign currencies are translated at the foreign currency exchange rate ruling at the date of the transaction. Assets and liabilities denominated in foreign currencies are translated to GBP at the foreign currency closing exchange rate ruling at the financial year end date. Foreign currency exchange differences arising on translation are recognised in the Statement of Comprehensive Income. Foreign currency exchange differences relating to investments at fair value through profit or loss and derivative financial instruments are included in net gains on financial assets at fair value through profit or loss.

#### 2.7. Redeemable participating shares

Redeemable participating shares are redeemable at the member's option and are classified as financial liabilities.

The redeemable participating shares can be put back to the Sub-Fund at any time for cash equal to a proportionate share of the Sub-Fund's net asset value ("NAV"). The redeemable participating share is carried at the redemption amount that is payable at the financial year end date if the member exercised its right to put the share back to the Sub-Fund.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

### 2. Significant accounting policies (continued)

#### 2.8. Cash and cash equivalents

Cash and cash equivalents in the Statement of Financial Position comprise cash on hand and bank overdrafts that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, with original maturities of three months or less. Bank overdrafts are shown in current liabilities in the Statement of Financial Position. Balances may include amounts held as collateral against foreign currency forward contracts.

#### 2.9. Comparatives

These financial statements are the financial statements of the ICAV for the financial year ended 30 September 2019 with comparative figures for the financial year ended 30 September 2018.

Where necessary, comparative information has been adjusted to conform to the changes in presentation in the current year information. There are no reclassifications and the changes made to comparative information is not material.

### 3. Transferable securities

	2019	2018
	GBP	GBP
<i>Transferable securities</i>		
Equity investments	86,125,145	36,447,416
Sovereign debt	34,636,140	48,859,895
<b>Total transferable securities</b>	<b>120,761,285</b>	<b>85,307,311</b>

### 4. Other receivables

	2019	2018
	GBP	GBP
Dividends receivable	204,351	69,188
Other receivables	35,965	53,265
Prepaid expenses	9,250	13,870
<b>Total other receivables</b>	<b>249,566</b>	<b>136,323</b>

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

### 5. Unrealised gains/(losses)

	2019	2018
	GBP	GBP
<i>Transferable securities</i>		
Net unrealised gains on equity investments	4,202,810	2,764,879
Net unrealised gains on sovereign debt	1,126,305	210,405
<b>Total unrealised gains on transferable securities</b>	<b>5,329,115</b>	<b>2,975,284</b>
<i>Derivative financial assets/ (liabilities):</i>		
Unrealised gains on forward currency contracts	945,800	473,767
Unrealised losses on forward currency contracts	(1,460,097)	(1,383,798)
<b>Total unrealised losses on forward currency contracts</b>	<b>(514,297)</b>	<b>(910,031)</b>

### 6. Other liabilities

	2019	2018
	GBP	GBP
Legal and professional fees payable	27,544	19,571
Withholding tax payable	28,607	11,560
Auditor's fees payable	18,163	19,727
FATCA fees payable	13,722	13,505
Financial statement preparation expense payable	6,964	6,633
Corporate secretarial fees payable	4,643	-
Sub-custody fees payable	9,341	9,817
Directors' fees payable	1,180	11,713
Transaction fees payable	-	2,695
Other payables	37,243	27,393
<b>Total other liabilities</b>	<b>147,407</b>	<b>122,614</b>



# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

### 7. Net gains on transferable securities

	2019	2018
	GBP	GBP
Realised gains on transferable securities	7,669,932	3,230,679
Movement in net unrealised gains on transferable securities	2,353,831	2,366,989
<b>Net gains on transferable securities</b>	<b>10,023,763</b>	<b>5,597,668</b>

### 8. Net losses on forward currency contracts

	2019	2018
	GBP	GBP
Movement in net unrealised gains/(losses) on forward currency contracts	395,734	(863,082)
Realised losses on forward currency contracts	(4,641,168)	(2,287,262)
<b>Net losses on forward currency contracts</b>	<b>(4,245,434)</b>	<b>(3,150,344)</b>

### 9. Other expenses

	2019	2018
	GBP	GBP
Legal and professional fees	44,244	53,112
Oversight designated individuals expense	28,169	27,573
Local agent fees	27,798	34,478
Investor platform set-up fees	21,807	-
Unrecoverable VAT expense	20,426	-
Corporate secretarial fees	20,048	18,044
Sub-custodian safekeeping and other sundry fees	18,629	38,460
Tax reporting expenses, including FATCA fees	18,058	88,447
Directors' and other insurance	9,901	11,723
Financial statement preparation expense	6,966	6,652
Transfer agency fees	6,654	6,679
Regulatory fees	3,707	-
Stock exchange listing fees	1,745	1,701
Other expenses	24,202	26,347
<b>Total other expenses</b>	<b>252,354</b>	<b>313,216</b>

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

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### 10. Fees

#### 10.1. Investment management fees

Kestrel Partners LLP (the "Investment Manager") made a charge in respect of the Sub-Fund up to the percentage rate per annum of the net asset value of each redeemable participating share class. Effective 1 February 2018, these percentages were as follows:

- |                  |       |
|------------------|-------|
| • Class A Shares | 1.75% |
| • Class B Shares | 1.00% |
| • Class I Shares | 0.60% |

(Prior to 1 February 2018, the percentages were 1.75%, 1.25% and 1.00% for Class A, Class B and Class I Shares, respectively).

The Investment Manager's fees are calculated on each business day ("Dealing Day") and are payable monthly in arrears.

The Investment Manager may, at its sole discretion and out of its investment management fees, decide to rebate to certain members all or part of the management fee. Any such rebates may be applied in paying up additional shares to be issued to the member the value of which are deducted from the investment management fee paid to the Investment Manager in the relevant month.

The Investment Manager may also, at its sole discretion, pay a portion of its management fee to introducers, distributors and investment advisers in relation to investments made by investors they have introduced or are responsible for.

During the financial year ended 30 September 2019, the Investment Manager charged investment management fees of GBP 891,155 (2018: GBP 1,081,184), of which GBP 88,146 (2018: GBP 76,493) was payable at that date.

#### 10.2. Administration fees

The ICAV pays Maples Fund Services (Ireland) Limited (the "Administrator") a fee of up to 0.10% per annum of the Net Asset Value of the Sub-Fund. The fees are calculated on each Dealing Day and are payable monthly in arrears. The fees are subject to a minimum monthly fee of €5,250.

In addition, the Administrator is entitled to be reimbursed all reasonable out of pocket expenses and transaction charges as may be agreed between the ICAV and the Administrator from time to time.

During the financial year ended 30 September 2019, administration fees amounted to GBP 93,451 (2018: GBP 94,367), of which GBP 30,546 (2018: GBP 24,142) was payable at that date. Transfer agency fees of GBP 6,654 (€7,500) (2018: GBP 6,679 (€7,500)) paid to the Administrator are included in other expenses.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

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### 10. Fees (continued)

#### 10.2. Administration fees (continued)

The ICAV is a Reporting Foreign Financial Institution ("FFI") and registered for a Global Intermediary Identification Number ("GIIN") as required under the U.S. Foreign Account Tax Compliance Act ("FATCA"). The ICAV also has tax reporting requirements in relation to the Common Reporting Standard ("CRS") developed for the automatic exchange of financial account information by the Organisation for Economic Co-Operation and Development ("OECD"). The ICAV has engaged for the services of the Administrator who has a specialised FATCA and CRS team that provides clients with FATCA and CRS services. The ICAV pays the Administrator for the FATCA services and the Investment Manager pays the Administrator for the CRS services.

During the financial year ended 30 September 2019, FATCA fees amounted to GBP 7,883 (2018: GBP 14,788), of which GBP 13,722 (2018: GBP 13,505) was payable at that date.

#### 10.3. Depositary fees

The ICAV pays to the Depositary a fee, pro-rated as at each Dealing Day and calculated as follows:

- 0.045% per annum of the Net Asset Value of the Sub-Fund on the first €100 million and 0.035% per annum on the balance, subject to a minimum monthly fee of €3,250.

In addition, the Depositary is entitled to be reimbursed all reasonable out of pocket expenses.

During the financial year ended 30 September 2019, depositary fees amounted to GBP 44,895 (2018: GBP 45,453), of which GBP 17,069 (2018: GBP 3,927) was payable at that date.

#### 10.4. Transaction costs

Transaction costs comprise broker's commission and settlement fees with regards any transactions. Sub-custodian settlement charges are included in transaction costs.

In accordance with the requirement under the UCITS V Directive, the ICAV has disclosed transaction costs as a separate line item within the Statement of Comprehensive Income in order to enhance investor information in relation to the costs incurred by the ICAV. The UCITS V Directive would define transaction costs as 'incremental costs', which are separately identifiable and directly attributable to the acquisition, issue or disposal of a financial asset or financial liability.

During the financial year ended 30 September 2019, transaction costs amounted to GBP 234,453 (2018: GBP 154,265), of which GBP Nil (2018: GBP 2,695) was payable at that date.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

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### 10. Fees (continued)

#### 10.5. Directors' fees

Up until 30 June 2018, the Directors received an annual fee of €20,000 per annum per Director in respect of the ICAV. From 1 July 2018, Bronwyn Wright, as Chairperson, receives a fee of €30,000 per annum which includes fees in respect of the Organisational Effectiveness role. From 1 July 2018, Paul Phelan receives a fee of €22,500. John Ricciardi, a member of the Investment Manager, does not receive a fee or other compensation in connection with his role as a director.

Amendments to the fees must be approved by a resolution of the Directors and approved by or notified in advance to members.

Directors' fees for the financial year ended 30 September 2019 amounted to GBP 47,631 (2018: GBP 32,506) of which GBP 1,180 (2018: GBP 11,713) was payable at that date.

#### 10.6. Global registration fees

The ICAV pays Maples & Calder global registration fees for applying to regulators in different jurisdictions within the European Union ("EU") and outside the EU for the ICAV to be authorised to be marketed in that jurisdiction and for making the necessary filings in order to maintain that licence.

During the financial year ended 30 September 2019, global registration fees amounted to GBP 30,643 (2018: GBP 47,656), of which GBP 5,403 (2018: GBP 5,441) was prepaid at that date.

#### 10.7. Auditor's fees

The statutory audit fee (exclusive of VAT) for the ICAV for the financial year ended 30 September 2019 is GBP 17,301 (2018: GBP 16,913). There were no other fees paid to the auditors other than the statutory audit fee.

### 11. Related party disclosures

The ICAV's related parties include key management and the Investment Manager as described below. Amounts paid and payable by the ICAV to the Investment Manager, under an Investment management agreement are disclosed in Note 10.1.

John Ricciardi, a member of the Investment Manager, did not receive a fee or other compensation in connection with his role as a Director. As at the financial year ended 30 September 2019, Mr Ricciardi holds 34,681.117 Class A USD Shares, 1,000 Class B USD Shares and 907 Class B EUR Shares in the ICAV (2018: 34,162.270 Class A USD Shares, 1,000 Class B USD Shares and 1,000 Class B EUR Shares).

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

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### 11. Related party disclosures (continued)

Paul Phelan is the chief executive and a member of GlobalReach Securities Limited ("GRS"). Up until 30 May 2018, GRS were the Distributor of the ICAV. GRS earned GBP Nil (2018: GBP Nil) for the financial year ended 30 September 2019. The Investment Manager replaced GRS as Distributor on 30 May 2018 and does not earn a fee for its role as Distributor.

