

FCS Global Fund Services ICAV

(an open-ended umbrella type Irish Collective Asset Management vehicle with limited liability and segregated liability between sub-funds)

**Audited financial statements
for the period from 19 August 2015 (date of incorporation)
to 31 December 2016**

FCS Global Fund Services ICAV

Contents

| | |
|---|----|
| Directors, officers and other information | 3 |
| Manager's Report | 5 |
| Report of the Depositary | 7 |
| Information about the Company | 8 |
| Directors' Report | 9 |
| Independent auditors' report | 13 |
| Statement of Financial Position | 15 |
| Statement of Changes in Net Assets attributable to holders of redeemable participating shares | 16 |
| Statement of Comprehensive Income | 17 |
| Statement of Cash flows | 18 |
| Notes to the financial statements | 19 |
| Unaudited information | 43 |

FCS Global Fund Services ICAV

Directors, officers and other information

| | |
|---|--|
| Directors: | Mr. Jaime Agurruza Fatosme Mr. Conor MacGuinness (independent director) Mr. Jeremy O'Sullivan (independent director) |
| Investment manager: | FCS Asset Management Ltd 102/1, Sandra Flats, Windsor Terrace, Sliema SLM 1858 Malta |
| Company secretary: | Tudor Trust Limited 33 Sir John Rogerson's Quay Dublin 2 Ireland |
| Registered office: | 33 Sir John Rogerson's Quay Dublin 2 Ireland |
| Company registration number: | C143187 |
| Administrator, registrar and transfer agent: | FCS Asset Management Ltd 102/1, Sandra Flats, Windsor Terrace, Sliema SLM 1858 Malta |

FCS Global Fund Services ICAV

Directors, officers and other information *(continued)*

Bankers/Depositary:

Société Générale S.A., Dublin Branch
3rd Floor, IFSC House
Dublin 1
Ireland

Banca March
Calle Núñez de Balboa,
70 Bis - 1 Planta - 28006
Madrid
España

Legal advisors:

Dillon Eustace
33 Sir John Rogerson's Quay
Dublin 2
Ireland

Independent auditors:

Mazars
Harcourt Centre Block 3
Harcourt Road
Dublin 2
Ireland

FCS Global Fund Services ICAV

Manager's Report

Market overview 2016

We have closed 2016 with the satisfaction of having learned a very important lesson, the irrational behaviour that the market (or humans as you wish) has in the short term in the face of extraordinary events or unexpected situations where emotions are the influences that guide their investment decisions.

The significant events of the year have been the following

- January – February: Raw materials and China: There was a significant fall in the price of raw materials due to the lower demand from the world's largest consumer: China.
- June. Brexit: The unexpected victory of those who wanted the UK outside the European Union left a stock market drop of around 10% in a day.
- November. Trump wins US elections after being considered a global economic and political threat to media, the American businessman wins the US elections.

In addition to all the important events of the past, other events have continued to generate uncertainty: terrorist attacks, the rise of populism in Europe, accounting scandals and deceptive policies by dishonest management teams.

Manager's approach to markets in 2016

As commented throughout the year, our investment philosophy allows us to take advantage of all these moments of 'panic' and uncertainty where the volatility gives rise to interesting opportunities in positions that our team has previously analysed.

Therefore, when investing we must do it with a business vision, our time horizon should always be in the medium-long term aligning our interests to the management team that looks for the interest of its shareholders and the good future of the company itself. Our investors are part of the capital of the company and therefore, it takes a prudent time to benefit from the creation of value of the company.

Regarding our approach to portfolio management, we followed our Investment policy of not following benchmarks or trends of any kind and only buying assets and securities that we believed were cheap or inexpensive both from historical and relative value comparison.

Our strategy has continued being defensive, with a low exposure of market changes, diversifying conveniently through different asset classes and looking for our main goal, capital preservation.

FCS Global Fund Services ICAV

Manager's Report *(Continued)*

Performance and description of position in 2016

The performance of the FCS Navigator Fund ICAV during the fourth quarter of the year has been positive (+2.43%). Our strong defensive strategy in investment grade bonds and undervalued stock incorporated recently into the portfolio had helped to diversify and to beat our benchmark, reaching our main goal, capital preservation. Moreover, in terms of volatility we have to aim for a similar figure than our benchmark (7.7% vs 7.7% respectively).

The performance of the FCS Navigator Fund ICAV during the fourth quarter of the year has been flat as the portfolio will only be set up at the beginning of 2017. The strategy will be defensive and the main objective will be the protection against extreme volatility events and capital preservation.

Investment objective of FCS Global Fund Service ICAV

It is important to remind current and potential investors that our Funds maintains a goal of absolute return and do not follow the trends:

The performance of the Funds have been very sensitive to defensive and refuge asset classes like investment grade bonds and undervalued securities. As shown in the different public sources (Bloomberg or fcs-am.com), the low volatility ratios provides evidence that we managed the different risks trying to preserve capital as our main objective as well as profitability which is quite important taking into consideration that the strategy is conservative.

The Funds complied with its investment objectives and within its investment policies.

Risk management compliance of FCS Global Fund Service ICAV

The Funds of the FCS Global Fund Services ICAV strictly meet the risk management restrictions, meeting the 'commitment approach' and complying with the 'investment restrictions' and permitted 'investment restrictions'. The risk management procedures were strictly followed during 2016.



Eliza Montebello
Managing Director
26 April 2017

FCS Global Fund Services ICAV

Report of the Depositary



SOCIÉTÉ GÉNÉRALE
Securities Services

FCS GLOBAL FUND SERVICES

INTERIM REPORT AND FINANCIAL STATEMENTS

For the period ended 31 December 2016

Depositary's Report

We have enquired into the conduct of the ICAV for the period ended 31 December 2016 in our capacity as Depositary of the ICAV.

In our opinion the ICAV has been managed, in all material respects, during that period in accordance with the provisions of the ICAV's documentation and the Regulations including specifically the provisions relating to the limitations imposed on the investment and borrowing powers of the ICAV.

This report including the opinion has been prepared for and solely for the shareholders in the ICAV as a body, in accordance with the Central Bank of Ireland's UCITS Regulations 2015 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.

Statement of the Depositary's Responsibilities

The Depositary is required to:

- Take responsibility for safe-keeping the assets of the ICAV in accordance with the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 ("the Regulations")
- Ensure that the ICAV has been managed, in all material respects, in that period, in accordance with its constitutional documentation and the appropriate Regulations.
- Prepare a report for inclusion in the annual report on the conduct of the ICAV in accordance with its constitutional documentation and the appropriate Regulations.
- If the ICAV has not complied, in all material respects, with its constitutional documentation or the appropriate regulations, the Depositary must state why this is the case & outline the steps which it has taken to rectify the situation.

Basis of Depositary Opinion

The Depositary conducts its reviews on a test basis to ensure that it adheres to the duties outlined in UCITS Regulations 2015 and to ensure that the ICAV is managed, in all material respects, in accordance with its constitutional documentation and the appropriate regulations.

On behalf of the Depositary

Société Générale S.A. Dublin Branch

26th April 2017

Société Générale, Dublin branch
IFSC House, 3rd Floor
IFSC
Dublin 1
Ireland

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Société Anonyme au capital de:
575 265 895.00 Eur
29 boulevard Haussmann
75009 Paris
France
552 120 222 R.C.S.

