

FCS Asset Management

FCS Global Fund Services ICAV

FCS Navigator Plus Fund (ISIN: IE00BYXWVB87)

June 2018

Market Commentary

June has been an intense month in terms of political events. Donald Trump and Kim Jong-Un met in Singapore where they agreed on the nuclear disarmament of North Korea in exchange for protection from the US. At the end of the month, commercial tariffs tensions raised again: there were rumours of restricting Chinese investment in some US sectors and more taxes to be imposed on European cars. This caused a back-and-forth movement on the S&P Index which increased by 0.48%¹ this month.

In Europe, it seems there has been a contagious effect on the stability of governments. After what happened last month with Italy and Spain, now it appears that Germany is having issues of its own. This caused the Eurostoxx to perform badly during June, losing -0.32%².

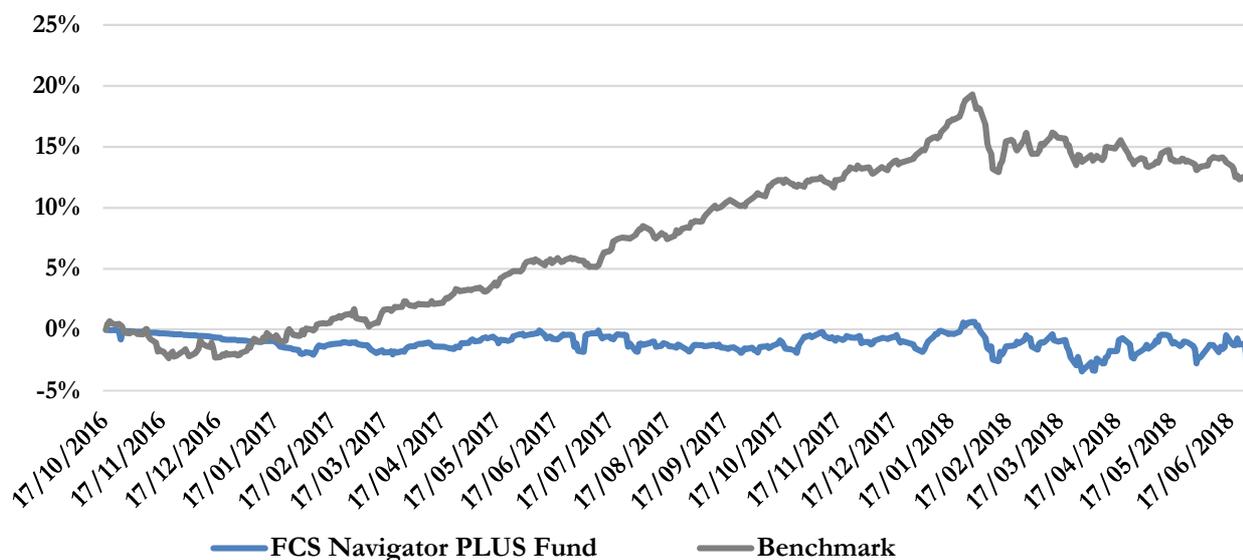
In Asia, we need to point out the performance of the Shanghai Composite Index which lost -8.01%³ in June (-20% from January). This is of particular interest given the impact the new tariffs could have on China. In contrast, Japan got good results last month with the Nikkei up +0.46%⁴.

With reference to currencies, during this month, the USD continued appreciating against the EUR +0.08%⁵, the GBP +0.69%⁶ and the YEN +1.78%⁷. With respect to EUR|GBP pair, we saw an appreciation of the GBP of +0.61%⁸ whilst the EUR|JPY showed an appreciation of the Euro +1.67%⁹.

This month has been a difficult month for the commodities market. These tariffs that we were talking about, caused Aluminium to go down -6.94%¹⁰ as well as Cooper -3.86%¹¹ and Gold -3.54%¹². Oil was the only commodity showing strength, increasing 2.38%¹³ in June, even with Saudi Arabia deciding to increase their production.