Bronwyn Wright and Paul Phelan are Independent Directors.

Directors' fees are listed in Note 10.5.

As at and for the year ended 30 September 2019, the Investment Manager owns 1 subscriber share of the ICAV and Kestrel Investment Partners LLP owns 1 subscriber share of the ICAV.

### 12. Taxation

Under current law and practice, the ICAV qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, as amended. On that basis, it is not liable to Irish tax on its income or gains.

However, Irish tax can arise on the happening of a "chargeable event". A chargeable event includes any distribution payments to members or any encashment, redemption, cancellation or transfer of shares.

No Irish tax will arise on the ICAV in respect of chargeable events in respect of:

(i) a member who is neither Irish resident nor ordinarily resident in Ireland for tax purposes at the time of the chargeable event, provided appropriate valid declarations in accordance with the provisions of the Taxes Consolidation Act, 1997, as amended, are held by the ICAV; and

(ii) certain exempted Irish tax resident members who have provided the ICAV with the necessary signed statutory declarations.

Dividends, interest and capital gains (if any) received on investments made by the ICAV may be subject to withholding taxes imposed by the country from which the investment income/gains are received and such taxes may not be recoverable by the ICAV or its members.

### 13. Share capital

The authorised share capital of the ICAV is 2 subscriber shares of €1 each and 1,000,000,000,000 redeemable participating shares of no par value initially designated as unclassified shares and available for issue as shares. The share capital of the ICAV is equal to the net assets attributable to holders of redeemable participating shares.

As at 30 September 2019, the ICAV has authorised thirteen share classes (2018: thirteen), of which only eleven (2018: eleven) were ever issued and which have shares in issue at the financial year end.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

### 13. Share capital (continued)

As at 30 September 2019, the ICAV had the following redeemable participating shares in issue of no par value:

	<b>Class A</b>	<b>Class A</b>	<b>Class A</b>	<b>Class A</b>	<b>Class A</b>	<b>Class B</b>	<b>Class B</b>
	<b>GBP</b>	<b>USD</b>	<b>EUR</b>	<b>CHF</b>	<b>SEK</b>	<b>GBP</b>	<b>USD</b>
Opening balance	570,153.07	685,565.94	1,174,374.45	110,002.03	60,019.83	351,125.82	1,000.00
Subscriptions	23,976.98	16,310.46	114,633.90	5,847.39	730.33	57,757.55	122,910.30
Redemptions	(173,716.31)	(215,423.75)	(218,170.35)	(37,344.42)	(43,551.18)	(157,245.97)	(954.73)
<b>Closing balance</b>	<b>420,413.74</b>	<b>486,452.65</b>	<b>1,070,838.00</b>	<b>78,505.00</b>	<b>17,198.98</b>	<b>251,637.40</b>	<b>122,955.57</b>
					<b>Class B</b>	<b>Class I</b>	<b>Class I</b>
					<b>EUR</b>	<b>GBP</b>	<b>USD</b>
Opening balance					26,307.62	2,319,733.61	1,322,191.52
Subscriptions					33,338.67	2,308.07	4,368,478.85
Redemptions					(6,789.88)	-	(625,540.54)
<b>Closing balance</b>					<b>52,856.41</b>	<b>2,322,041.68</b>	<b>5,065,129.83</b>

As at 30 September 2018, the ICAV had the following redeemable participating shares in issue of no par value.

	<b>Class A</b>	<b>Class A</b>	<b>Class A</b>	<b>Class A</b>	<b>Class A</b>	<b>Class B</b>	<b>Class B</b>
	<b>GBP</b>	<b>USD</b>	<b>EUR</b>	<b>CHF</b>	<b>SEK</b>	<b>GBP</b>	<b>USD</b>
Opening balance	822,995.20	888,897.26	1,486,355.79	475,606.84	86,780.14	426,686.55	-
Subscriptions	60,360.24	187,249.32	612,165.44	222,162.42	42,935.56	225,910.84	1,000.00
Redemptions	(313,202.37)	(390,580.64)	(924,146.78)	(587,767.23)	(69,695.87)	(301,471.57)	-
<b>Closing balance</b>	<b>570,153.07</b>	<b>685,565.94</b>	<b>1,174,374.45</b>	<b>110,002.03</b>	<b>60,019.83</b>	<b>351,125.82</b>	<b>1,000.00</b>
					<b>Class B</b>	<b>Class I</b>	<b>Class I</b>
					<b>EUR</b>	<b>GBP</b>	<b>USD</b>
Opening balance					-	2,313,504.21	1,275,938.60
Subscriptions					26,307.62	6,229.40	46,252.92
Redemptions					-	-	(95,384.55)
<b>Closing balance</b>					<b>26,307.62</b>	<b>2,319,733.61</b>	<b>1,322,191.52</b>

Redeemable participating shares of the Sub-Fund are freely transferable and all are entitled to participate equally in the profits and distributions of the Sub-Fund and its assets in the event of termination.

All redeemable participating share classes have the same voting rights at ICAV meetings (one vote per share).

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

### 13. Share capital (continued)

To determine the NAV of the ICAV for subscriptions and redemptions, investments have been valued based on the last traded market prices as of the close of business on the relevant trading day. Members may subscribe for shares on and with effect from any Dealing Day at the subscription price per share on the relevant Dealing Day. Applications for shares in the Sub-Fund must be received by 12.00pm (UK time) on the business day preceding the relevant Dealing Day in order for shares to be allotted on that Dealing Day.

Redemption requests for the Sub-Fund received by 12.00pm (UK time) will be processed for the following Dealing Day. Settlement will be four business days after the Dealing Day.

The following share classes were listed on the Irish Stock Exchange ("ISE") up until date of delisting 21 November 2019: Class A and Class I. The ICAV has complied with ISE listing requirements for the financial year ended 30 September 2019 and 30 September 2018.

### 14. Cash and cash equivalents

At 30 September 2019, cash was held with the following institutions:

	2019	2018
	GBP	GBP
HSBC Bank plc	1,623,113	-
Skandinaviska Enskilda Banken AB	769,865	520,068
Sumitomo Mitsui Trust (UK) Limited	154,806	362,572
Societe Generale International Limited	88,658	3,947,571
JP Morgan Chase & Co.	46,211	-
Brown Brothers Harriman & Co - Grand Cayman Branch	36,215	32,272
National Australia Bank	16,463	-
Standard Charter Bank, London	-	88,443
	2,735,331	4,950,926

SMT Trustees (Ireland) Ltd, as Depositary, has appointed Sumitomo Mitsui Trust (UK) Limited as the ICAV's sub-custodian. Sumitomo Mitsui Trust (UK) Limited has, in turn, appointed Brown Brothers Harriman & Co as its global sub-custodian. The ICAV has agreed that balances may be swept overnight by Brown Brothers Harriman & Co into overnight deposits with one or client approved eligible bank counterparties, as detailed above.

Balances held with Sumitomo Mitsui Trust (UK) Limited were held as collateral against forward currency contracts.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

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### 15. Financial instruments and associated risk

The ICAV's risks are set out in the Prospectus and any consideration of risk here should be viewed in the context of the Prospectus which is the primary document governing the operation of the ICAV. The ICAV's investments expose it to a variety of financial risks including risks from the use of derivatives and other financial instruments, currency risk, interest rate risk, credit risk and liquidity risk. The ICAV's overall risk management programme seeks to minimise potential adverse effects on the ICAV's financial performance.

The Investment Manager monitors the ICAV's risk factors on a daily basis and produces reports detailing the Sub-Fund's exposures as well as cash and liquidity reports which are circulated to its fund management team and compliance.

Market risk includes price, foreign currency and interest rate risks.

#### 15.1. Market price risk

The ICAV employs the standard commitment approach to comply with the UCITS directive which requires a UCITS fund to calculate its global risk exposure. The standard commitment approach requires the Investment Manager to convert each financial derivative instrument position into the market value of an equivalent position in the underlying asset of that derivative taking account of netting and hedging arrangements. The ICAV's total commitment of financial derivative instruments is limited to 100% of its total net value.

The ICAV employs a risk management process which enables it to accurately monitor, measure and manage the risks attached to financial derivative positions and details of this process have been provided to the Central Bank.

Market price risk arises mainly from uncertainty about future prices of financial instruments held. It represents the potential loss the ICAV might suffer through holding market positions in the face of price movements. Some of the recognised exchanges on which the ICAV may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which the ICAV may liquidate positions to meet redemption requests or other funding requirements. If the ICAV is deemed by the Investment Manager to be volatile, suitable additional risk disclosures shall be set out in the Supplement to the Prospectus for the ICAV. Potential investors should also note that the securities of small capitalisation companies are less liquid and this may result in fluctuations in the price of the shares of the ICAV. The financial instruments are measured in accordance with the fair value measurement principles as discussed in Note 2.2.

Please refer to the Portfolio Statement which details the overall price risk exposure of the Sub-Fund as at 30 September 2019.

#### 15.2. Currency risk

Currency risk is the risk that the value of a financial instrument may fluctuate due to the changes in the price of one currency against another.



# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

### 15. Financial instruments and associated risk (continued)

#### 15.2. Currency risk (continued)

The ICAV invests in securities denominated in currencies other than GBP, the ICAV's functional currency, and the Statement of Financial Position and Statement of Comprehensive Income may be significantly affected by movements in exchange rates against GBP.

The value of the ICAV and its income, as measured in GBP, may suffer significant declines due to currency depreciation, disruptions in currency markets or delays and difficulties in currency conversions or be otherwise adversely affected by exchange control regulations or by changes in the method of controlling exchange rates or limiting exchange rate movements.

Currency devaluations may occur without warning and are beyond the control of the Investment Manager. There will be instances in which currency exposure is not hedged and in such instances, currency risks will be absorbed by the members.

