

**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  
31 December 2017

# FCS Global Fund Services ICAV

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# FCS Global Fund Services ICAV

## Directors, officers and other information

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**Directors:** Mr. Jaime Agurruza Fatosme  
Mr. Conor MacGuinness (independent director)  
Mr. Jeremy O'Sullivan (independent director)

**Investment manager:** FCS Asset Management Ltd  
16/1, 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:** FCS Asset Management Ltd  
16/1, Sandra Flats,  
Windsor Terrace,  
Sliema SLM 1858  
Malta

**Transfer agent (up till 10 April 2017)**  
FCS Asset Management Ltd  
16/1, Sandra Flats,  
Windsor Terrace,  
Sliema SLM 1858  
Malta

# FCS Global Fund Services ICAV

## Directors, officers and other information *(continued)*

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**Registrar and transfer agents  
(as from 11 April 2017)**

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

**Depository**

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

**Bankers**

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

Altura Markets S.V., S.A.  
Vía de los Poblados 3,  
Parque Empresarial Cristalia  
Edif 2, PI 1 28033  
Madrid  
España

**Legal advisors:**

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

**Independent auditors:**

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

# FCS Global Fund Services ICAV

## Manager's Report

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### Market overview 2017

During the second half of 2017 macroeconomic data continued to show the same strength as at the beginning of 2017. We faced a continuation in trend reflected both in the leading indicators (PMIs, confidence indexes and ISM) and in the delayed ones (GDP and Employment). In addition to having reached in some of them historical maximums.

As for the stock indices, the semester was uneven: quite calm and positive in Japan (NIKKEI + 11.83%) and in the US (Dow Jones Indus, +10.33%, Nasdaq +6.98% and S&P 500 +6.12%). Some more volatile and mixed in Europe (EuroStoxx50 -2.53%, Dax +0.69%, CAC -0.32% and IBEX35 -1.49%).

Related to the uncertainties, mostly political, of the first months of the year, they lost intensity and relevance. Since the summer period the crisis with North Korea and the news coming from its nuclear tests took a back seat. In addition, the first step of the US fiscal reform has been taken with a principle of agreement for its implementation that brought greater political and business stability and, therefore, we expect it to be transmitted to the financial markets in a period of time that is still to be determined.

Regarding raw materials we saw a rebound in most of them in 2017. The price of gold pushed up to reach 1302 \$/oz (+13.53%). The price of WTI crude also picked up, +6.17% during the year. Aluminium (+33.96%) and copper (+30.92%) also experienced strong increases due to the solidity of demand.

Regarding the sectoral level, there was some movement or transfer between different sectors. It has been noted at the end of the year a transfer from the technology sector (which behaved in an exceptional way) towards the sector of banks and utilities. Although the performance of the 'FAANGs' have been not negligible during 2017: Facebook: +34.56%, Amazon: +55.96%, Apple: +46.11%, Netflix: +55.06% and Google / Alphabet: +16.62%.

### Manager's approach to markets in 2017

During 2017 the volatility continued at a low levels. Just during the last two months (especially November) some level of volatility came up and gave us a small opportunity to find interesting ideas to invest in at good prices. We will keep vigilant and prepared for 2018. Where those moments of uncertainty may come back again and we will take advantage of the irrationality of the market.

We remind to our clients when we invest we must do it with a business vision, our time horizon should always be the 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.

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)*

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### **Performance and description of position in 2017**

The performance of the FCS Navigator Fund ICAV during the second half of the year was negative (-3.24%). Our position in US Treasury Bonds (dollars) affected negatively due to increase of Euro vs Dollar. But we decrease that position at the end of the year allow the fund to recover +1.88% in December. Therefore, we got to close 2017 in positive +0.19% even though all the difficulties (low volatility in the market, small size of the fund & appreciation if Euro against Dollar).

The performance of the FCS Navigator Plus Fund ICAV during the second half of the year was lightly positive (+0.01%) due to the very defensive composition of portfolio (60% are Investment grade bonds from Italy, Spain, Belgium and Ireland). The performance of 2017 was -0.97%. At the end of the year we started to set up the new portfolio reducing the position in bonds and increasing in shares.