FCS Global Fund Services ICAV

Information about the Company

FCS Global Fund Services ICAV ('the Company' or 'ICAV') is organised under the laws of Ireland as an Irish Collective Asset-Management Vehicle under the Irish Collective Asset-Management Vehicles Act 2015. The Company was registered on 20 August 2015 with registration number C143187 and consists of two classes: the Subscriber shares and the Investor shares, hereinafter referred to as 'redeemable shares'.

The ICAV is authorised by the Central Bank of Ireland (the "Central Bank") pursuant to the provisions of the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011, (S.I. 352 of 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 2015.

As at 31 December 2016, the Company had launched two sub-funds namely FCS Navigator Fund and FCS Navigator Plus Fund.

The Company has no employees.

Net Asset Value per investor share

The Net Asset Value per share is determined by dividing the net asset value of investor shares by the shares in issue at the reporting date 31 December 2016.

| | FCS Navigator Fund 2016 Class A shares | FCS Navigator Plus Fund 2016 Class A shares |
|---|--|---|
| Redeemable participating shares in issue at at end of financial year (units) | 35,830.194 | 42,100.000 |
| Net asset value of redeemable participating shares as at period end | €3,639,027 | €4,174,412 |
| Net asset value per redeemable participating share as at end of financial period | €101.56 | €99.15 |
| Highest price during the financial period | €101.63 | €100 |
| Lowest price during the financial period | €98.37 | €99.12 |

FCS Global Fund Services ICAV

Directors' Report

The Directors present their report and the audited financial statements of FCS Global Funds Services ICAV (the "ICAV") for the period from 19 August 2015 (date of incorporation) to 31 December 2016.

Principal activities

The ICAV is an open-ended umbrella type Irish collective asset-management vehicle with limited liability and segregated liability between sub-funds, registered by the Central Bank on 20th August, 2015 to carry on business as an ICAV pursuant to Part 2 of the Act. The ICAV was authorised by the Central Bank as a UCITS pursuant to the UCITS Regulations on 18th May, 2016.

The ICAV is structured as an umbrella type Irish collective asset-management vehicle which may consist of different sub-funds, each comprising one or more Classes. The ICAV has two sub-funds, the FCS Navigator Fund which was launched on 17 October 2016 and the FCS Navigator Plus Fund, launched on 18 October 2016.

The ICAV's investment objective is to achieve capital growth by investing in a wide range of actively managed assets.

FCS Navigator Fund and FCS Navigator Plus Fund are global asset allocation funds with no particular regional focus.

The business of the ICAV is reviewed in detail in the Manager's Report on page 5 and 6.

Performance review

The Company is in its first year of existence and as at 31 December 2016, the Net Asset Value was €7,813,439. At this date, Net Asset Value per share for pricing purposes was €101.56 for FCS Navigator Fund's Class A Participating shares; and €99.15 for FCS Navigator Plus Fund.

The results and financial position for the period are set out on pages 15, 16 and 17 of the financial statements.

Directors

The Directors who held office during the reporting period were as listed on page 3.

Directors and Secretary's interests in shares and contracts

The Director's and the ICAV Secretary and their families had no beneficial interest in the shares of the ICAV during the period or at 31 December 2016 or a material interest in any contract of significance during or at the period end in relation to the business of the ICAV.

FCS Global Fund Services ICAV

Directors' Report *(continued)*

Principal risks and uncertainties

A comprehensive yet non-exhaustive list of the ICAV's principal risks, including risks that may result from the use of financial derivative instruments, can be found in the ICAV's prospectus in the section 'Risk Factors'. From an exposure and leverage perspective, during the financial year in review the UCITS Commitment approach was utilised by the Manager to calculate and risk monitor market risks associated with the Sub-funds' investment portfolios - as per the ICAV's Risk Management Process document.

Dividends

No dividends were paid or proposed during the period.

Accounting records

The Directors ensure compliance with the ICAV's obligation to maintain adequate accounting records by appointing competent persons to be responsible for them. The accounting records are maintained by FCS Asset Management Limited.

Transactions with directors and connected parties

For the period ended 31 December 2016, transactions were carried out with the ICAV by the Manager or Investment Manager (collectively, "connected persons") as if negotiated at arm's length and the transactions were in the best interests of the shareholders. The Board of Directors are satisfied that (i) there are arrangements (evidenced by written procedures) in place to ensure the transactions with connected persons are carried out as described in the Central Bank's UCITS regulations 2015 and (ii) transactions with connected parties entered into during the period ended 31 December 2016 complied with the obligations set out in the notice.

UCITS V Remuneration Disclosure

The ICAV has implemented a remuneration policy pursuant to the UCITS V provisions, which became effective on 18 March 2016. These provisions require UCITS management companies and self-managed UCITS Funds to establish and apply remuneration policies and practices that promote sound and effective risk management, and do not encourage risk taking which is inconsistent with the risk profile of the UCITS.

Quantitative remuneration information will be included once the ICAV has completed its first annual performance period after the 18 March 2016 effective date, i.e. year ended 31 December 2017, to ensure the disclosure provides a reliable basis for comparison.

Significant events during the period

There were no significant events during the period.

Significant events after the period end

There were no significant events post period end. See Note 14 in Notes to the Financial Statements.

FCS Global Fund Services ICAV

Directors' Report *(continued)*

Statement of Directors' responsibilities

The directors are responsible for preparing the Directors' Report and financial statements, in accordance with applicable law and regulations.

The Irish Collective Asset-management Vehicles Act 2015 requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and applicable law.

The financial statements are required to give a true and fair view of the assets, liabilities and financial position of the ICAV at the end of the financial year and of the profit or loss of the ICAV for the financial year. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with IFRS as adopted by the EU; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the ICAV will continue in business.

The directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the ICAV and enable them to ensure that the financial statements comply with the Irish Collective Asset-management Vehicles Act 2015 and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the ICAV. In this regard they have entrusted the assets of the ICAV to a Depositary for safe-keeping. They have general responsibility for taking such steps as are reasonably open to them to prevent and detect fraud and other irregularities. The directors are also responsible for preparing a Directors' Report that complies with the requirements of the Irish Collective Asset-management Vehicles Act 2015.

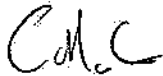
FCS Global Fund Services ICAV

Directors' Report *(continued)*

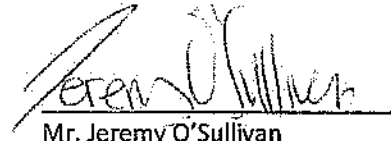
Auditors

Mazars were appointed during the period in accordance with Section 125(2) of the ICAV Act 2015 and have expressed their willingness to continue in office.

Approved and signed by the Directors on 26 April 2017:



Mr. Conor MacGuinness
Director



Mr. Jeremy O'Sullivan
Director

INDEPENDENT AUDITORS REPORT
TO THE SHAREHOLDERS OF
FCS GLOBAL FUND SERVICES ICAV

We have audited the financial statements of FCS Global Fund Services ICAV for the period ended 31 December 2016 which comprise the Statement of Financial Position, the Statement of Changes in Net Assets Attributable to Holders of Redeemable Participating Shares, the Statement of Comprehensive Income, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is the International Financial Reporting Standards (IFRSs) as adopted by the European Union and those parts of the ICAV Act 2015. The Financial Reporting Standard applicable in the UK and Republic of Ireland issued by the Financial Reporting Council and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (as amended) and Section 48(1) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015.