The fair values of the ICAV's monetary items that have a foreign currency exposure at the financial year ended 30 September 2019 and 2018 are shown below:

	Monetary assets	Monetary liabilities	FX Forwards Short	Total
As at 30 September 2019	GBP	GBP	GBP	GBP
AUD	1,857,877	(185)	(1,702,116)	155,576
CAD	3,391,825	(6,312)	(2,456,564)	928,949
CHF	2,515,048	-	(1,060,868)	1,454,180
CNY	4,039	(313)	-	3,726
DKK	142,114	-	-	142,114
EUR	4,027,659	(154,860)	(3,637,849)	234,950
HKD	3,791,824	(271)	-	3,791,553
JPY	10,479,715	(16,149)	(9,941,039)	522,527
NOK	1,263	-	-	1,263
SEK	24	-	-	24
SGD	3,090	-	-	3,090
ZAR	8,730	-	-	8,730
USD	80,174,317	(58,738)	(76,166,964)	3,948,615
<b>Total monetary exposure (excluding functional currency)</b>	<b>106,397,525</b>	<b>(236,828)</b>	<b>(94,965,400)</b>	<b>11,195,297</b>
GBP	17,563,105	(260,788)	(76,696,306)	(59,393,989)
<b>Total monetary exposure (including functional currency)</b>	<b>123,960,630</b>	<b>(497,616)</b>	<b>(171,661,706)</b>	<b>(48,198,692)</b>

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

### 15. Financial instruments and associated risk (continued)

#### 15.2. Currency risk (continued)

As at 30 September 2018	Monetary assets GBP	Monetary liabilities GBP	FX Forwards	Total GBP
			Short GBP	
AUD	5	-	-	5
CAD	1,644,248	-	-	1,644,248
CHF	1,526,176	-	-	1,526,176
CNY	1,395	-	-	1,395
DKK	1,311	-	-	1,311
EUR	6,973,129	(26,245)	-	6,946,884
HKD	1,278,224	-	-	1,278,224
JPY	3,267,950	-	-	3,267,950
NOK	1,325	-	-	1,325
SEK	40,043	-	(126,293)	(86,250)
SGD	2,927	-	-	2,927
USD	60,608,243	(17,002)	(74,402,858)	(13,811,617)
<b>Total monetary exposure (excluding functional currency)</b>	<b>75,344,976</b>	<b>(43,247)</b>	<b>(74,529,151)</b>	<b>772,578</b>
GBP	15,049,584	(183,929)	(43,337,447)	(28,471,792)
<b>Total monetary exposure (including functional currency)</b>	<b>90,394,560</b>	<b>(227,176)</b>	<b>(117,866,598)</b>	<b>(27,699,214)</b>

#### 15.3. Interest rate risk

Interest rate risk is the risk borne by an interest-bearing asset, such as a bond, due to variability of interest rates. In general, as rates rise, the price of a fixed rate bond will fall, and vice versa.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

### 15. Financial instruments and associated risk (continued)

#### 15.3. Interest rate risk (continued)

Interest rate exposure of the ICAV as at 30 September 2019 and 2018 is as follows:

	Floating rate	Fixed rate	Non-interest bearing	Total
As at 30 September 2019	GBP	GBP	GBP	GBP
Transferable securities	-	34,636,140	86,125,145	120,761,285
Cash and cash equivalents	2,735,331	-	-	2,735,331
Other assets	-	-	249,566	249,566
Other liabilities	-	-	(283,168)	(283,168)
Unrealised gains on forward currency contracts	-	-	945,800	945,800
Unrealised losses on forward currency contracts	-	-	(1,460,097)	(1,460,097)
	<b>2,735,331</b>	<b>34,636,140</b>	<b>85,577,246</b>	<b>122,948,717</b>

	Floating rate	Fixed rate	Non-interest bearing	Total
As at 30 September 2018	GBP	GBP	GBP	GBP
Transferable securities	-	48,859,895	36,447,416	85,307,311
Cash and cash equivalents	4,950,926	-	-	4,950,926
Other assets	-	-	136,323	136,323
Other liabilities	-	-	(227,176)	(227,176)
Unrealised gains on forward currency contracts	-	-	473,767	473,767
Unrealised losses on forward currency contracts	-	-	(1,383,798)	(1,383,798)
	<b>4,950,926</b>	<b>48,859,895</b>	<b>35,446,532</b>	<b>89,257,353</b>

#### 15.4. Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in realising assets or otherwise raising funds to meet commitments associated with investment activities. If a derivative transaction is particularly large or if the relevant market is illiquid as is the case with many privately negotiated derivatives, it may not be possible to initiate a transaction or liquidate a position at an advantageous price, or at all.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

### 15. Financial instruments and associated risk (continued)

#### 15.4. Liquidity risk (continued)

Large redemptions of redeemable participating shares in the Sub-Fund might result in the Sub-Fund being forced to sell assets at a time and price at which it would normally prefer not to dispose of those assets.

The ICAV invests the majority of its assets in investments that are traded in active markets and can be readily disposed.

The table below analyses the ICAV's financial liabilities and net settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the year end date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows. Balances due within twelve months equal their carrying balances, as the impact of discounting is not significant.

The liquidity risk exposure of the ICAV as at 30 September 2019 and 2018 is as follows:

	Less than 1 month GBP	1-6 months GBP	Total GBP
<b>As at 30 September 2019</b>			
Unrealised losses on forward currency contracts	1,460,097	-	1,460,097
Investment management fees payable	88,146	-	88,146
Administration fees payable	30,546	-	30,546
Depositary fees payable	17,069	-	17,069
Other liabilities	-	147,407	147,407
Net assets attributable to holders of redeemable participating shares	122,948,717	-	122,948,717
	<b>124,544,575</b>	<b>147,407</b>	<b>124,691,982</b>

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

### 15. Financial instruments and associated risk (continued)

#### 15.4. Liquidity risk (continued)

	Less than 1 month	1-6 months	Total
As at 30 September 2018	GBP	GBP	GBP
Unrealised losses on forward currency contracts	1,383,798	-	1,383,798
Investment management fees payable	76,493	-	76,493
Administration fees payable	24,142	-	24,142
Depository fees payable	3,927	-	3,927
Other liabilities	-	122,614	122,614
Net assets attributable to holders of redeemable participating shares	89,257,353	-	89,257,353
	<b>90,745,713</b>	<b>122,614</b>	<b>90,868,327</b>

#### 15.5. Credit risk

Credit risk is the risk that the ICAV's counterparty to a financial transaction will fail to discharge an obligation or commitment that it has entered into with the ICAV. The financial assets and liabilities, which potentially expose the ICAV to credit risk, consist principally of cash and derivative instruments.

The Investment Manager has taken action to moderate this risk by introducing the following internal restrictions that are described below as of the date of issue of this document.

Any over the counter derivative counterparty of the ICAV must have a credit rating or an implied credit rating of A2/P2 as rated by Standard & Poor's or an equivalent rating provided by an internationally recognised rating agency. An implied credit rating arises where the Investment Manager determines that the ICAV may transact with an unrated entity on the basis of relationships between the counterparty and its rated parent. The UCITS Regulations limits are 10% for a credit institution within the EEA and Basle Capital Convergence and 5% for all others.

The extent of the ICAV's exposure to credit risk is calculated by adding cash balances to the market value of any derivative instruments.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

### 15. Financial instruments and associated risk (continued)

#### 15.5. Credit risk (continued)

The ICAV's long term credit risk exposure as at 30 September 2019 and 2018 was as follows:

Counterparty	Standard & Poor's rating		Percentage of net assets	
	2019	2018	2019	2018
HSBC Bank plc	A	A	1.32%	- %
Skandinaviska Enskilda Banken AB*	AA-	AA-	0.63%	0.58%
Sumitomo Mitsui Trust (UK) Limited	A	A	0.13%	0.41%
Societe Generale International Limited	A	A	0.07%	4.42%
JP Morgan Chase & Co.	A+	-	0.04%	- %
Brown Brothers Harriman & Co - Grand Cayman Branch*	A+	A+	0.03%	0.04%
National Australia Bank	AA-	-	0.01%	- %
Standard Chartered Bank, London	-	A	- %	0.10%

\* These financial institutions are not rated by Standard & Poor's, as such the credit ratings from Fitch have been disclosed. The prior year financial statements disclosed credit ratings from Fitch for all counterparties.

The ICAV measures credit risk and expected credit losses using the probability of default, exposure at default and loss given default. The ICAV minimises its exposure to credit risk by conducting transactions with established, reputable brokers. All transactions in listed securities are settled/paid for upon delivery using approved brokers. The probability of default is considered close to zero since delivery of securities sold is only made once the broker has received payment. On a purchase, payment is made once the securities have been received from the broker. If either party fails to meet their obligation, the trade will fail. As a result no loss allowance has been recognised based on 12-month expected credit losses as any impairment would be considered insignificant to the ICAV.

The ICAV is exposed to a credit risk in relation to the counterparties and brokers with whom it trades, and may bear the risk of settlement default. As at 30 September 2019, Sumitomo Mitsui Trust (UK) Limited was the only counterparty to the ICAV in relation to derivative trades. As at 30 September 2018, Societe Generale International Limited was the only counterparty to the ICAV in relation to derivative trades. There can be no assurance that issuers of the securities or other instruments in which the ICAV invests will not be subject to credit difficulties leading to the loss of some or all of the sums invested in such securities or instruments.

Cash balances are held through the Depositary's sub-custodian, Sumitomo Mitsui Trust (UK) Limited at its global sub-custodian Brown Brothers Harriman & Co. The ICAV has agreed that balances may be swept overnight by Brown Brothers Harriman & Co into overnight deposits with one or client approved eligible bank counterparties, as detailed above.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

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### 15. Financial instruments and associated risk (continued)

#### 15.5. Credit risk (continued)

The assets of the ICAV are entrusted to the Depositary for safekeeping. The Depositary's parent company has a Standard & Poor's long term credit rating of A (30 September 2018: A). The Depositary reports to the Board of Directors at the quarterly board meetings. Financial assets and liabilities are held through the Depositary's sub-custodian, Sumitomo Mitsui Trust (UK) Limited at Brown Brothers Harriman & Co or at sub-custodians appointed by them.

It should be noted that not all jurisdictions have the same rules and regulations as Ireland regarding the custody of assets and the recognition of the interests of a beneficial owner such as a Sub-Fund. Therefore, in such jurisdictions, there is a risk that if a sub-custodian becomes bankrupt or insolvent, the Sub-Fund's beneficial ownership of the assets held by such sub-custodian may not be recognised and consequently the creditors of the sub-custodian may seek to have recourse of the assets of the Sub-Fund. In those jurisdictions where the Sub-Fund's beneficial ownership of its assets is ultimately recognised, the Sub-Fund may suffer delay and cost in recovering those assets. The Sub-Fund may invest in markets where custodial and/or settlement systems are not fully developed, such as Russia and Argentina, therefore the assets of a Sub-Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk. The Depositary shall maintain an appropriate level of supervision over the sub-custodian and make appropriate enquiries from time to time to confirm that the obligations of the agent continue to be competently discharged.

#### 15.6. Risks of derivative instruments

The ICAV may use various derivative financial instruments. Use of derivative financial instruments presents certain risks, such as:

- when used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the ICAV from achieving the intended hedging effect or expose the ICAV to the risk of loss;
- derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets the ICAV may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which the ICAV may conduct its transactions in certain derivative instruments may prevent prompt liquidation of positions, subjecting the ICAV to the potential of greater losses;
- trading in derivative instruments can result in leverage which could magnify the gains and losses experienced by the ICAV and could cause the ICAV's NAV to be subject to wider fluctuations than would be the case if the ICAV did not use the leverage feature in derivative instruments; and

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

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### 15. Financial instruments and associated risk (continued)

#### 15.6. Risks of derivative instruments (continued)

- derivative instruments that may be purchased or sold by the ICAV may include instruments not traded on an exchange.

The ICAV may use derivative financial instruments to moderate or at times, enhance certain risk exposures within the investment portfolios. The ICAV is authorised to engage in certain transactions for the purposes of efficient portfolio management involving the use of derivative instruments. The techniques and instruments utilised for the purpose of efficient portfolio management are those that are reasonably believed by the Investment Manager to be economically appropriate to the efficient management of the ICAV. The ICAV may seek to protect the value of some or all of its portfolio holdings against currency risk by engaging in hedging transactions within the conditions and limits set down by the Central Bank of Ireland.

Compliance with UCITS derivative exposure restrictions is monitored by the Investment Manager on a daily basis.

All fair value and movements in fair value gains/(losses) arising during the financial year through the use of efficient portfolio management techniques are included in the Statement of Comprehensive Income.