### **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 the defensive and refuge asset classes like gold, investment grade bonds and undervalued securities. As shown in the different public sources (Bloomberg or fcs-am.com) the low volatility ratios evidence that we managed the different risks trying to preserve capital as our main objective as well the profitability 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**

Aside from the breach detailed within this paragraph, the Sub-funds of the FCS Global Fund Services ICAV strictly met their risk management restrictions, conformed with the UCITS 'commitment approach' and complies with the applicable 'investment restrictions' and 'permitted investment criteria'. Furthermore, the ICAV's risk management procedures were strictly followed during 2017. With respect to the aforementioned breach, the FCS Navigator Fund breached the UCITS 10% borrowing limit in May 2017, as the Fund temporarily borrowed 13.42% of its assets in its USD cash account held with its depositary following trade activity. The breach was rectified within a few trading days following a spot FX trade between the Fund's EUR and USD cash accounts. The financial impact on the Fund was negligible and the Investment Manager took a number of steps to update and strengthen internal controls and procedures to prevent a re-occurrence of such a breach.

The Sub-fund of the FCS Global Funds SICAV p. l. c. strictly met the risk management restrictions, conformed with the UCITS 'commitment approach' and complied with the applicable 'investment restrictions' and 'permitted investment criteria'. Furthermore, the SICAV's risk management procedures were strictly followed during 2017.

**Eliza Montebello**  
**Managing Director**  
**FCS Asset Management Ltd**  
**19 April 2018**

# FCS Global Fund Services ICAV

## Report of the Depositary

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### FCS GLOBAL FUND SERVICES REPORT AND FINANCIAL STATEMENTS

For the period ended 31 December 2017

#### Depositary's Report

We have enquired into the conduct of the ICAV for the period ended 31 December 2017 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

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Société Générale S.A. Dublin Branch

19 April 2018

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# FCS Global Fund Services ICAV

## Information about the Company

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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)) UCITS Regulations 2015.

As at 31 December 2017, 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 2017.

	FCS Navigator Fund Class A shares	FCS Navigator Plus Fund Class A shares
Redeemable participating shares in issue at at end of financial year (units)	33,996.194	40,161.000
Net asset value of redeemable participating shares as at year end	€3,460,272	€3,943,916
Net asset value per redeemable participating share as at end of financial year	€101.78	€98.20
Highest price during the financial year	€107.02	€99.95
Lowest price during the financial year	€99.47	€97.74



# FCS Global Fund Services ICAV

## Directors' Report

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The Directors present their report and the audited financial statements of FCS Global Fund Services ICAV (the "ICAV") for the year ended 31 December 2017.

### 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

As at 31 December 2017, the Net Asset Value of the Company was €7,404,188 (2016: €7,813,439). At this date, Net Asset Value per share for pricing purposes was €101.78 for FCS Navigator Fund's Class A Participating shares; and €98.20 for FCS Navigator Plus Fund.

The results and financial position for the year are set out on pages 20, 22 and 24 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 year ended 31 December 2017 or a material interest in any contract of significance during or at the year end in relation to the business of the ICAV.

# FCS Global Fund Services ICAV

## Directors' Report *(continued)*

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### **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. Further information on these risks is included in note 3 of these financial statements.

### **Dividends**

No dividends were paid or proposed during the year.

### **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 and are located at their offices as stated on page 3.

### **Transactions with directors and connected parties**

For the year ended 31 December 2017, transactions were carried out with the ICAV by the 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 year ended 31 December 2017 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.

With respect to Remuneration, the Board of FCS Asset Management Ltd. ("the Company and Investment Manager") has considered the application of the proportionality principle and, taking into account the regulatory requirements as well as ESMA and MFSA's Guidelines, has determined that, given the size and internal organisation of the Company and the nature, scope and complexity of its activities, it is able on proportionality grounds to neutralise at the level of the whole Company, the remuneration rules relating to the pay-out process of the variable remuneration (Annex II, point (1),m) to o) of the AIFM Directive and Article 111ter, (1), points m) to o) of the UCIT Directive), and the requirement to establish a remuneration committee (Annex II, point (3) of the AIFM Law and Article 111ter, (3) of the UCITS Directive).

# FCS Global Fund Services ICAV

## Directors' Report *(continued)*

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### **UCITS V Remuneration Disclosure** *(continued)*

The Malta Financial Services Authority has granted the company a derogation from the remuneration requirements on the pay-out process and to establish a remuneration committee for a period of 2 (two) years.