Respective responsibilities of directors and auditors

As explained more fully in the Statement of Directors' Responsibilities on page 10, the directors are responsible for the preparation of the financial statements giving a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinion, has been prepared for and only for the Shareholders of the ICAV 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 or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of the audit of the financial statements

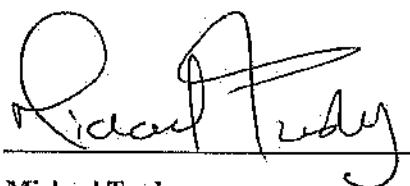
An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the ICAV's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the director's report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities, financial position and of its changes in net assets attributable to holders of redeemable participating shares of the ICAV as at 31 December 2016 and of its profit for the period then ended; and
- have been properly prepared in accordance with the requirements of the relevant financial reporting framework, the ICAV Act, 2015 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulation 2015.

We have obtained all the information and explanations which we consider necessary for the purposes of our audit.



Michael Tuohy
For and on behalf of

Mazars
Chartered Accountants
and Registered Auditors
Harcourt Centre, Block 3
Harcourt Road
Dublin 2

26 April 2017

FCS Global Fund Services ICAV

Statement of Financial Position

As at 31 December 2016

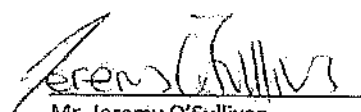
| | | FCS Global Fund Services ICAV 2016 € | FCS Navigator Fund 2016 € | FCS Navigator Plus Fund 2016 € |
|--|-------|--|---------------------------------------|--|
| | Notes | | | |
| Assets | | | | |
| Financial assets at fair value through profit or loss | 4 | 1,858,998 | 1,858,998 | - |
| Accrued income and other receivables | | 3,237 | 3,237 | - |
| Cash and cash equivalents | 5 | 5,968,865 | 1,789,080 | 4,179,785 |
| Total assets | | 7,831,100 | 3,651,315 | 4,179,785 |
| Liabilities | | | | |
| Accounts payable and accruals | 8 | 17,661 | 12,288 | 5,373 |
| Liabilities (excluding net assets attributable to holders of redeemable participating shares) | | 17,661 | 12,288 | 5,373 |
| Net assets attributable to holders of redeemable participating shares | | 7,813,439 | 3,639,027 | 4,174,412 |
| Net assets attributable to holders of redeemable participating shares per share | | | 101.56 | 99.15 |

The notes on pages 19 to 42 are an integral part of these financial statements.

The financial statements on pages 15 to 42 were approved and signed by the board of Directors on 26 April 2017.



Mr. Conor MacGuinness
Director



Mr. Jeremy O'Sullivan
Director

FCS Global Fund Services ICAV

Statement of Changes in Net Assets attributable to holders of redeemable participating shares

For the financial period ended 31 December 2016

| | | FCS Global Fund Services ICAV | FCS Navigator Fund | FCS Navigator Plus Fund |
|---|-------|-------------------------------------|--------------------------|-------------------------------|
| | | 2016 € | 2016 € | 2016 € |
| Net assets attributable to holders of redeemable participating shares at beginning of period | Notes | - | - | - |
| Issue of redeemable shares | 6 | 8,040,000 | 3,780,000 | 4,260,000 |
| Repurchase of redeemable participating shares | 6 | (252,719) | (202,801) | (49,918) |
| Increase/decrease in net assets attributable to holders of redeemable participating shares | | 26,158 | 61,828 | (35,670) |
| Net assets attributable to holders of redeemable participating shares at the end of the period | | 7,813,439 | 3,639,027 | 4,174,412 |

The notes on pages 19 to 42 are an integral part of these financial statements.

FCS Global Fund Services ICAV

Statement of Comprehensive Income

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

| | | FCS Global Fund Services ICAV 2016 € | FCS Navigator Fund 2016 € | FCS Navigator Plus Fund 2016 € |
|---|-------|--|---------------------------------------|--|
| | Notes | | | |
| Income | | | | |
| Interest income | | 847 | 847 | - |
| Net foreign currency gain | | 5,998 | 5,998 | - |
| Dividend and other income | | 3,871 | 3,871 | - |
| Net gain on financial assets at fair value through profit or loss | 4 | 92,906 | 92,906 | - |
| | | 103,622 | 103,622 | - |
| Expenses | | | | |
| Management fees | 8 | (21,166) | (8,241) | (12,925) |
| Administration fees | 8 | (11,804) | (7,476) | (4,328) |
| Transaction costs | | (875) | (875) | - |
| Depositary fee | 8 | (15,612) | (7,754) | (7,858) |
| Directors' fees | 11 | (11,200) | (5,600) | (5,600) |
| Incentive fee | 8 | (6,478) | (6,478) | - |
| Other operating expenses | | (1,031) | (519) | (512) |
| Interest expense | | (9,298) | (4,851) | (4,447) |
| | | (77,464) | (41,794) | (35,670) |
| Operating profit/(loss) | | 26,158 | 61,828 | (35,670) |
| Increase/(decrease) in net assets attributable to holders of redeemable participating shares resulting from operations | | 26,158 | 61,828 | (35,670) |

The notes on pages 19 to 42 are an integral part of these financial statements.

FCS Global Fund Services ICAV

Statement of Cash flows

For the financial period ended 31 December 2016

| | FCS Global Fund Services ICAV 2016 € | FCS Navigator Fund 2016 € | FCS Navigator Plus Fund 2016 € |
|--|--|---------------------------------------|--|
| Notes | | | |
| Cash flows from operating activities | | | |
| Increase/(decrease) in net assets attributable to holders of redeemable participating shares resulting from operations | 26,158 | 61,828 | (35,670) |
| Increase in other receivables | (3,237) | (3,237) | - |
| Increase in other payables | 17,661 | 12,288 | 5,373 |
| Increase in financial assets | (1,858,998) | (1,858,998) | - |
| Net cash flows used in operating activities | (1,818,416) | (1,788,119) | (30,297) |
| Cash flows from financing activities | | | |
| Proceeds from issue redeemable shares | 8,040,000 | 3,780,000 | 4,260,000 |
| Payments for redemption of shares | (252,719) | (202,801) | (49,918) |
| Net cash flows provided by financing activities | 7,787,281 | 3,577,199 | 4,210,082 |
| Net movement in cash and cash equivalents | 5,968,865 | 1,789,080 | 4,179,785 |
| Cash and cash equivalents at beginning of the period | - | - | - |
| Cash and cash equivalents at 31 December | 5,968,865 | 1,789,080 | 4,179,785 |
| Supplementary Information | | | |
| Net cashflow from operating activities include | | | |
| Dividend paid | 3871 | 3871 | - |

The notes on pages 19 to 42 are an integral part of these financial statements.

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

1. Reporting entity

The Company is an investment company with variable share capital and is established as an undertaking for collective investment in transferable securities pursuant to the European Communities (Undertaking for Collective Investment in Transferable Securities Regulations 2011 and 2015). The Company is structured as a multi-fund (umbrella) company and the sub-funds established under the umbrella company as at reporting date are FCS Navigator Fund and FCS Navigator Plus Fund. The Company was incorporated on 19 August 2015.

2. Summary of significant accounting policies

2.1 Basis of Preparation

These financial statements have been prepared for the period from 19 August 2015 (date of incorporation) to 31 December 2016.