The ICAV has not offset any financial assets and financial liabilities in the Statement of Financial Position. Transactions under the ISDA and similar master netting arrangements and those conducted on exchanges via brokers do not meet the criteria for offsetting in the Statement of Financial Position. This is because they create a right of set off of recognised amounts that is enforceable only following an event of default, insolvency or bankruptcy of the ICAV or the counterparties. In addition, the ICAV and its counterparties do not intend to settle on a net basis or to realise the assets and settle the liabilities simultaneously.

#### 15.7. Sensitivity analysis

Change in driver	Change in NAV	
	2019	2018
+/- 1% change in all currency rates versus GBP	1.01%	1.02%
+/- 1% change in all stock prices	0.98%	0.96%

The analysis above is performed on the basis of a +/-1% linear movement across the individual market drivers as outlined above.



# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

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### 15. Financial instruments and associated risk (continued)

#### 15.7. Sensitivity analysis (continued)

An interest rate sensitivity analysis has been determined based on the exposure of floating rate assets and liabilities at 30 September 2019 outstanding for the whole year. A 50 basis point increase in interest rates, with other variables held constant, would increase NAV by GBP 13,677 (2018: GBP 24,755), conversely a 50 basis point decrease would have an equal but opposite effect. The 30 September 2018 financial statements disclosed a sensitivity of GBP 269,054 which was inclusive of non-floating assets and liabilities. The analysis above for floating only represents management's best estimate of a reasonable possible shift in interest rates, having regard to historical volatility.

### 16. Fair value of financial instruments

The following tables show financial instruments recognised at fair value, analysed between those whose fair value is based on:

- Quoted prices in active markets for identical assets or liabilities (Level 1);
- Those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices) (Level 2); and
- Those with inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

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 Directors. The Directors consider 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.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

### 16. Fair value of financial instruments (continued)

At the reporting date, the carrying amounts of financial assets at fair value issued by the ICAV which fair values were determined directly, in full or in part, by reference to published price quotations and determined using valuation techniques are as follows:

	Level 1	Level 2	Level 3	Total
As at 30 September 2019	GBP	GBP	GBP	GBP
<i>Financial assets at fair value through profit or loss</i>				
Transferable securities:				
Equity instruments	86,125,145	-	-	86,125,145
Sovereign debt	34,636,140	-	-	34,636,140
Forward currency contracts	-	945,800	-	945,800
	<b>120,761,285</b>	<b>945,800</b>	<b>-</b>	<b>121,707,085</b>
<i>Financial liabilities at fair value through profit or loss:</i>				
Forward currency contracts	-	(1,460,097)	-	(1,460,097)
	<b>-</b>	<b>(1,460,097)</b>	<b>-</b>	<b>(1,460,097)</b>
	<b>120,761,285</b>	<b>(514,297)</b>	<b>-</b>	<b>120,246,988</b>
	Level 1	Level 2	Level 3	Total
As at 30 September 2018	GBP	GBP	GBP	GBP
<i>Financial assets at fair value through profit or loss:</i>				
Transferable securities:				
Equity instruments	36,447,416	-	-	36,447,416
Sovereign debt	48,859,895	-	-	48,859,895
Forward currency contracts	-	473,767	-	473,767
	<b>85,307,311</b>	<b>473,767</b>	<b>-</b>	<b>85,781,078</b>
<i>Financial liabilities at fair value through profit or loss:</i>				
Forward currency contracts	-	(1,383,798)	-	(1,383,798)
	<b>-</b>	<b>(1,383,798)</b>	<b>-</b>	<b>(1,383,798)</b>
	<b>85,307,311</b>	<b>(910,031)</b>	<b>-</b>	<b>84,397,280</b>

There were no transfers between any of the levels during the financial year (2018: none).

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

### 16. Fair value of financial instruments (continued)

Where prices are not available, investments are valued on the basis of the probable realisation value, estimated by the Directors. There were no such valuations for the financial years ended 30 September 2019 and 2018.

No financial instruments have been classified within Level 3 at any time during the year, or during the prior year, consequently no reconciliation of Level 3 fair value measurements is required.

#### Financial instruments not measured at fair value

The financial instruments not measured at fair value through profit or loss are short term financial assets and financial liabilities whose carrying amounts approximate fair value.

The following table sets out the fair values of financial instruments not measured at fair value and analyses it by the level in the fair value hierarchy into which each fair value measurement is categorised.

	Level 1	Level 2	Level 3	Total
As at 30 September 2019	GBP	GBP	GBP	GBP
<b>Financial assets</b>				
Cash and cash equivalents	2,735,331	-	-	2,735,331
Other receivables	-	249,566	-	249,566
	<b>2,735,331</b>	<b>249,566</b>	<b>-</b>	<b>2,984,897</b>
<b>Financial liabilities</b>				
Investment management fees payable	-	(88,146)	-	(88,146)
Administration fees payable	-	(30,546)	-	(30,546)
Depository fees payable	-	(17,069)	-	(17,069)
Other liabilities	-	(147,407)	-	(147,407)
	<b>-</b>	<b>(283,168)</b>	<b>-</b>	<b>(283,168)</b>

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

### 16. Fair value of financial instruments (continued)

#### Financial instruments not measured at fair value (continued)

	Level 1	Level 2	Level 3	Total
As at 30 September 2018	GBP	GBP	GBP	GBP
<b>Financial assets</b>				
Cash and cash equivalents	4,950,926	-	-	4,950,926
Other receivables	-	136,323	-	136,323
	<b>4,950,926</b>	<b>136,323</b>	<b>-</b>	<b>5,087,249</b>
<b>Financial liabilities</b>				
Investment management fees payable	-	(76,493)	-	(76,493)
Administration fees payable	-	(24,142)	-	(24,142)
Depositary fees payable	-	(3,927)	-	(3,927)
Other liabilities	-	(122,614)	-	(122,614)
	<b>-</b>	<b>(227,176)</b>	<b>-</b>	<b>(227,176)</b>

### 17. Exchange rates

The following foreign exchange rates represent 1 GBP at the reporting date:

Currency	2019	2018
AUD	1.8201	1.80
CAD	1.6273	1.6835
CHF	1.2257	1.2793
CNY	8.7740	8.9526
DKK	8.4174	8.3752
EUR	1.1271	1.1230
HKD	9.6314	10.2041
JPY	132.7700	142.8571
NOK	11.1820	10.6383
SEK	12.0954	11.5875
SGD	1.6984	1.7838
USD	1.2287	1.3031
ZAR	18.6008	18.3998

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

### 18. Research payment account and soft commission arrangements

The MiFID II delegated acts covering research payment accounts came into effect in January 2018. This delegated act sets out the final structure and rules concerning research consumption and payment to be used by EU member states when implementing MiFID II. The Investment Manager does not operate a research payment account as it did not receive any substantive research or any other soft commission services in the years ended 30 September 2019 and 2018. All broker commissions in these years were, therefore, incurred solely in relation to execution services.

### 19. Contingent liabilities

There were no contingent liabilities at 30 September 2019 (2018: none).

### 20. Significant events during the financial year

There were no significant events during the financial year.

### 21. Comparative net asset values

	30 September 2019		30 September 2018		30 September 2017	
	NAV GBP	NAV per share	NAV GBP	NAV per share	NAV GBP	NAV per share
Class A - GBP	6,403,836	15.23	8,262,396	14.49	11,759,238	14.29
Class A - USD	6,180,471	15.62	7,685,488	14.61	9,414,975	14.20
Class A - EUR	13,679,462	14.41	14,541,358	13.90	18,149,179	13.85
Class A - CHF	892,309	13.94	1,160,449	13.50	4,951,225	13.51
Class A - SEK	174,986	123.02	614,090	118.51	939,335	118.18
Class B - GBP	3,145,855	12.50	4,144,965	11.80	4,933,206	11.56
Class B - USD	1,110,420	11.10	7,908	10.31	-	-
Class B - EUR	492,874	10.52	235,920	10.07	-	-
Class I - GBP	35,632,154	15.35	33,478,642	14.43	32,587,317	14.09
Class I - USD	50,772,715	12.32	11,556,483	11.39	10,437,837	10.96
Class I - EUR	4,463,635	13.90	7,569,654	13.27	5,803,667	13.09
	<b>122,948,717</b>		<b>89,257,353</b>		<b>98,975,979</b>	

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Notes to the Financial Statements (continued)

For the financial year ended 30 September 2019

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### 22. Significant events subsequent to the financial year

Pursuant to the resolutions passed at an extraordinary general meeting held on 25 November 2019, effective 9 December 2019:

- The ICAV converted from an Irish public liability company to an Irish collective asset-management vehicle in accordance with the ICAV Act 2015.
- The ICAV name changed from Kestrel UCITS Funds plc to Merian Global Investors Series II ICAV. In addition, the Sub-Fund name changed from Kestrel Global Portfolio to Merian Global Dynamic Allocation Fund.
- Kestrel Partners LLP was terminated as Investment Manager and distributor.
- Merian Global Investors (UK) Limited was appointed as Investment Manager to the ICAV.
- Merian Global Investors (Europe) Limited was appointed as Manager and distributor.
- MFD Secretaries Limited was terminated and Tudor Trust Limited was simultaneously appointed as the corporate secretary; and
- The registered office changed to 33, Sir John Rogerson's Quay, Dublin 2, Ireland.

As part of the above transaction, effective 9 December 2019, the 2 subscriber shares held of €1 each were transferred from the Investment Manager and Kestrel Investment Partners LLP to Merian Global Investors (UK) Limited and Merian Global Investors (Europe) Limited.

Furthermore, effective 9 December 2019, Paul Phelan and John Ricciardi resigned from the Board of the Directors. On the same date, Nicola Stronach, Jessica Brescia, Adrian Waters and Tom Murray were appointed to the Board of Directors. Effective 31 December 2019, Jessica Brescia resigned from the Board of Directors.

On 21 November 2019, Kestrel UCITS Funds plc was delisted from the ISE.

On 27 January 2020, it is the intention of the Board of Directors to appoint Citibank Europe Plc as the new Administrator, replacing Maples Fund Services (Ireland) Limited. On the same date, it is also the intention of the Board of Directors to appoint Citi Depositary Services Ireland Designated Activity Company as the new Depositary, replacing SMT Trustees (Ireland) Limited.