The Company has adopted a remuneration policy pursuant to applicable laws and regulations with the objective to ensure that its remuneration structure is in line with its interests and those of the collective investment schemes it manages and to prevent risk – taking which is inconsistent with the risk profiles, rules or articles of incorporation or management regulations of the collective investment schemes it manages. Further details of the remuneration policy of the company are available at [www.fcs-am.com](http://www.fcs-am.com) or upon request.

With respect to the financial year ended 31 December 2017 (as of that date, the management company had a headcount of 15 employees), the total fixed and variable remuneration paid by the management company to its employees amounted to EUR 335,811 and to EUR 25,935 respectively. The total remuneration paid by the management company to senior management and members of its staff whose actions have a material impact on the risk profile of the collective investment schemes managed amounted to EUR 171,029. The remuneration function of the management company has reviewed the implementation of the remuneration policy and has not identified any deficiency in that respect. The updated Remuneration Policy of the Company was presented to the Authority throughout the financial year ending 2017.

### **Significant events during the year**

There were no significant events during the year.

### **Significant events after the year end**

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

# FCS Global Fund Services ICAV

## Directors' Report *(continued)*

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### **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)*

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### Auditors

The auditors Mazars will continue in office in accordance with Section 125(2) of the ICAV Act 2015.

Approved and signed by the Directors on 19 April 2018:



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Mr. Conor MacGuinness  
Director



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Mr. Jeremy O'Sullivan  
Director

# FCS Global Fund Services ICAV

## Corporate Governance Statement

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### **(a) General Requirements**

The ICAV is subject to the requirements of the Irish Collective Asset-management Vehicles Act 2015 (the "ICAV Act 2015"), and the the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations 2015 (the "Central Bank UCITS Regulations"). The ICAV is subject to corporate governance practices imposed by:

(i) the ICAV Act 2015 which can be obtained from the Irish statute book website at [www.irishstatutebook.ie](http://www.irishstatutebook.ie) and are available for inspection at the registered office of the ICAV;

(ii) the Instrument of Incorporation of the ICAV (the "Instrument") which may be obtained at the ICAVs Registration Office in Ireland and is available for inspection at the registered office of the ICAV;

(iii) The Central Bank in their Central Bank UCITS Regulations and Guidance Notes which can be obtained from the Central Bank website at:  
<http://www.centralbank.ie/regulation/industry-sectors/funds/Pages/default.aspx>

In addition to the above, the ICAV has adopted the Irish Funds Corporate Governance Code for Collective Investment Schemes and Management Companies (the "IF Code"). The Board has put in place a framework for corporate governance which it believes is suitable for an investment company with variable capital and which enables the ICAV to comply voluntarily with the requirements of the IF Code, which sets out principles of good governance and a code of best practice.

### **(b) Board of Directors**

In accordance with the ICAV Act 2015 and the Instrument unless otherwise determined by an ordinary resolution of the ICAV in general meeting, the number of Directors may not be less than two. The Board of Directors (the "Board") currently comprises of three Directors. Details of the current Directors are set out in the "Directors and Other Information" section on page 2, under the heading "Directors".

The Board has delegated management of the ICAV to certain delegate service providers. These delegate service providers are set out in the "ICAV and Other Information" section on page 2.

Board materials, including a detailed agenda of items for consideration at each Board meeting, minutes of the previous meeting and reports from various internal and external stakeholders, including delegate service providers, are generally circulated in advance of the meeting to allow all Directors adequate time to consider the material.

## FCS Global Fund Services ICAV

### Corporate Governance Statement *(continued)*

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#### (c) Internal Control and Risk Management Systems in Relation to Financial Reporting

The Board is responsible for establishing and maintaining adequate internal control and risk management systems of the ICAV in relation to the financial reporting process. The Board has entrusted the administration of the accounting records to an independent administrator, FCS Asset Management Ltd (the "Administrator"). The Board, through delegation to the Administrator, has put in place a formal procedure to ensure that adequate accounting records for the ICAV are properly maintained and are readily available, and includes the procedure for the production of audited annual financial statements for the ICAV. The annual financial statements of the ICAV are prepared by the Administrator and presented to the Board for approval, prior to applicable filing such as with the Central Bank.

From time to time, the Board will examine and evaluate the Administrator's financial accounting and reporting routines, and will monitor and evaluate the Auditors' performance, qualifications and independence.