Statement of Compliance

The financial statements of the ICAV have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the European Union and those parts of the ICAV Act 2015 applicable to entities reporting under IFRS and the Central Bank UCITS Regulations. The financial statements have been prepared on a going concern basis under the historical cost convention, as modified by the revaluation of financial assets and financial liabilities (including derivative financial instruments) at fair value through profit or loss.

New standards and amendments issued but not yet effective for the financial year beginning 22 December 2015 and not early adopted:

IFRS 9, "Financial Instruments" (effective 1 January 2018)

The new standard addresses classification and measurement of financial assets. IFRS 9 replaces the multiple classification models in IAS 39 with a single model that has only two classification categories: amortised cost and fair value. Classification under IFRS 9 is driven by the entity's business model for managing financial assets and the contractual characteristics of the financial assets. This will impact on the classification of the financial assets of the ICAV when adopted.

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

2. Summary of significant accounting policies *(continued)*

2.2 Operating expenses

Each of the Sub-Funds of the ICAV shall pay all of their own expenses and such proportion of the ICAV's expenses as is attributable to them. All expenses are accrued on a daily basis as part of net asset valuation each day. See note 8 for further details on fees paid by the ICAV.

2.3 Establishment expenses

All initial establishment expenses incurred were waived by the Investment Manager.

2.4 Functional and presentation currency

The Company's functional currency is euro (€), which is the currency of the primary economic environment in which it operates. The company's performance is evaluated and its liquidity is managed in euros. Therefore, euro is considered as the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions. The company's presentation currency is also euro.

2.5 Foreign currency translations

Transactions during the year, including purchases and sales of securities, income and expenses, are translated at the rate of exchange prevailing on the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date.

Foreign currency transaction gains and losses relating to cash and cash equivalents are presented in the statement of comprehensive income within 'net foreign currency gains'. Foreign currency transaction gains and losses on financial instruments classified as at fair value through profit or loss are included in the statement of comprehensive income within 'net gain or loss on financial assets and liabilities at fair value through profit or loss'.

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

2. Summary of significant accounting policies (*continued*)

2.6 Financial assets and liabilities

Classification

The Company classifies its financial assets and financial liabilities at initial recognition into the following categories, in accordance with IAS 39 Financial Instruments: Recognition and Measurement.

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

The category of financial assets and liabilities at fair value through the profit or loss is sub-divided into financial assets and liabilities held for trading: financial assets are classified as held for trading if they are acquired for the purpose of selling and/or repurchasing in the near term. This category includes equities, debentures and other interest bearing investments and derivatives.

These assets are acquired principally for the purpose of generating a profit from short-term fluctuations in price. All derivatives, debentures and liabilities from short sales of financial instruments are classified as held for trading. The Company's policy is not to apply hedge accounting.

Financial instruments designated as at fair value through profit or loss upon initial recognition: these include redeemable participating shares of the Company.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Company includes in this category short-term receivables.

Recognition and measurement

The Company recognises a financial asset or a financial liability when it becomes a party to the contractual provisions of the instrument.

Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Fund commits to purchase or sell the asset.

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

2. Summary of significant accounting policies (*continued*)

2.6 Financial assets and liabilities (*continued*)

Recognition and measurement (*continued*)

Loans and receivables and financial liabilities (other than those classified as held for trading) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue.

Financial assets and financial liabilities at fair value through profit or loss are recorded in the statement of financial position at fair value. All transaction costs for such instruments are recognised directly in the statement of comprehensive income.

After initial measurement, the Company measures financial instruments which are classified as at fair value through profit or loss, at fair value. Subsequent changes in the fair value of those financial instruments are recorded in net gain or loss on financial assets and liabilities at fair value through profit or loss. Interest and dividend income earned or paid on these instruments are recorded separately in interest income or expense and dividend income or expense in the statement of comprehensive income.

Loans and receivables are carried at amortised cost using the effective interest rate method less any allowance for impairment. Gains and losses are recognised in the statement of comprehensive income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

Financial liabilities, other than those classified as at fair value through profit or loss, are measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised, as well as through the amortisation process.

Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or a part of a group of similar financial assets) is derecognised where the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement and either:

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

2. Summary of significant accounting policies *(continued)*

2.6 Financial assets and liabilities *(continued)*

- (a) the Company has transferred substantially all the risks and rewards of the asset, or
- (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its right to receive cash flows from an asset (or has entered into a pass-through arrangement), and has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognised to the extent of the Company's continuing involvement in the asset. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the company has retained. The Company derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

2.7 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.8 Cash and cash equivalents

Cash and cash equivalents include deposits held at call with banks and other short-term investments in an active market with original maturities of three months or less.

2.9 Fair value measurement

The Company measures its investments in financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Company.

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

2. Summary of significant accounting policies *(continued)*

2.9 Fair value measurement *(continued)*

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The fair value of financial assets and liabilities traded in active markets are based on quoted market prices at each reporting date. The quoted market price used is the mid-value of the last traded price at each reporting date.

2.10 Redeemable participating shares

The Company issues redeemable participating shares which are redeemable at the holders' option and are classified as a financial liability. Redeemable participating shares can be put back to the Company at any time for cash equal to a proportionate share of the Company's net asset value.

The redeemable participating shares are carried at the redemption amount that is payable at the reporting date if the holder exercises the right to put the share back to the Company. Redeemable participating shares are issued and redeemed at the holder's option at prices based on the Company's net asset value per share at the time of issue or redemption. The Company's net asset value per share is calculated by dividing the net assets attributable to the holders of each redeemable share with the total number of outstanding redeemable shares.

2.11 Interest income and expense

Interest income and expense are recognised in the statement of comprehensive income for all interest-bearing financial instruments using the effective interest rate method.

2.12 Dividend income

Dividend income is recognised on the date on which the investments are quoted ex-dividend or, where no ex-dividend date is quoted, when the Company's right to receive the payment is established. Dividend income is presented gross of any non-recoverable withholding taxes, which are disclosed separately in the statement of comprehensive income.

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

2. Summary of significant accounting policies *(continued)*

2.13 Net gain or loss on financial assets and liabilities at fair value through profit or loss

This item includes changes in the fair value of financial assets and liabilities held for trading or designated upon initial recognition as at fair value through profit or loss and excludes interest and dividend income and expenses.

Unrealised gains and losses comprise changes in the fair value of financial instruments for the period and from reversal of prior year's unrealised gains and losses for financial instruments which were realised in the reporting year.

Realised gains and losses on disposals of financial instruments classified as at fair value through profit or loss are calculated using the first-in, first-out (FIFO) method. They represent the difference between an instrument's initial carrying amount and disposal amount, or cash payments or receipts made on derivative contracts (excluding payments or receipts on collateral margin accounts for such instruments).

2.14 Transaction costs

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

2.15 Withholding taxes

The Company is exempt from all forms of taxation in Ireland, including income, capital gains and withholding taxes. However, in some jurisdictions, investment income and capital gains are subject to withholding tax deducted at the source of the income. Withholding tax is a generic term used for the amount of withholding tax deducted at the source of the income and is not significant for the Company. The Company presents the withholding tax separately from the gross investment income in the statement of comprehensive income. For the purpose of the statement of cash flows, cash inflows from investments are presented net of withholding taxes, when applicable.

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

2. Summary of significant accounting policies (*continued*)

2.16 Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts recognised in the financial statements. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the assets and liabilities affected in future periods.