### 23. Approval of financial statements

The Directors approved the financial statements on 24 January 2020.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Portfolio Statements - Merian Global Dynamic Allocation Fund (unaudited)

As at 30 September 2019

Description	Financial assets at fair value through profit or loss	
	Fair value GBP	Percentage of net assets
<b>Transferable Securities Admitted to an Official Stock Exchange Listing</b>		
<b>Equity investments</b>		
<b>Australia</b>		
COMMONWEALTH BANK OF AUSTRALIA	296,371	0.24%
CSL LTD	223,676	0.18%
WESTPAC BANKING CORP	222,304	0.18%
AUST AND NZ BANKING GROUP	184,852	0.15%
NATIONAL AUSTRALIA BANK LTD	178,441	0.15%
WOOLWORTHS LTD	112,288	0.09%
WESFARMERS LTD	103,661	0.08%
MACQUARIE GROUP LTD	94,583	0.08%
NEWCREST MINING LTD	73,124	0.06%
WOODSIDE PETROLEUM LTD	65,488	0.05%
TRANSURBAN GROUP	52,434	0.04%
SCENTRE GROUP	37,767	0.03%
GOODMAN GROUP	36,746	0.03%
ARISTOCRAT LEISURE LTD	31,708	0.03%
INSURANCE AUSTRALIA GROUP	27,365	0.02%
BRAMBLES LTD	26,800	0.02%
SUNCORP GROUP LTD	26,033	0.02%
QBE INSURANCE GROUP LTD	24,154	0.02%
COLES GROUP LTD	19,823	0.02%
<b>Total Australia</b>	<b>1,837,618</b>	<b>1.49%</b>
<b>Belgium</b>		
ANHEUSER-BUSCH INBEV SA/NV	108,673	0.09%
<b>Brazil</b>		
BANCO BRADESCO-ADR	647,650	0.53%
ITAU UNIBANCO HLDNG-PREF-ADR	568,558	0.46%
AMBEV SA-ADR	277,756	0.23%
BANCO SANTANDER BRASIL-ADS	80,621	0.07%
TELEFONICA BRASIL-ADR	73,929	0.06%
BRF SA-ADR	70,794	0.06%
ULTRAPAR PARTICPAC-SPON-ADR	66,548	0.05%
SUZANO PAPEL E CELULO-SP-ADR	61,713	0.05%
<b>Total Brazil</b>	<b>1,847,569</b>	<b>1.51%</b>

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Portfolio Statements - Merian Global Dynamic Allocation Fund (unaudited) (continued)

As at 30 September 2019

Description	Financial assets at fair value through profit or loss	
	Fair value GBP	Percentage of net assets
<b>Transferable Securities Admitted to an Official Stock Exchange Listing (continued)</b>		
<b>Equity investments (continued)</b>		
<b>Britain</b>		
HSBC HOLDINGS PLC	1,708,731	1.39%
BP PLC	1,407,211	1.14%
GLAXOSMITHKLINE PLC	1,155,658	0.94%
ASTRAZENECA PLC	1,096,774	0.89%
DIAGEO PLC	902,710	0.73%
UNILEVER PLC	724,649	0.59%
LINDE PLC	646,154	0.53%
RIO TINTO PLC	618,513	0.50%
VODAFONE GROUP PLC	545,797	0.44%
RECKITT BENCKISER GROUP PLC	528,836	0.43%
PRUDENTIAL PLC	467,162	0.38%
RELX PLC	441,209	0.36%
LLOYDS BANKING GROUP PLC	423,606	0.34%
COMPASS GROUP PLC	398,110	0.32%
NATIONAL GRID PLC	371,941	0.30%
BARCLAYS PLC	304,644	0.25%
STANDARD CHARTERED PLC	256,028	0.21%
SMITH & NEPHEW PLC	232,455	0.19%
BT GROUP PLC	225,016	0.18%
ROLLS-ROYCE HOLDINGS PLC	210,493	0.17%
WPP PLC	170,515	0.14%
UNILEVER NV	154,622	0.13%
ASHTED GROUP PLC	146,526	0.12%
3I GROUP PLC	139,677	0.11%
MELROSE INDUSTRIES PLC	136,868	0.11%
ROYAL BANK OF SCOTLAND GROUP	133,271	0.11%
INFORMA PLC	127,238	0.10%
BURBERRY GROUP PLC	121,374	0.10%
INTERCONTINENTAL HOTELS GROUP	117,486	0.10%
SMITHS GROUP PLC	109,947	0.09%
JOHNSON MATTHEY PLC	106,200	0.09%
SAGE GROUP PLC/THE	101,961	0.08%



# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Portfolio Statements - Merian Global Dynamic Allocation Fund (unaudited) (continued)

As at 30 September 2019

Description	Financial assets at fair value through profit or loss	
	Fair value GBP	Percentage of net assets
<b>Transferable Securities Admitted to an Official Stock Exchange Listing (continued)</b>		
<b>Equity investments (continued)</b>		
<b>Britain (continued)</b>		
RSA INSURANCE GROUP PLC	100,563	0.08%
LONDON STOCK EXCHANGE GROUP	48,379	0.04%
AVIVA PLC	33,757	0.03%
LEGAL & GENERAL GROUP PLC	31,219	0.03%
SSE PLC	27,849	0.02%
<b>Total Britain</b>	<b>14,473,149</b>	<b>11.76%</b>
<b>Canada</b>		
ROYAL BANK OF CANADA	429,230	0.35%
TORONTO-DOMINION BANK	393,973	0.32%
ENBRIDGE INC	280,007	0.23%
BANK OF NOVA SCOTIA	258,931	0.21%
CANADIAN NATL RAILWAY CO	255,834	0.21%
BANK OF MONTREAL	203,859	0.17%
TC ENERGY CORP	189,682	0.15%
CAN IMPERIAL BK OF COMMERCE	154,482	0.13%
MANULIFE FINANCIAL CORP	144,833	0.12%
BROOKFIELD ASSET MANAGE-CLASS A	138,326	0.11%
NUTRIEN LTD	125,717	0.10%
SHOPIFY INC-CLASS A	101,336	0.08%
CANADIAN PACIFIC RAILWAY LTD	90,454	0.07%
SUN LIFE FINANCIAL INC	87,361	0.07%
NATIONAL BANK OF CANADA	85,060	0.07%
CONSTELLATION SOFTWARE INC	81,302	0.07%
PEMBINA PIPELINE CORP	78,457	0.06%
MAGNA INTERNATIONAL INC	73,768	0.06%
CGI INC	70,807	0.06%
RESTAURANT BRANDS INTERN	69,458	0.06%
ROGERS COMMUNICATIONS INC-CLASS B	67,406	0.05%
<b>Total Canada</b>	<b>3,380,283</b>	<b>2.75%</b>

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Portfolio Statements - Merian Global Dynamic Allocation Fund (unaudited) (continued)

As at 30 September 2019

Description	Financial assets at fair value through profit or loss	
	Fair value GBP	Percentage of net assets
<b>Transferable Securities Admitted to an Official Stock Exchange Listing (continued)</b>		
<b>Equity investments (continued)</b>		
<b>Chile</b>		
ANTOFAGASTA PLC	96,175	0.08%
ENERSIS AMERICAS-SPONS-ADR	73,372	0.06%
Total Chile	<b>169,547</b>	<b>0.14%</b>
<b>China</b>		
TENCENT HOLDINGS LTD	479,764	0.39%
ALIBABA GROUP HOLDING-SP-ADR	367,325	0.30%
CHINA CONSTRUCTION BANK-CLASS H	129,709	0.11%
PING AN INSURANCE GROUP CO-CLASS H	107,474	0.09%
IND & COMM BK OF CHINA-CLASS H	94,805	0.08%
BAIDU INC-SPON-ADR	75,239	0.06%
NETEASE INC-ADR	64,964	0.05%
BANK OF CHINA LTD-CLASS H	63,930	0.05%
CHINA PETROLEUM & CHEMICAL-CLASS H	60,937	0.05%
CHINA MERCHANTS BANK-CLASS H	60,002	0.05%
CNOOC LTD	48,408	0.04%
JD.COM INC-ADR	39,015	0.03%
CHINA LIFE INSURANCE CO-CLASS H	37,694	0.03%
CHINA PACIFIC INSURANCE GR-CLASS H	36,465	0.03%
COUNTRY GARDEN HOLDINGS CO	36,069	0.03%
YUM CHINA HOLDINGS INC	29,567	0.02%
AGRICULTURAL BANK OF CHINA-CLASS H	26,763	0.02%
CTIP.COM INTERNATIONAL-ADR	26,211	0.02%
XIAOMI CORP-CLASS B	22,832	0.02%
PETROCHINA CO LTD-CLASS H	21,330	0.02%
NEW ORIENTAL EDUCATIO-SP-ADR	18,021	0.01%
Total China	<b>1,846,524</b>	<b>1.50%</b>
<b>Colombia</b>		
ECOPETROL SA-SPONSORED-ADR	72,044	0.06%
<b>Denmark</b>		
NOVO NORDISK A/S-CLASS B	139,175	0.11%

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Portfolio Statements - Merian Global Dynamic Allocation Fund (unaudited) (continued)

As at 30 September 2019

Description	Financial assets at fair value through profit or loss	
	Fair value GBP	Percentage of net assets
<b>Transferable Securities Admitted to an Official Stock Exchange Listing (continued)</b>		
<b>Equity investments (continued)</b>		
<b>France</b>		
TOTAL SA	226,685	0.18%
SANOFI	172,638	0.14%
LVMH MOET HENNESSY LOUIS VUITTON	147,760	0.12%
L'OREAL	103,187	0.08%
BNP PARIBAS	93,395	0.08%
AXA SA	83,099	0.07%
DANONE	79,974	0.07%
VINCI SA	79,472	0.06%
VIVENDI	72,561	0.06%
KERING	70,891	0.06%
SCHNEIDER ELECTRIC SE	70,664	0.06%
AIR LIQUIDE SA	61,258	0.05%
PERNOD RICARD SA	61,140	0.05%
ESSILORLUXOTTICA	59,218	0.05%
ORANGE INC	51,923	0.04%
Total France	<b>1,433,865</b>	<b>1.17%</b>
<b>Germany</b>		
SAP SE	196,237	0.16%
ALLIANZ SE-REG	164,842	0.13%
SIEMENS AG-REG	157,205	0.13%
BASF SE	120,550	0.10%
DEUTSCHE TELEKOM AG-REG	90,916	0.07%
ADIDAS AG	86,662	0.07%
DAIMLER AG-REG	85,078	0.07%
MUENCHENER RUECKVER AG-REG	67,819	0.06%
DEUTSCHE POST AG-REG	53,904	0.04%
VONOVIA SE	49,023	0.04%
BAYERISCHE MOTOREN WERKE AG	39,635	0.03%
Total Germany	<b>1,111,871</b>	<b>0.90%</b>

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Portfolio Statements - Merian Global Dynamic Allocation Fund (unaudited) (continued)

As at 30 September 2019

Description	Financial assets at fair value through profit or loss	
	Fair value GBP	Percentage of net assets
<b>Transferable Securities Admitted to an Official Stock Exchange Listing (continued)</b>		
<b>Equity investments (continued)</b>		
<b>Hong Kong</b>		
AIA GROUP LTD	897,615	0.73%
HONG KONG EXCHANGES & CLEAR	291,212	0.24%
CK HUTCHISON HOLDINGS LTD	204,679	0.17%
SUN HUNG KAI PROPERTIES	175,599	0.14%
LINK REIT	174,953	0.14%
HONG KONG & CHINA GAS	152,236	0.12%
CK ASSET HOLDINGS LTD	148,792	0.12%
HANG SENG BANK LTD	138,559	0.11%
BOC HONG KONG HOLDINGS LTD	125,607	0.10%
CHINA MOBILE LTD	84,128	0.07%
CHINA OVERSEAS LAND & INVEST	48,606	0.04%
CHINA RESOURCES LAND LTD	37,502	0.03%
Total Hong Kong	<b>2,479,488</b>	<b>2.01%</b>
<b>India</b>		
RELIANCE INDS-SPONS GDR 144A	518,929	0.42%
HDFC BANK LTD-ADR	417,711	0.34%
INFOSYS LTD-SP-ADR	336,697	0.27%
AXIS BANK LTD- GDR-REG	156,932	0.13%
STATE BANK OF INDI-GDR-REG	84,254	0.07%
WIPRO LTD-ADR	59,982	0.05%
Total India	<b>1,574,505</b>	<b>1.28%</b>
<b>Ireland</b>		
EXPERIAN PLC	322,042	0.26%
MEDTRONIC PLC	203,243	0.17%
ACCENTURE PLC-CLASS A	137,236	0.11%
CRH PLC	44,844	0.04%
Total Ireland	<b>707,365</b>	<b>0.58%</b>