Source: ¹Bloomberg, SPX Index, 28/06/2018; ²Bloomberg, SX5E Index, 28/06/2018; ³Bloomberg, NKY Index, 28/06/2018; ⁴Bloomberg, SHCOMP Index, 28/06/2018; ⁵Bloomberg, EURUSD Curncy 28/06/2018; ⁶Bloomberg, GBP Curncy, 28/06/2018; ⁷Bloomberg, USDJPY Curncy 28/06/2018; ⁸Bloomberg, EURGBP Curncy, 28/06/2018; ⁹Bloomberg, EURJPY Curncy, 28/06/2018; ¹⁰Bloomberg, LMAHDS03 LME Comdty 28/06/2018; ¹¹Bloomberg, HGA Comdty, 28/06/2018; ¹²Bloomberg, XAU Curncy 28/06/2018; ¹³Bloomberg, CO1 Comdty, 28/06/2018.

Performance Review



Source: FCS AM, 28/06/2018, Bloomberg, 50% - BWORLD Index 28/06/2018, 25% - LGCPTRUU Index 28/06/2018, 25% - LGTRTRUU Index 28/06/2018, all based on one calendar year returns. Past performance is no guarantee of future returns.

Key Statistics

YTD Return:	-0.87%	Volatility (12M):	5.41%	Sortino Ratio (12M):	-0.27
Total RSI:	-2.64%	Beta (12M):	0.55	Treynor Ratio (12M):	-0.02
Last 12M:	-0.85%	Alpha (12M):	-4.15	Correlation (12M):	0.52
% win months	38.10%	Sharpe Ratio (12M):	-0.20	Downside Risk:	4.07%

Source: Solventis 28/06/2018 and FCS-AM, 28/06/2018. Past performance is no guarantee of future returns.

Portfolio Commentary

In June the political noise continued adding volatility to the markets. In addition, we still observed differences between Europe's and America's index performance. That contrast came from not only political issue but macroeconomics data too. Europe being a weaker player compared to America. The USD continued with its recovery against the rest of currencies affecting negatively gold which dropped around 3.54%.

Following the portfolio changes implemented in 2017, the reduced position in bonds up to 40% of the portfolio (including a new fixed income fund), some equity positions that represent 37% of the portfolio and an UBS Certificate (alternative investment) of around 8% of the portfolio the performance of the Fund is improving slowly and steadily. In addition, we opened a currency hedge position to cover US equity and set up a long EuroStoxx50 position through futures.

We remind our clients that our investment strategy continues to be mainly defensive and we do not follow benchmarks putting the interests of the clients first and the capital preservation as our main objective. FCS Navigator Plus Fund's performance decreased by -0.40% in June with an annualised volatility of 5.25%.

Fund Information

Investment Manager:	FCS Asset Management
Custodian:	Societe Generale S.A., Dublin Branch
Bloomberg Code:	FCGSIAE ID
Management Fee:	Class A: 1.5%

Performance Fee:	10% of net new appreciation above the monthly hurdle rate of 1 month EURIBOR
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Custodian Fee: 0.03%

Minimum Investment: 1 participation

Liquidity: Daily

Subscriptions: Direct

Borsa Italiana (Milan Stock Exchange)

Contact

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Disclaimer

Its very important to be aware that this information intends to reflect investment ideas but that past performance or any theoretical indication of performance is not indicative of future results. This Fund is a "UCITS V sub-fund". FCS Asset Management Ltd. ("FCS AM") strongly recommends any person who receives this document to ask for external independent professional investment advice.

FCS AM recommends that the reader interprets this information in conjunction with the "relevant documents" which include the Offering Document of FCS Global Fund Services ICAV and the Supplement of the FCS Navigator Plus as an Annex to this Document. The reader will have to carefully read and make sure to understand the part related to "The Strategy". FCS AM also strongly recommends that the reader asks for external independent legal and tax advice in order to assess if this potential theoretical investment is adequate to the potential investors in the Fund.

FCS AM does not intend with this presentation to present a complete description of the Fund and the strategy to which the Fund is linked and therefore strongly recommends not to invest in this or other similar fund unless the investor makes sure it understands the numerous risks associated with this potential investment. For this reason FCS AM, nor any of its Directors, representatives, affiliates or associated persons take no responsibility of liability whatsoever of any kind for the completeness, accuracy, veracity of the information contain herein. FCS AM advises not to invest in this or any other potential fund, investment or security similar to this if is the potential investor does not realize that it can lose all or part of their investment due to an unlimited number of risks such as liquidity risks, credit risks, financial risks, market risks, security risks, geopolitical risks, legal and tax risks.

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