In the opinion of the Directors, the accounting estimates and judgements made in the course of preparing these financial statements are not difficult, subjective or complex to a degree which would warrant their description as critical in terms of the requirements of IAS 1.

3. Financial risk management

3.1 Capital risk management

The capital structure of the Company consists of share capital and net assets attributable to holders of redeemable participating shares as disclosed in Note 7 to these financial statements and in the statement of changes in net assets attributable to holders of redeemable participating shares, respectively.

3.2 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including price risk, currency risk and interest rate risk), credit risk and liquidity risk arising from the financial instruments it holds.

The Company's overall risk management programme seeks to maximise the returns derived for the level of risk to which the Company is exposed and seeks to minimise potential adverse effects on the Company's financial performance. The Company's policy allows it to use derivative financial instruments to both moderate and create certain risk exposures.

All securities investments present a risk of loss of capital. The maximum loss of capital on exchange traded notes, long equity and debt securities is limited to the fair value of those positions.

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

3. Financial risk management (*continued*)

3.2 Financial risk factors (*continued*)

The management of these risks is carried out by the investment manager under policies approved by the Board of Directors, and by ensuring that the Company complies with investment restrictions as set out in the Offering Memorandum.

The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as foreign exchange risk, interest rate risk, credit risk, the use of derivative financial instruments and non-derivative financial instruments and the investment of excess liquidity. The Company uses different methods to measure and manage the various types of risk to which it is exposed; these methods are explained below.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk) whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting similar financial instruments traded in the market.

(i) Price risk

Price risk is the risk of unfavourable changes in the fair values of equities as a result of changes in the levels of equity indices. The equity price risk exposure arises from the Company's investments in equity securities.

As at reporting date, FCS Navigator Fund had no concentration in individual equity positions exceeding 4.84% of the respective net assets attributable to holders of redeemable participating shares. FCS Navigator Plus had a nil portfolio as at period end.

Sensitivity analysis

Price risk is mitigated by the investment manager by constructing a diversified portfolio of investments. The carrying amount of financial instruments which could potentially subject the Company to price risk is disclosed within the preceding price risk section. A 5% increase/decrease in the price of the underlying instrument would result in a +/- €87,854 effect on the fair value of those instruments.

The sensitivity analysis is for illustrative purposes only as in practice, market rates rarely change in isolation and are likely to be interdependent.

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

3. Financial risk management (continued)

3.2 Financial risk factors (continued)

(a) Market risk (continued)

(i) Price risk (continued)

Concentration of price risk

The following table analyses the Company's concentration of price risk in the Company's equity portfolio by geographical distribution (based on counterparties' place of primary listing or, if not listed, place of domicile).

| | FCS Navigator Fund 2016 % | FCS Navigator Plus Fund 2016 % |
|---|---------------------------------------|--|
| European union (excluding United Kingdom) | 77% | - |
| Europe (other than EEA) | 5% | - |
| United States of America | 15% | - |
| Others | 3% | - |
| | <u>100%</u> | <u>-</u> |

The following table analyses the Fund's concentration of equity price risk in the Fund's equity portfolio by industrial distribution:

| | FCS Navigator Fund 2016 % | FCS Navigator Plus Fund 2016 % |
|-----------------|---------------------------------------|--|
| Basic materials | 24% | - |
| Financial | 2% | - |
| Industrial | 14% | - |
| Technology | 11% | - |
| Energy | 5% | - |
| Others | 44% | - |
| | <u>100%</u> | <u>-</u> |

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

3. Financial risk management (*continued*)

3.2 Financial risk factors (*continued*)

(a) Market risk (*continued*)

(ii) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company invests in securities that are denominated in currencies other than the euro. Accordingly, the value of the Company's assets may be affected favourably or unfavourably by fluctuations in currency rates.

The Company's investment manager monitors the Company's exposure to foreign exchange movements on a daily basis to assess the need to limit the Funds' exposure by entering into foreign exchange hedging transactions.

The tables below summarise the Company's monetary assets and liabilities which are denominated in a currency other than the euro.

FCS Navigator Fund

| | 2016 AUD € | 2016 DKK € | 2016 MXN € | 2016 NOK € | 2016 USD € |
|--------------|------------------|------------------|------------------|------------------|------------------|
| Assets | 64,874 | 59,908 | 101,925 | 65,476 | 286,141 |
| Liabilities | - | - | - | - | - |
| Net exposure | <u>64,874</u> | <u>59,908</u> | <u>101,925</u> | <u>65,476</u> | <u>286,141</u> |

The following table summarises the sensitivity of the Company's assets and liabilities to changes in foreign exchange movements at 31 December 2016. The analysis is based on the assumption that the relevant foreign exchange rate increased/decreased by 5% to the euro, with all other variables held constant.

This represents management's best estimate of a reasonable possible shift in the foreign exchange rates, having regard to historical volatility of those rates. This increase or decrease in the net assets attributable to holders of redeemable participating shares arises mainly from a change in the fair value of equity and fixed interest securities which are denominated in a currency other than the euro that are classified as financial assets and financial liabilities at fair value through profit or loss. FCS Navigator Plus Fund had no other assets and liabilities in foreign currencies other than Euro.

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

3. Financial risk management (continued)

3.2 Financial risk factors (continued)

(a) Market risk (continued)

(ii) Currency risk (continued)

FCS Navigator Fund

| | 2016 AUD € | 2016 DKK € | 2016 MXN € | 2016 NOK € | 2016 USD € |
|-------------|------------------|------------------|------------------|------------------|------------------|
| Sensitivity | +/-3,244 | +/-2,995 | +/-5,096 | +/-3,274 | +/-14,307 |

(iii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Since the Company mainly invests in equity instruments, its exposure to interest rate risk is considered not material in the opinion of the directors.

(b) Credit risk

The Company is exposed to credit risk, which is the risk that a counterparty will be unable to pay amounts in full when they fall due. The Company is exposed to counterparty credit risk on financial assets, cash and cash equivalents, amounts due from brokers and other receivable balances.

The maximum exposure to credit risk at the reporting date is the carrying amount of financial assets as set out below on the following page:

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

3. Financial risk management (continued)

3.2 Financial risk factors (continued)

(b) Credit risk (continued)

| | FCS Navigator Fund 2016 € | FCS Navigator Plus Fund 2016 € |
|---------------------------|---------------------------------------|--|
| Equity securities | 1,663,998 | - |
| Debt securities | 101,925 | - |
| Exchange traded notes | 93,075 | - |
| Other current assets | 3,237 | - |
| Cash and cash equivalents | 1,789,080 | 4,179,785 |
| | <u>3,651,315</u> | <u>4,179,785</u> |

None of these assets are impaired nor past due. The Company manages the exposure to credit risk by making placements with quality issuers or counterparties.

In accordance with the Company's policy, the Investment Manager monitors the Company's credit position on a daily basis and the Board of Directors reviews it on a quarterly basis.

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

The table below summarises the Company's exposure to the credit ratings as per Fitch's rating of debt securities as at 31 December 2016:

| | FCS Navigator Fund 2016 € As a % of Total debt Securities | FCS Navigator Plus Fund 2016 € As a % of Total debt Securities |
|-----|--|---|
| AAA | 100% | - |

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

3. Financial risk management *(continued)*

3.2 Financial risk factors *(continued)*

(b) Credit risk *(continued)*

The Company holds cash and cash equivalents with Societe Generale which is rated 'A1' by Moody's and with Banca March which has a current long term rating of 'Baa1' by Moody's.