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Portfolio Statements - Merian Global Dynamic Allocation Fund (unaudited) (continued)

As at 30 September 2019

Description	Financial assets at fair value through profit or loss	
	Fair value GBP	Percentage of net assets
<b>Transferable Securities Admitted to an Official Stock Exchange Listing (continued)</b>		
<b>Equity investments (continued)</b>		
<b>Italy</b>		
ENI SPA	65,839	0.05%
INTESA SANPAOLO	64,516	0.05%
UNICREDIT SPA	45,005	0.04%
<b>Total Italy</b>	<b>175,360</b>	<b>0.14%</b>
<b>Japan</b>		
TOYOTA MOTOR CORP	977,690	0.80%
SONY CORP	449,085	0.37%
SOFTBANK GROUP CORP	430,856	0.35%
MITSUBISHI UFJ FINANCIAL GROUP	413,203	0.34%
TAKEDA PHARMACEUTICAL CO LTD	347,191	0.28%
HONDA MOTOR CO LTD	315,972	0.26%
SUMITOMO MITSUI FINANCIAL GROUP	311,505	0.25%
KDDI CORP	310,458	0.25%
KAO CORP	270,436	0.22%
MIZUHO FINANCIAL GROUP INC	256,031	0.21%
RECRUIT HOLDINGS CO LTD	237,449	0.19%
SHIN-ETSU CHEMICAL CO LTD	234,938	0.19%
DAIKIN INDUSTRIES LTD	234,818	0.19%
SHISEIDO CO LTD	233,827	0.19%
HITACHI LTD	233,170	0.19%
EAST JAPAN RAILWAY CO	232,816	0.19%
TOKIO MARINE HOLDINGS INC	221,848	0.18%
DAIICHI SANKYO CO LTD	209,981	0.17%
NIDEC CORP	207,660	0.17%
MITSUBISHI CORP	207,527	0.17%
NIPPON TELEGRAPH & TELEPHONE	201,813	0.16%
HOYA CORP	192,508	0.16%
CANON INC	188,765	0.15%
ASTELLAS PHARMA INC	188,763	0.15%
NTT DOCOMO INC	188,573	0.15%
MITSUBISHI ELECTRIC CORP	186,540	0.15%

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Portfolio Statements - Merian Global Dynamic Allocation Fund (unaudited) (continued)

As at 30 September 2019

Description	Financial assets at fair value through profit or loss	
	Fair value GBP	Percentage of net assets
<b>Transferable Securities Admitted to an Official Stock Exchange Listing (continued)</b>		
<b>Equity investments (continued)</b>		
<b>Japan (continued)</b>		
mitsui fudosan co ltd	181,488	0.15%
itochu corp	176,328	0.14%
mitsui & co ltd	173,005	0.14%
suzuki motor corp	165,730	0.13%
oriental land co ltd	160,871	0.13%
mitsubishi estate co ltd	160,004	0.13%
bridgestone corp	151,170	0.12%
daiwa house industry co ltd	150,425	0.12%
terumo corp	141,451	0.12%
kyocera corp	136,268	0.11%
komatsu ltd	135,997	0.11%
orix corp	134,602	0.11%
denso corp	125,113	0.10%
panasonic corp	119,293	0.10%
sumitomo corp	118,165	0.10%
toshiba corp	114,263	0.09%
kirin holdings co ltd	113,666	0.09%
kubota corp	113,189	0.09%
fujifilm holdings corp	110,604	0.09%
shionogi & co ltd	108,373	0.09%
jx holdings inc	100,814	0.08%
Total Japan	<b>10,374,242</b>	<b>8.42%</b>
<b>Macau</b>		
sands china ltd	70,738	0.06%
<b>Mexico</b>		
america movil-adr-series l	267,171	0.22%
fomento economico mex-sp-adr	245,862	0.20%
fresnillo plc	103,907	0.08%
cemex sab-spns-adr part cer	86,424	0.07%
grupo televisa sa-spns-adr	81,155	0.07%
Total Mexico	<b>784,519</b>	<b>0.64%</b>

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Portfolio Statements - Merian Global Dynamic Allocation Fund (unaudited) (continued)

As at 30 September 2019

Description	Financial assets at fair value through profit or loss	
	Fair value GBP	Percentage of net assets
<b>Transferable Securities Admitted to an Official Stock Exchange Listing (continued)</b>		
<b>Equity investments (continued)</b>		
<b>Netherlands</b>		
ASML HOLDING NV	144,675	0.12%
ING GROEP NV-CVA	71,310	0.06%
KONINKLIJKE PHILIPS NV	61,952	0.05%
KONINKLIJKE AHOLD DELHAIZE N	47,322	0.04%
Total Netherlands	<b>325,259</b>	<b>0.27%</b>
<b>Peru</b>		
CREDICORP LTD	220,446	0.18%
<b>Russia</b>		
EVRAZ PLC	88,409	0.07%
<b>South Africa</b>		
NEDBANK GROUP LTD	8,253	0.01%
<b>South Korea</b>		
SAMSUNG ELECTR-GDR-REG	1,397,969	1.14%
HYUNDAI MOTOR CO-GDR-REG	162,932	0.13%
SHINHAN FINANCIAL GROUP-ADR	79,704	0.06%
KB FINANCIAL GROUP INC-ADR	69,743	0.06%
Total South Korea	<b>1,710,348</b>	<b>1.39%</b>
<b>Spain</b>		
BANCO SANTANDER SA	119,012	0.10%
IBERDROLA SA	101,439	0.08%
BANCO BILBAO VIZCAYA ARGENTA	64,344	0.05%
TELEFONICA SA	61,716	0.05%
INDITEX	50,766	0.04%
AMADEUS IT HOLDING SA-A SHS	47,667	0.04%
Total Spain	<b>444,944</b>	<b>0.36%</b>

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Portfolio Statements - Merian Global Dynamic Allocation Fund (unaudited) (continued)

As at 30 September 2019

Description	Financial assets at fair value through profit or loss	
	Fair value GBP	Percentage of net assets
<b>Transferable Securities Admitted to an Official Stock Exchange Listing (continued)</b>		
<b>Equity investments (continued)</b>		
<b>Switzerland</b>		
NESTLE SA-REG	1,077,860	0.88%
ROCHE HOLDING AG-GENUSSCHEIN	646,026	0.53%
GLENCORE PLC	458,148	0.37%
ZURICH INSURANCE GROUP AG	179,399	0.15%
UBS GROUP AG-REG	163,563	0.13%
SWISS RE AG	160,076	0.13%
ABB LTD-REG	138,813	0.11%
CHUBB LTD	131,337	0.11%
CREDIT SUISSE GROUP AG-REG	122,410	0.10%
COCA-COLA HBC AG-DI	94,563	0.08%
<b>Total Switzerland</b>	<b>3,172,195</b>	<b>2.59%</b>
<b>Taiwan</b>		
TAIWAN SEMICONDUCTOR-SP-ADR	1,406,651	1.14%
HON HAI PRECISION-GDR-REG-S	197,549	0.16%
CHUNGHWA TELECOM LT-SPON-ADR	81,298	0.07%
<b>Total Taiwan</b>	<b>1,685,498</b>	<b>1.37%</b>
<b>United States</b>		
EXXON MOBIL CORP	1,522,262	1.22%
APPLE INC	1,213,505	0.99%
MICROSOFT CORP	1,188,406	0.97%
AMAZON.COM INC	1,129,782	0.92%
UNION PACIFIC CORP	751,128	0.61%
JPMORGAN CHASE & CO	689,365	0.56%
3M CO	641,979	0.52%
DUPONT DE NEMOURS INC	616,856	0.50%
JOHNSON & JOHNSON	578,905	0.47%
BERKSHIRE HATHAWAY INC-CLASS B	541,542	0.44%
ALPHABET INC-A	537,453	0.44%
BANK OF AMERICA CORP	512,587	0.42%



# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Portfolio Statements - Merian Global Dynamic Allocation Fund (unaudited) (continued)

As at 30 September 2019

Description	Financial assets at fair value through profit or loss	
	Fair value GBP	Percentage of net assets
<b>Transferable Securities Admitted to an Official Stock Exchange Listing (continued)</b>		
<b>Equity investments (continued)</b>		
<b>United States (continued)</b>		
AMERICAN TOWER CORP	503,713	0.41%
FACEBOOK INC-CLASS A	501,267	0.41%
UNITED PARCEL SERVICE-CLASS B	477,642	0.39%
CATERPILLAR INC	452,135	0.37%
GENERAL ELECTRIC CO	448,018	0.36%
PROCTER & GAMBLE CO/THE	435,107	0.35%
ALPHABET INC-CLASS C	396,681	0.32%
WELLS FARGO & CO	385,727	0.31%
HOME DEPOT INC	377,514	0.31%
CSX CORP	371,935	0.30%
PFIZER INC	356,611	0.29%
ILLINOIS TOOL WORKS	356,469	0.29%
RAYTHEON COMPANY	351,137	0.29%
VISA INC-CLASS A	349,841	0.28%
DEERE & CO	343,069	0.28%
WASTE MANAGEMENT INC	336,804	0.27%
NORFOLK SOUTHERN CORP	336,168	0.27%
CONOCOPHILLIPS	333,759	0.27%
UNITEDHEALTH GROUP INC	318,236	0.26%
MERCK & CO. INC.	315,024	0.26%
CITIGROUP INC	314,715	0.26%
FEDEX CORP	307,909	0.25%
CROWN CASTLE INTL CORP	305,342	0.25%
CISCO SYSTEMS INC	305,175	0.25%
DOW INC	303,647	0.25%
INTEL CORP	296,679	0.24%
ECOLAB INC	290,003	0.24%
MASTERCARD INC-CLASS A	287,212	0.23%
VERIZON COMMUNICATIONS INC	284,810	0.23%
COCA-COLA CO/THE	283,449	0.23%
SCHLUMBERGER LTD	277,986	0.23%
PROLOGIS INC	277,319	0.23%

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Portfolio Statements - Merian Global Dynamic Allocation Fund (unaudited) (continued)

As at 30 September 2019

Description	Financial assets at fair value through profit or loss	
	Fair value GBP	Percentage of net assets
<b>Transferable Securities Admitted to an Official Stock Exchange Listing (continued)</b>		
<b>Equity investments (continued)</b>		
<b>United States (continued)</b>		
AIR PRODUCTS & CHEMICALS INC	270,737	0.22%
SHERWIN-WILLIAMS CO/THE	268,404	0.22%
PEPSICO INC	267,686	0.22%
SIMON PROPERTY GROUP INC	265,917	0.22%
AT&T INC	264,745	0.22%
WALT DISNEY CO/THE	254,448	0.21%
MCDONALD'S CORP	244,544	0.20%
EOG RESOURCES INC	235,485	0.19%
COMCAST CORP-CLASS A	234,715	0.19%
EQUINIX INC	234,624	0.19%
LYONDELLBASELL INDU-CLASS A	232,919	0.19%
OCCIDENTAL PETROLEUM CORP	222,061	0.18%
ABBVIE INC	215,604	0.18%
VALERO ENERGY CORP	214,972	0.17%
NEXTERA ENERGY INC	208,501	0.17%
ABBOTT LABORATORIES	204,206	0.17%
PUBLIC STORAGE	199,536	0.16%
MARATHON PETROLEUM CORP	192,747	0.16%
PHILLIPS 66	183,274	0.15%
PPG INDUSTRIES INC	183,183	0.15%
WILLIAMS COS INC	176,163	0.14%
KINDER MORGAN INC	176,054	0.14%
NIKE INC-CLASS B	175,737	0.14%
NETFLIX INC	174,175	0.14%
AMGEN INC	173,170	0.14%
ELI LILLY & CO	172,858	0.14%
WELLTOWER INC	169,618	0.14%
INTL BUSINESS MACHINES CORP	166,100	0.14%
THERMO FISHER SCIENTIFIC INC	165,871	0.13%
COSTCO WHOLESALE CORP	164,072	0.13%
EQUITY RESIDENTIAL	161,404	0.13%
BROADCOM INC	160,809	0.13%

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Portfolio Statements - Merian Global Dynamic Allocation Fund (unaudited) (continued)

As at 30 September 2019

Description	Financial assets at fair value through profit or loss	
	Fair value GBP	Percentage of net assets
<b>Transferable Securities Admitted to an Official Stock Exchange Listing (continued)</b>		
<b>Equity investments (continued)</b>		
<b>United States (continued)</b>		
AVALONBAY COMMUNITIES INC	157,661	0.13%
ADOBE SYSTEMS INC	157,318	0.13%
ORACLE CORP	155,304	0.13%
US BANCORP	153,072	0.12%
STARBUCKS CORP	151,059	0.12%
TEXAS INSTRUMENTS INC	150,142	0.12%
DIGITAL REALTY TRUST INC	147,847	0.12%
INTERNATIONAL PAPER CO	146,295	0.12%
ONEOK INC	143,879	0.12%
PAYPAL HOLDINGS INC	143,266	0.12%
LOWE'S COS INC	143,130	0.12%
NVIDIA CORP	141,612	0.12%
BALL CORP	136,237	0.11%
GOLDMAN SACHS GROUP INC	134,871	0.11%
AMERICAN EXPRESS CO	134,715	0.11%
CVS HEALTH CORP	133,405	0.11%
SALESFORCE.COM INC	132,838	0.11%
QUALCOMM INC	130,319	0.11%
GILEAD SCIENCES INC	123,749	0.10%
CONCHO RESOURCES INC	121,526	0.10%
CME GROUP INC	120,353	0.10%
S&P GLOBAL INC	119,580	0.10%
DANAHER CORP	117,499	0.10%
ANTHEM INC	117,198	0.10%
BRISTOL-MYERS SQUIBB CO	115,513	0.09%
PNC FINANCIAL SERVICES GROUP	114,025	0.09%
CELGENE CORP	113,098	0.09%
PIONEER NATURAL RESOURCES CO	112,550	0.09%
MORGAN STANLEY	111,084	0.09%
VULCAN MATERIALS CO	110,735	0.09%
BLACKROCK INC	108,763	0.09%
MONDELEZ INTERNATIONAL INC-CLASS A	108,012	0.09%

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Portfolio Statements - Merian Global Dynamic Allocation Fund (unaudited) (continued)

As at 30 September 2019

Description	Financial assets at fair value through profit or loss	
	Fair value GBP	Percentage of net assets
<b>Transferable Securities Admitted to an Official Stock Exchange Listing (continued)</b>		
<b>Equity investments (continued)</b>		
<b>United States (continued)</b>		
COLGATE-PALMOLIVE CO	107,646	0.09%
STRYKER CORP	105,581	0.09%
SCHWAB (CHARLES) CORP	105,494	0.09%
TJX COMPANIES INC	104,297	0.08%
NUCOR CORP	103,543	0.08%
CIGNA HOLDING CO	98,789	0.08%
EXELON CORP	98,255	0.08%
HALLIBURTON CO	98,145	0.08%
CARNIVAL PLC	96,618	0.08%
INTUITIVE SURGICAL INC	87,851	0.07%
CONSOLIDATED EDISON INC	84,540	0.07%
SEMPRA ENERGY	84,060	0.07%
BECTON DICKINSON AND CO	82,317	0.07%
BOOKING HOLDINGS INC	79,833	0.06%
AUTOMATIC DATA PROCESSING	78,793	0.06%
DOLLAR GENERAL CORP	77,582	0.06%
EVERSOURCE ENERGY	76,486	0.06%
PUBLIC SERVICE ENTERPRISE GP	75,757	0.06%
GENERAL MOTORS CO	73,179	0.06%
BOSTON SCIENTIFIC CORP	72,826	0.06%
ROSS STORES INC	71,494	0.06%
MICRON TECHNOLOGY INC	69,720	0.06%
TARGET CORP	69,580	0.06%
CHARTER COMMUNICATIONS INC-CLASS A	67,055	0.05%
MARSH & MCLENNAN COS	65,116	0.05%
INTUIT INC	64,906	0.05%
YUM! BRANDS INC	64,596	0.05%
ANALOG DEVICES INC	63,628	0.05%
WALGREENS BOOTS ALLIANCE INC	62,995	0.05%
PROGRESSIVE CORP	62,846	0.05%
SERVICENOW INC	61,955	0.05%
ZOETIS INC	60,815	0.05%

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Portfolio Statements - Merian Global Dynamic Allocation Fund (unaudited) (continued)

As at 30 September 2019

Description	Financial assets at fair value through profit or loss	
	Fair value GBP	Percentage of net assets
<b>Transferable Securities Admitted to an Official Stock Exchange Listing (continued)</b>		
<b>Equity investments (continued)</b>		
<b>United States (continued)</b>		
AUTODESK INC	60,080	0.05%
TESLA INC	58,787	0.05%
APPLIED MATERIALS INC	56,834	0.05%
EVERGY INC	54,149	0.04%
SYSCO CORP	51,676	0.04%
EBAY INC	50,739	0.04%
VF CORP	50,678	0.04%
MARRIOTT INTERNATIONAL-CLASS A	50,590	0.04%
ESTEE LAUDER COMPANIES-CLASS A	48,556	0.04%
FORD MOTOR CO	48,438	0.04%
ELECTRONIC ARTS INC	47,748	0.04%
KIMBERLY-CLARK CORP	46,225	0.04%
CENTERPOINT ENERGY INC	44,195	0.04%
ARCHER-DANIELS-MIDLAND CO	43,436	0.04%
KROGER CO	37,751	0.03%
CLOROX COMPANY	37,066	0.03%
ATMOS ENERGY CORP	37,062	0.03%
CHURCH & DWIGHT CO INC	36,726	0.03%
KRAFT HEINZ CO/THE	36,362	0.03%
CONSTELLATION BRANDS INC-CLASS A	33,726	0.03%
FIDELITY NATIONAL INFO SERV	32,402	0.03%
GENERAL MILLS INC	31,390	0.03%
EDISON INTERNATIONAL	30,678	0.02%
AMERICAN WATER WORKS CO INC	30,320	0.02%
ACTIVISION BLIZZARD INC	30,137	0.02%
NISOURCE INC	29,209	0.02%
MONSTER BEVERAGE CORP	28,340	0.02%
VISTRA ENERGY CORP	28,270	0.02%
TYSON FOODS INC-CLASS A	28,031	0.02%
COGNIZANT TECH SOLUTIONS-CLASS A	24,514	0.02%
TWITTER INC	23,462	0.02%
MCCORMICK & CO-NON VTG	12,716	0.01%

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Portfolio Statements - Merian Global Dynamic Allocation Fund (unaudited) (continued)

As at 30 September 2019

Description	Financial assets at fair value through profit or loss	
	Fair value GBP	Percentage of net assets
<b>Transferable Securities Admitted to an Official Stock Exchange Listing (continued)</b>		
<b>Equity investments (continued)</b>		
<b>United States (continued)</b>		
KONTOOR BRANDS INC	800	- %
Total United States	<b>35,883,258</b>	<b>29.19%</b>
Total equity investments (2018: GBP 36,447,416, 40.87%)	<b>86,125,145</b>	<b>70.04%</b>
<b>Other Transferable Securities</b>		
<b>Sovereign debt</b>		
<b>United States</b>		
US TREASURY N/B 3.125% 11/15/28	5,369,399	4.37%
US TREASURY N/B 4.500% 02/15/36	7,571,787	6.16%
US TREASURY N/B 4.750% 02/15/37	3,615,370	2.94%
US TREASURY N/B 5.250% 02/15/29	3,739,260	3.04%
US TREASURY N/B 5.375% 02/15/31	6,032,390	4.91%
US TREASURY N/B 6.125% 08/15/29	3,758,069	3.06%
US TREASURY N/B 6.250% 05/15/30	4,549,865	3.70%
Total United States	<b>34,636,140</b>	<b>28.18%</b>
Total sovereign debt (2018: GBP 48,859,895, 54.74%)	<b>34,636,140</b>	<b>28.18%</b>
Total investments (2018: GBP 85,307,311, 95.61%)	<b>120,761,285</b>	<b>98.22%</b>

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Portfolio Statements - Merian Global Dynamic Allocation Fund (unaudited) (continued)

As at 30 September 2019

Total financial assets and financial liabilities					
	Currency Sold	Contract rate	Maturity date	Fair value GBP	Percentage of net assets
<b>Over-the-counter financial derivative instruments*</b>					
<b>Net unrealised losses on forward currency contracts:</b>					
CHF 1,078,000**	GBP (863,053)	1.2420	18 October 2019	11,652	0.01%
EUR 15,690,000**	GBP (13,920,403)	1.1270	18 October 2019	1,024	- %
SEK 2,115,000**	GBP (174,874)	12.0940	18 October 2019	123	- %
USD 7,650,000**	GBP (6,118,072)	1.2500	18 October 2019	100,469	0.08%
EUR 508,860**	GBP (451,468)	1.1270	18 October 2019	33	- %
EUR 50,000**	GBP (44,238)	1.1300	18 October 2019	126	- %
USD 1,355,000**	GBP (1,083,659)	1.2500	18 October 2019	17,795	0.01%
EUR 4,970,000**	GBP (4,409,459)	1.1270	18 October 2019	324	- %
USD 62,000,000**	GBP (49,584,375)	1.2500	18 October 2019	814,254	0.67%
<b>Unrealised gains on forward currency contracts (2018: GBP 473,767, 0.54%)</b>				<b>945,800</b>	<b>0.77%</b>
GBP 2,412,407	CAD (4,000,000)	0.6030	18 October 2019	(44,157)	(0.04)%
GBP 39,747,475	USD (49,700,000)	0.8000	18 October 2019	(652,719)	(0.53)%
GBP 9,774,714	JPY (1,320,000,000)	0.0070	18 October 2019	(166,325)	(0.14)%
GBP 6,557,933	USD (8,200,000)	0.8000	18 October 2019	(107,692)	(0.09)%
GBP 3,637,582	EUR (4,100,000)	0.8870	18 October 2019	(268)	- %
GBP 28,630,978	USD (35,800,000)	0.8000	18 October 2019	(470,161)	(0.38)%
GBP 1,046,817	CHF (1,300,000)	0.8050	18 October 2019	(14,052)	(0.01)%
GBP 1,697,397	AUD (3,100,000)	0.5480	18 October 2019	(4,719)	- %
EUR 47,000	GBP (41,706)	1.1270	18 October 2019	(4)	- %
<b>Unrealised losses on forward currency contracts (2018: GBP (1,383,798), (1.55)%)</b>				<b>(1,460,097)</b>	<b>(1.19)%</b>
<b>Net unrealised losses on forward currency contracts (2018: GBP(910,031), (1.01)%)</b>				<b>(514,297)</b>	<b>(0.42)%</b>

\*Sumitomo Mitsui Trust (UK) Limited is the counterparty to the ICAV in relation to derivative trades.