Risk concentrations of the maximum exposure to credit risk

Concentration of credit risk is managed by client/counterparty, geographical region and industry sector.

The following table analyses the concentration of credit risk in the Funds' debt portfolio by geographical distribution (based on counterparties' country of domicile):

| | FCS Navigator Fund 2016 % | FCS Navigator Plus Fund 2016 % |
|---------------|---------------------------------------|--|
| South America | 100% | - |

The following table analyses the concentration of credit risk in the Fund's debt portfolio by industrial distribution.

| | FCS Navigator Fund 2016 % | FCS Navigator Plus Fund 2016 % |
|------------|---------------------------------------|--|
| Government | 100% | - |

Offsetting financial assets and financial liabilities

At 31 December 2016 there were no financial assets or financial liabilities offset in the statement of Financial Position or subject to a master netting agreement.

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

3. Financial risk management (continued)

3.2 Financial risk factors (continued)

(c) Liquidity risk

Liquidity risk is defined as the risk that the Company will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Exposure to liquidity risk arises because of the possibility that the Company could be required to pay its liabilities or redeem its shares earlier than expected.

The Company is exposed to daily cash redemptions of redeemable participating shares for FCS Navigator Fund and weekly liquidity for FCS Navigator Plus Fund. Its policy is therefore to invest its assets in investments that are traded in an active market and can be readily disposed of.

Redeemable participating shares are redeemed on demand at the holder's option based on the Fund's NAV per share at the time of redemption, calculated in accordance with the Funds' prospectus. The Company has no restrictions or specific capital requirements on the redemption of shares.

To manage liquidity risk, if total requests for redemption on any Dealing Day for a Fund exceed (i) 10% of the total number of shares in the Fund; or (ii) 10% of the Net Asset Value of the Fund, the Directors may in their discretion refuse to redeem any shares in excess of 10%.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining year at the reporting date to the contractual maturity date. The amounts in the table are the contractual undiscounted cash flows.

FCS Navigator Fund

| | 2016 More than 6 months € | 2016 More than 1 week up to 6 months € | 2016 Up to 1 week and on demand € |
|--|------------------------------------|--|---|
| Accounts payable and accruals | - | - | 12,288 |
| Net asset attributable to holders of redeemable participating shares | - | - | 3,639,027 |
| | - | - | 3,651,315 |

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

3. Financial risk management (continued)

FCS Navigator Plus Fund

| | 2016 | 2016 | 2016 |
|--|-------------|--------------|-------------|
| | More than 6 | More than 1 | Up to 1 |
| | months | week up to 6 | week and on |
| | € | months | demand |
| | € | € | € |
| Accounts payable and accruals | - | - | 5,373 |
| Net asset attributable to holders of redeemable participating shares | - | - | 4,174,412 |
| | - | - | 4,179,785 |

3.3 Fair values of financial instruments

As at 31 December 2016 the fair value of financial assets and liabilities traded in active markets are based on quoted market prices as at reporting date.

The carrying value of receivables and payables are assumed to approximate their fair values due to the short term maturities of these assets and liabilities.

Fair value hierarchy

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the IFRS 13 fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities that the ICAV has the ability to access at the measurement date;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as a price) or indirectly (i.e., derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs) and which are significant to the valuation.

As at 31 December 2016, FCS Navigator Plus Fund had a nil portfolio. The table on the following page analyses financial instruments at the end of the period by the level in the fair value hierarchy into which the fair value measurement is categorised.

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

3. Financial risk management (continued)

3.3 Fair values of financial instruments (continued)

Fair value hierarchy (continued)

| FCS Navigator Fund | 2016 Level 1 € | 2016 Level 2 € | 2016 Level 3 € | 2016 Total € |
|-----------------------|----------------------|----------------------|----------------------|--------------------|
| Equity securities | 1,663,998 | - | - | 1,663,998 |
| Debt securities | 101,925 | - | - | 101,925 |
| Exchange traded notes | 93,075 | - | - | 93,075 |
| | <u>1,858,998</u> | <u>-</u> | <u>-</u> | <u>1,858,998</u> |

4. Financial assets at fair value through profit or loss

| | FCS Navigator Fund 2016 Market value € | FCS Navigator Fund 2016 % of net assets |
|-----------------------|--|--|
| Debt securities | 101,925 | 2.80% |
| Equity securities | 1,663,998 | 45.73% |
| Exchange traded notes | 93,075 | 2.56% |
| | <u>1,858,998</u> | <u>51.09%</u> |

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

4. Financial assets at fair value through profit or loss (*continued*)

4.1 Net gains and losses on financial instruments at fair value through profit or loss

For the period ended 31 December 2016, the gains and losses on financial instruments at fair value through profit or loss consist of the following:

| | FCS Navigator Fund 2016 € | FCS Navigator Plus Fund 2016 € |
|----------------------------------|---------------------------------------|--|
| Unrealised (loss)/gain | (92,906) | - |
| Net foreign exchange (loss)/gain | (5,998) | - |
| | <u>(98,904)</u> | <u>-</u> |

5. Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents comprise the following bank balances:

| | FCS Navigator Fund 2016 € | FCS Navigator Fund 2016 % of net assets | FCS Navigator Plus Fund 2016 € | FCS Navigator Plus Fund 2016 % of net assets |
|--------------|---------------------------------------|--|--|---|
| Cash at bank | <u>1,789,080</u> | <u>49%</u> | <u>4,179,785</u> | <u>100%</u> |

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

6. Share capital and redeemable participating shares

The ICAV may issue shares subject to and in accordance with the Prospectus, the Bank Regulations, the requirements of the Central Bank and the Act. The share capital of the ICAV shall be equal to the value for the time being of the issued share capital of the ICAV. The actual value of the paid up share capital of the ICAV shall at all times be equal to the value of the assets of the ICAV after deduction of its liabilities. The share capital of the ICAV is to be divided into a specified number of shares without assigning any nominal value to them.

Shares of the ICAV shall be divided into ordinary participating shares of no nominal value ("Participating Shares") and ordinary management shares of no nominal value ("Management Shares"). The ICAV may issue shares as fully paid up, or subscribed and partly paid up, in accordance with the Prospectus, the requirements of the Central Bank, the Bank Regulations and the Act. The liability of Members in respect of payment on their shares shall be limited to the amount, if any, unpaid, on the shares respectively held by them.

Management shares

The Company has issued 2 voting shares of €1 each held by:

| | |
|------------------------------|------------------------------------|
| FCS Group Limited | 1 Management share (not paid) |
| FCS Asset Management Limited | 1 Management share (fully paid up) |

The management shares do not form part of the net asset value of the Company. In the opinion of the Directors, this disclosure reflects the nature of the Company's business as an investment Company.

Redeemable participating shares

The net assets attributable to holders of redeemable participating shares are at all times equal to the net asset value of the Company. Net assets attributable to a shareholder represent a liability in the Statement of Financial Position, and are carried at their fair value as at the Company's reporting date. Redeemable participating shares do not carry any voting rights.

The net asset value per participating redeemable share of FCS Navigator Fund is €101.56 and €99.15 for FCS Navigator Plus Fund.