\*\* The purpose of these forward currency contracts is to hedge the share class exposure on all non-USD redeemable participating share classes.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Portfolio Statements - Merian Global Dynamic Allocation Fund (unaudited) (continued)

As at 30 September 2019

### In Summary:

	Fair value GBP	Percentage of net assets
Financial assets at fair value through profit or loss (2018: GBP 85,307,311, 95.57%)	120,761,285	98.22%
Net losses on forward currency contracts (2018: GBP (910,031), (1.01)%)	(514,297)	(0.42)%
Cash and cash equivalents (2018: GBP 4,950,926, 5.55%)	2,735,331	2.22%
Other net liabilities (2018: GBP (90,853), (0.10)%)	(33,602)	(0.02)%
Net assets attributable to holders of redeemable participating shares (2018: GBP 89,257,353, 100.00%)	<b>122,948,717</b>	<b>100.00%</b>

	Percentage of total assets	
Analysis of Total Assets (Unaudited):	2019	2018
Transferable securities attributed to an official stock exchange listing	69.07%	40.11%
Other transferable securities	27.78%	53.77%
Over-the-counter financial derivative instruments	0.76%	0.52%
<b>Net current assets:</b>		
- Cash and cash equivalents	2.19%	5.45%
- Other net assets	0.20%	0.15%
<b>Total assets</b>	<b>100.00%</b>	<b>100.00%</b>



# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Significant Portfolio Changes - Merian Global Dynamic Allocation Fund (unaudited)

For the financial year ended 30 September 2019

In accordance with the UCITS Regulations, this report documents material changes that have occurred in the disposition of the assets of the Sub-Fund during the financial year. A material change is defined as aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial year and/or aggregate disposals greater than 1 per cent of the total value of sales for the financial year. If there are fewer than 20 purchases/sales that meet the material changes definition, the Sub-Fund shall disclose those purchases/sales and such number of the next largest purchases/sales so at least 20 purchases/sales are disclosed.

Description	Quantity	Cost GBP
<b>Material Purchases</b>		
ISHARES MSCI EM IMI ESG SCRNI	2,602,669	10,400,207
US TREASURY 5.250% 02/15/29	8,970,000	8,783,382
US TREASURY 4.500% 02/15/36	6,713,000	7,645,647
US TREASURY 6.125% 08/15/29	7,020,000	7,326,447
US TREASURY 3.125% 11/15/28	8,516,000	7,006,016
US TREASURY 5.375% 02/15/31	5,346,000	6,117,106
US TREASURY 6.250% 05/15/30	3,811,000	4,225,168
US TREASURY 1.000% 11/30/19	5,000,000	3,938,781
US TREASURY 4.750% 02/15/37	3,083,000	3,693,270
US TREASURY 5.500% 08/15/28	3,200,000	3,257,438
US TREASURY 2.750% 02/15/28	3,085,000	2,575,544
ISHARES MSCI AC FE EX-JAPAN	44,598	1,748,986
VANGUARD FTSE EMERGING MARKET	56,200	1,682,383
TENCENT HOLDINGS LTD	45,300	1,594,428
HSBC HOLDINGS PLC	236,177	1,529,652
BP PLC	272,821	1,445,141
SAMSUNG ELECTR-GDR-REG-S	1,838	1,401,760
ALIBABA GROUP HOLDING-SP-ADR	10,500	1,362,281
NESTLE SA-REG	15,862	1,312,096
EXXON MOBIL CORP	21,700	1,301,353

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Significant Portfolio Changes - Merian Global Dynamic Allocation Fund (unaudited) (continued)

For the financial year ended 30 September 2019

In accordance with the UCITS Regulations, this report documents material changes that have occurred in the disposition of the assets of the Sub-Fund during the financial year. A material change is defined as aggregate purchases of a security exceeding 1 per cent of the total value of purchases for the financial year and/or aggregate disposals greater than 1 per cent of the total value of sales for the financial year. If there are fewer than 20 purchases/sales that meet the material changes definition, the Sub-Fund shall disclose those purchases/sales and such number of the next largest purchases/sales so at least 20 purchases/sales are disclosed.

Description	Quantity	Cost GBP
<b>Material Sales</b>		
ISHARES MSCI EM IMI ESG SCRNI	2,602,669	11,034,162
US TREASURY 2.750% 02/15/28	12,285,000	10,594,684
US TREASURY 5.500% 08/15/28	9,200,000	9,682,430
US TREASURY 5.250% 11/15/28	6,082,000	6,305,709
UK TREASURY BILL GBP	5,909,000	5,903,702
US TREASURY 5.250% 02/15/29	5,484,000	5,653,097
US TREASURY 2.375% 05/15/27	6,800,000	5,471,098
US TREASURY 1.625% 02/15/26	6,879,000	5,028,979
US TREASURY 6.125% 11/15/27	4,713,000	4,868,977
US TREASURY 1.500% 08/15/26	6,640,000	4,782,860
US TREASURY 6.125% 08/15/29	3,750,000	4,352,921
US TREASURY 1.000% 11/30/19	5,000,000	3,924,267
US TREASURY 5.000% 05/15/37	3,701,000	3,504,960
US TREASURY 3.125% 11/15/28	2,703,000	2,482,341
UK TREASURY 1.750% 07/22/19	2,221,000	2,237,524
ISHARES MSCI AC FE EX-JAPAN	44,598	1,768,757
VANGUARD FTSE EMERGING MARKET	56,200	1,641,231
TENCENT HOLDINGS LTD	39,200	1,349,625
ALIBABA GROUP HOLDING-SP-ADR	9,700	1,340,397
NESTLE SA-REG	10,553	844,330

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Additional Information (unaudited)

For the financial year ended 30 September 2019

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### Cybersecurity Risk

Cybersecurity breaches may occur allowing an unauthorised party to gain access to assets of the ICAV, members' data, or proprietary information, or may cause the ICAV, the Investment Manager, the Distributor, the Administrator or the Depositary to suffer data corruption or lose operational functionality.

The ICAV may be affected by intentional cybersecurity breaches which include unauthorised access to systems, networks, or devices (such as through "hacking" activity); infection from computer viruses or other malicious software code; and attacks that shut down, disable, slow, or otherwise disrupt operations, business processes, or website access or functionality. In addition, unintentional incidents can occur, such as the inadvertent release of confidential information (possibly resulting in the violation of applicable privacy laws). A cybersecurity breach could result in the loss or theft of members' data or funds, the inability to access electronic systems, loss or theft of proprietary information or corporate data, physical damage to a computer or network system, or costs associated with system repairs. Such incidents could cause the ICAV, the Investment Manager, the Distributor, the Administrator, the Depositary, or other service providers to incur regulatory penalties, reputational damage, additional compliance costs, or financial loss. Consequently, members may lose some or all of their invested capital. In addition, such incidents could affect issuers in which the Sub-Fund invests, and thereby cause the Sub-Fund's investments to lose value, as a result of which investors, including the Sub-Fund and its members, could potentially lose all or a portion of their investment with that issuer.

The ICAV has engaged service providers who are responsible for investing in security technology to protect our data against risks of data security breaches and cyberattacks and they have implemented solutions, processes, and procedures to help mitigate these risks.

### Remuneration Policy

Directive 2014/91/EU ("UCITS V") imposes various requirements and principles in relation to remuneration to ensure that UCITS management companies, including self-managed UCITS (such as the ICAV) establish and apply remuneration policies and practices that are consistent with, and promote, sound and effective risk management, and do not encourage risk taking that is inconsistent with the risk profiles, rules or instruments of incorporation of the UCITS they manage. In addition, the policies and procedures must not impair compliance with the management company's duty to act in the best interests of the UCITS.

The ICAV has a remuneration policy in place to ensure compliance with UCITS V and related guidance including, in particular, the European Securities and Markets Authority ("ESMA") Guidelines on sound remuneration policies under UCITS V. Further guidance has been issued by ESMA and the Central Bank of Ireland through their respective questions and answers documents.

# Merian Global Investors Series II ICAV

An umbrella fund with segregated liability between sub-funds

## Additional Information (unaudited) (continued)

For the financial year ended 30 September 2019

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### Remuneration Policy (continued)

This ICAV has a remuneration policy which outlines how it adheres to these remuneration requirements. The Directors are responsible for ensuring that the policy and practices are consistent with sound and effective risk management and do not encourage risk taking which is inconsistent with the risk profile of the ICAV and the Articles. The Directors also ensure that the remuneration policy is at all times consistent with the business strategy, objectives, values and interests of the ICAV, the Sub-Fund and its shareholders, and that there are measures to ensure that all relevant conflicts of interest are managed appropriately at all times. Further details with regard to the remuneration policy are available from the ICAV free of charge on request.

The ICAV operates on a delegated basis and has no employees other than the Directors. The ICAV's investment objectives and activities as set out in the prospectus have been reviewed by the Board of Directors and are considered to be non-complex. Due to its internal structure and activities and on the basis of proportionality, the ICAV is not required to have a remuneration committee. The Directors only receive fixed remuneration which removes conflicts of interest. The Pay Out Process Rules under the remuneration requirements will accordingly not apply to the ICAV. However as a delegated model applies, the Investment Manager is required to make disclosures in respect of remuneration.

#### 1. Application of UCITS V Remuneration Rules to Delegates

The ICAV has delegated certain portfolio and risk management activities to the Investment Manager and, therefore, in accordance with UCITS V and as set out in the ICAV's remuneration policy the ICAV seeks to ensure that the Investment Manager is subject to regulatory requirements that are equally as effective. These rules must apply to the Investment Manager's staff members whose work impacts on the risk profile of the ICAV.

The Investment Manager is authorised and regulated by the UK's Financial Conduct Authority ("FCA") as a BIPRU investment firm under the Prudential sourcebook for Banks, Building Societies and Investment Firms, and is therefore subject to equally effective rules. The Investment Manager is classified as a level three firm under the UK Remuneration Code (the "Code") for BIPRU firms, which allows for adoption of a simplified approach to the Code. The individuals, whose work impacts the risk profile of the firm, are remunerated on a variable basis as members of a corporate partner of the firm. The Investment Manager does not apply the Pay Out Process Rules on the basis of proportionality but the remuneration of the firm in relation to the Sub Fund is not based on performance. A copy of the Investment Manager's remuneration policy is available upon request.

As at 30 September 2019, the Investment Manager had 5 Code Staff involved with managing the Sub-Fund. All 5 are in senior management roles and 3 are Fund/Portfolio Managers. The aggregate remuneration in respect of the Code Staff, in relation to the Sub-Fund, for the Investment Manager's financial year ended 31 March 2019 was GBP £0.34m. On average there were 5 Code Staff during this period.

#### 2. Annual review

The Board of Directors reviews the terms of its remuneration policy annually and assesses whether its overall remuneration system operates as intended and is compliant with the obligations set out in the UCITS Regulations. The remuneration policy will be updated by the Board of Directors as and when required.