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

6. Share capital and redeemable participating shares (continued)

The following table shows the movements during the period end 31 December 2016:

| | FCS Navigator Fund Participating Shares 2016 € | FCS Navigator Plus Fund Participating Shares 2016 € |
|---|--|---|
| Balance at the beginning of the period | - | - |
| Subscription of shares | 37,827,194 | 42,600,000 |
| Redemption of shares | (1,997,000) | (500,000) |
| Number of shares at the end of the period | 35,830,194 | 42,100,000 |

7. Reconciliation of the Dealing Net Asset Value to Financial Statements Net Assets Value

In view of the above, as at 31 December 2016, there was no difference between the net asset value of the Company based on the provisions in the Offering Memorandum and that reported in the financial statements. All initial set up fees incurred were waived by the Company.

Net Asset Value per share

| | FCS Navigator Fund 2016 | FCS Navigator Plus Fund 2016 |
|---|----------------------------------|---------------------------------------|
| Redeemable participating shares in issue at at end of financial year (units) | 35,830,194 | 42,100,000 |
| Net asset value of redeemable participating shares as at period end | 3,639,027 | 4,174,412 |
| Net asset value per redeemable participating share as at end of financial period | €101.56 | €99.15 |

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

8. Fees

Management fees

The manager is entitled to receive a management fee under the management agreement dated 18 May 2016, of 1.5% per annum in relation to Class A Participating Shares. The fee is based on the net asset value of each class payable monthly in arrears. Management fees charged for the period ended 31 December 2016 were €21,166 of which €8,352 was payable at period end.

Performance fees

The manager receives a performance fee calculated at 10% of the increase in the net asset value per share, if any, achieved by the Fund during such calendar month above the monthly hurdle rate of the 1 month EURIBOR. Performance fees paid during the year amounted to €6,478 all of which was payable at period end.

Administrator fees

The Administrator, FCS Asset Management Ltd, is entitled to fees under the administration agreement calculated based on the net asset value of the Funds, subject to a minimum of fee of €36,000 plus VAT, if any, per annum per fund and are payable monthly in arrears.

The fees due for the reporting period amounted to €11,804, of which €5,900 was payable at period end.

Custody fees

Custody fee is subject to a minimum monthly fee of €5,000. The fees due for the reporting period amounted to €4,918 all of which was still payable at period end.

Audit fees

Fees charged by the auditor for services rendered during the financial period ended 31 December 2016 are €8,500 for the period.

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

9. Taxation

The ICAV is an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997. Therefore, the ICAV is not liable to tax in respect of its income and gains other than in the occurrence of a chargeable event with respect to Irish resident shareholders.

Generally, a chargeable event arises on any distribution, redemption, repurchase, cancellation, transfer of shares or the ending of a 'Relevant Period'. A 'Relevant Period' is an eight year period beginning with the acquisition of the shares by the Shareholder and each subsequent period of eight years beginning immediately after the preceding Relevant Period.

A gain on a chargeable event does not arise in respect of:

- a. a shareholder who is not Irish resident and not ordinarily resident in Ireland at the time of the chargeable event, provided the necessary signed statutory declarations are held by the ICAV;
- b. certain exempted Irish resident investors who have provided the ICAV with the necessary signed statutory declarations;
- c. an exchange of shares arising on a qualifying amalgamation or reconstruction of the ICAV with another fund;
- d. any transactions in relation to shares held in a recognised clearing system as designated by order of the Revenue Commissioners of Ireland;
- e. certain exchanges of shares between spouses and former spouses on the occasion of judicial separation and/or divorce;
- f. an exchange by a Shareholder, effected by way of an arm's length bargain where no payment is made to the Shareholder of Shares in the ICAV for other Shares in the ICAV.

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

In the absence of an appropriate signed declaration, the ICAV will be liable to Irish tax on the occurrence of a chargeable event, and the ICAV reserves its right to withhold such taxes from the relevant Shareholders.

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

10. Related party transactions

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

Mr Jaime Aguirruza Fatosme is a Director of the Company and up to 4 December 2013, acted as a Director of FCS Asset Management Limited, which in turn acts as the Investment Manager to the Company.

11. Directors' remuneration

The Prospectus authorises the Directors to charge a fee for their services at a rate determined by the Directors. Each Director shall receive a fee for their services up to a maximum of €20,000 per annum, or such other amount which shall be from time to time be disclosed in the annual report of the ICAV. The Directors may elect to waive their entitlement to receive a fee. All Directors are entitled to reimbursement by the ICAV of expenses properly incurred in connection with the business of the ICAV or the discharge of their duties.

For the period ended 31 December 2016, the total Directors' remuneration was €11,200 of which €8,035 was prepaid at the period end.

12. Exchange rates

The following exchange rates were used at 31 December 2016 to convert investments and other assets and liabilities denominated from local to base currency:

| | AUD | DKK | MXN | NOK | USD |
|-----|--------|--------|--------|--------|--------|
| EUR | 0.6852 | 0.1344 | 0.0459 | 0.1100 | 0.9506 |

13. Significant events during the financial period

There were no significant events during the period.

14. Events after statement of financial position date

There has been no significant event after the statement of financial position date which in the opinion of the board of directors requires recognition or disclosure in the financial statements.

FCS Global Fund Services ICAV

Notes to the financial statements

For the period from 19 August 2015 (date of incorporation) to 31 December 2016

15. Commitments and contingent liabilities

As at the period ended 31 December 2016, the ICAV did not have any significant commitments or contingent liabilities.

16. Soft Commission

There were no soft commission arrangements entered into during the period.

17. Cross Liabilities

There were no cross liabilities between sub-funds at 31 December 2016.

18. Approval of financial statements

The financial statements were approved by the board of directors and authorised for issue on 26 April 2017.

FCS Global Fund Services ICAV

Portfolio

FCS Navigator fund

| Description | Holding | CRY | Market price as at 31 December 2016 in accordance with IAS 39 | Market price as at 31 December 2016 in accordance with Offering Memorandum |
|--|---------|-----|--|---|
| IPATH S&P 500 VIX S/T FU ETN (US) - VXX US | 500 | USD | 25.51 | 25.51 |
| OZ MINERALS LTD - OZL ASX | 12000 | AUD | 7.89 | 7.89 |
| NOVO NORDISK A/S-B - NOVOB CSED | 1750 | DKK | 254.7 | 254.7 |
| AUFEMININ - FEM PAR | 2000 | EUR | 28.5 | 28.5 |
| BANCO POPULAR ESPANOL - POP SM | 45000 | EUR | 0.918 | 0.918 |
| BARON DE LEY - BDL SM | 550 | EUR | 119.5 | 119.5 |
| BAYERISCHE MOTOREN WERKE AG - BMW ETR | 350 | EUR | 88.75 | 88.75 |
| CORTICEIRA AMORIM SA - COR LIS | 1500 | EUR | 8.5 | 8.5 |
| CTT-CORREIOS DE PORTUGAL - CTT LIS | 9500 | EUR | 6.445 | 6.445 |
| DIALOG SEMICONDUCTOR PLC - DLG ETR | 1600 | EUR | 40.165 | 40.165 |
| DISTRIBUIDORA INTERNACIONAL - DIA SM | 11500 | EUR | 4.665 | 4.665 |
| E.ON SE - EOAN ETR | 13000 | EUR | 6.7 | 6.7 |
| EBRO FOODS SA - EBRO SM | 2850 | EUR | 19.905 | 19.905 |
| ENCE ENERGIA Y CELULOSA SA - ENC SM | 28000 | EUR | 2.51 | 2.51 |
| EVONIK INDUSTRIES AG - EVK ETR | 1500 | EUR | 28.38 | 28.38 |
| GROUPE GUILLIN - ALGIL PAR | 1250 | EUR | 32.7 | 32.7 |
| HORNBAACH BAUMARKT AG - HBM ETR | 4068 | EUR | 27.67 | 27.67 |
| IBERPAPEL - IBG SM | 750 | EUR | 22.89 | 22.89 |
| L.D.C. SA - LOUP FP PAR | 300 | EUR | 94.49 | 94.49 |
| MIQUEL Y COSTAS - MCM SM | 2000 | EUR | 24.75 | 24.75 |
| TALGO SA - TLGO SM | 39000 | EUR | 4.518 | 4.518 |
| TECNICAS REUNIDAS SA - TRE MCE | 1600 | EUR | 38.965 | 38.965 |
| VISCOFAN SA - VIS SM | 1480 | EUR | 46.85 | 46.85 |
| LEROEY SEAFOOD GROUP ASA - LSG OSL | 600 | NOK | 481.1 | 481.1 |
| TGS NOPEC GEOPHYSICAL CO ASA - TGS OSL | 1600 | NOK | 191.7 | 191.7 |
| APPLE INC - AAPL US | 450 | USD | 115.82 | 115.82 |
| CHIPOTLE MEXICAN GRILL INC - CMG US | 50 | USD | 377.32 | 377.32 |
| GILEAD SCIENCES INC - GILD US US | 850 | USD | 71.61 | 71.61 |
| NEVSUN RESOURCES LTD - NSU US US | 22000 | USD | 3.09 | 3.09 |
| NEWMONT MINING CORP - NEM US US | 1650 | USD | 34.07 | 34.07 |
| QIWI PLC-SPONSORED ADR - QIWI US | 2500 | USD | 12.77 | 12.77 |

FCS Global Fund Services ICAV

Exchange traded notes

| | | | | |
|---|-----|-----|-------|-------|
| BANK JULIUS BAER & CO AG May 23 0% (EUR) - BAER 0 05/05/23 | 100 | EUR | 809.5 | 809.5 |
|---|-----|-----|-------|-------|

Bonds

| | | | | |
|--|-------|-----|--------|--------|
| MEX BONOS DESARR FIX RT Mar 26 5.75% - MBONO 5 3/4 03/05/26 | 25000 | MXN | 88.916 | 88.916 |
|--|-------|-----|--------|--------|

FCS Global Fund Service ICAV

33 Sir John Rogerson's Quay, Dublin 2 Ireland

Mazars
Chartered Accountants
Harcourt Centre
Block 3
Harcourt Road
Dublin 2

25 April 2017

Dear Sirs,

RE: FCS GLOBAL FUND SERVICES ICAV ("THE ICAV")

This representation letter is provided in connection with your audit of the financial statements of FCS Global Fund Services ICAV for the period ended 31 December 2016 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view of the assets, liabilities and financial position of the ICAV as at 31 December 2016 and of its results for the period then ended in accordance with the ICAV ACT 2015, the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and 2015(as amended) and with International Financial Reporting Standards ("IFRS").

We confirm that the below representations are made on the basis of such enquires of management and staff (and, where appropriate, inspection of evidence) as we have deemed appropriate and sufficient to satisfy ourselves that we can properly make each of the below representations to you.

To the best of our knowledge and belief:

a) Availability of information

All the accounting records have been made available to you for the purpose of your audit and all the transactions undertaken by the ICAV have been properly reflected and recorded in the accounting records. All of the records and related information have been made available to you, including minutes of all management and shareholders' meetings which are a complete and authentic record of the proceedings at those meetings.

We acknowledge as directors of the ICAV our responsibility for the financial statements which have been prepared for the ICAV from the underlying accounting records.

b) Transactions with Directors (Or persons connected with them)

Directors: Jeremy O'Sullivan, Conor MacGuinness, Jaime Agurruza Fatosme
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Registered in Ireland

FCS Global Fund Service ICAV

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The directors confirm that no transactions, arrangements or agreements were made or entered into by the ICAV with persons who at any time during the year were directors or officers of the ICAV, or persons connected with them.

c) Accounting policies

We confirm that we have reviewed the ICAV's accounting policies and estimation techniques and, having regard to the possible alternative policies and techniques, the accounting policies and estimation techniques selected for use in the preparation of the financial statements are the most appropriate to give a true and fair view of the ICAV's particular circumstances and have been selected and applied consistently for similar transactions, other events and conditions, as required by IAS 8 of IFRS.

d) Related Party Transactions

During the period the directors have identified and approved related party transactions and provided the information for disclosure of all transactions relevant to the ICAV in the financial statements. They are not aware of any other matters which require to be disclosed under IAS 24 ('Related Party Disclosures') of IFRS or other requirements.

e) Events after the statement of financial position date

The directors are not aware of any events since the statement of financial position date which require disclosure other than those disclosed in note 18 to the financial statements. There have been no events since the statement of financial position date, which necessitate revision of the figures included in the financial statements.

f) Compliance with law and regulation

We confirm that, we are not aware of any actual or potential material non-compliance with those laws and regulations which provide a legal framework within which the ICAV conducts its business and which are central to the ICAV's ability to conduct its business and hence to the results and financial position to be disclosed in the financial statements for the period ended 31 December 2016, together with the actual or contingent consequences which may arise therefrom.

g) Contingent liabilities

Provision has been made where a material loss is expected to result from any litigation or claims against the ICAV. Other contingent liabilities at the statement of financial position, none of which is expected to result in a material loss to the ICAV or in commitments, which it cannot meet, have been disclosed in the financial statements.

FCS Global Fund Service ICAV

33 Sir John Rogerson's Quay, Dublin 2 Ireland

All significant matters, which have been referred to solicitors, have been disclosed to you.

h) Unusual transactions

No transactions which had the primary objective of altering the appearance of the financial statements have been entered into during the year.

i) Going concern

The financial statements have been prepared on the going concern basis. In assessing the appropriateness of the going concern basis, the directors have taken account of all relevant information covering a period of at least twelve months from the date of approval of the financial statements, and are satisfied at the date of signing of the financial statements that the going concern basis is appropriate.

j) Fraud and error

We acknowledge our responsibility for the implementation and operations of accounting and internal control systems that are also designed to prevent and detect fraud and error. We have disclosed to you all significant facts relating to any frauds or suspected frauds known to management that may have affected the entity. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

k) Unadjusted accounts differences

In relation to these financial statements, there were no unadjusted accounts differences.

l) Classification of Financial instruments

All financial assets have been correctly designated as financial assets at fair value through profit or loss in accordance with IAS 39 (Financial instruments; Recognition and Measurement).

m) Valuation of Financial instruments

All financial assets designated as financial assets at fair value through profit or loss have been measured at their fair value. Reliable methods of evaluating fair value have been used.

n) Recognition of Income and Expenditure

We are satisfied that all income and gains reflected in the financial statements are an accurate

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reflection of ICAV's activity during the period. Similarly we are satisfied that all expenditure and losses reflected in the financial statements are an accurate reflection of ICAV's activity during the period.

This letter was tabled at the meeting of the Board of Directors of the ICAV on 25 April 2017.

Yours faithfully,

JAIME AGURRUZA FATOSME

Director

Jeremy O'Sullivan

Director