On behalf of the Board of Directors:



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Mr. Conor MacGuinness  
Director



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Mr. Jeremy O'Sullivan  
Director

**FCS Global Fund Services ICAV**  
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**FCS Global Fund Services ICAV**

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**INDEPENDENT AUDITOR'S REPORT TO THE**  
**SHAREHOLDERS OF FCS GLOBAL FUND SERVICES ICAV**

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

***Opinion***

We have audited the financial statements of FCS Global Fund Services ICAV ('the ICAV') for the year ended 31 December 2017, which comprise the 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 to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the ICAV as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the ICAV Act, 2015 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulation 2011 as amended.

***Basis for opinion***

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the ICAV in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and 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.



**FCS Global Fund Services ICAV**  
**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF**  
**FCS Global Fund Services ICAV**

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**INDEPENDENT AUDITOR'S REPORT TO THE**  
**SHAREHOLDERS OF FCS GLOBAL FUND SERVICES ICAV**

***Conclusions relating to going concern***

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

- 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.

***Other information***

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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 or apparent material misstatements, 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.

# FCS Global Fund Services ICAV

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FCS Global Fund Services ICAV

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### ***Opinions on other matters prescribed by the ICAV Act 2015***

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the ICAV Act 2015

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 and financial statements are in agreement with the accounting records.

### **Respective responsibilities**

#### ***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set on page 12, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 management either intends to liquidate the ICAV or to cease operations, or has no realistic alternative but to do so.

# FCS Global Fund Services ICAV

## INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF FCS Global Fund Services ICAV

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### INDEPENDENT AUDITOR'S REPORT TO THE

### SHAREHOLDERS OF FCS GLOBAL FUND SERVICES ICAV

#### *Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at:

[http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description\\_of\\_auditors\\_responsibilities\\_for\\_audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf). This description forms part of our auditor's report.

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

Our report is made solely to the ICAV's members, as a body, in accordance with section 120 of the ICAV 2015. Our audit work has been undertaken so that we might state to the ICAV's members 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.

**Michael Tuohy**

**Date**

**for and on behalf of Mazars**

**Chartered Accountants & Statutory Audit Firm**

**Harcourt Centre,**

**Block 3**

**Harcourt Road**

**Dublin 2**

# FCS Global Fund Services ICAV

## Statement of Financial Position

As at 31 December 2017

	Notes	FCS Global Fund Services ICAV 2017 €	FCS Navigator Fund 2017 €	FCS Navigator Plus Fund 2017 €
<b>Assets</b>				
Financial assets at fair value through profit or loss	4	5,885,578	2,755,026	3,983,933
Cash and cash equivalents	5	1,459,736	655,632	804,104
Accrued income and other receivables		105,345	73,826	31,519
<b>Total assets</b>		<b>7,450,659</b>	<b>3,484,484</b>	<b>4,819,556</b>
<b>Liabilities</b>				
Accounts payable and accruals	8	46,471	24,212	22,259
Amounts to be paid		-	-	853,381
<b>Liabilities (excluding net assets attributable to holders of redeemable participating shares)</b>		<b>46,471</b>	<b>24,212</b>	<b>875,640</b>
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>7,404,188</b>	<b>3,460,272</b>	<b>3,943,916</b>
<b>Net assets attributable to holders of redeemable participating shares per share</b>			<b>101.78</b>	<b>98.20</b>

The notes on pages 28 to 58 are an integral part of these financial statements.

The financial statements on pages 20 to 58 were approved and signed by the board of Directors on 19 April 2018.



Mr. Conor MacGuinnéss  
Director



Mr. Jeremy O'Sullivan  
Director

# FCS Global Fund Services ICAV

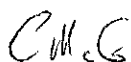
## Statement of Financial Position

As at 31 December 2016

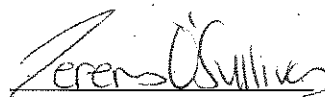
	Notes	FCS Global Fund Services ICAV 2016 €	FCS Navigator Fund 2016 €	FCS Navigator Plus Fund 2016 €
<b>Assets</b>				
Financial assets at fair value through profit or loss	4	1,858,998	1,858,998	-
Accrued income and other receivables		3,237	3,237	-
Cash and cash equivalents	5	5,968,865	1,789,080	4,179,785
<b>Total assets</b>		<b>7,831,100</b>	<b>3,651,315</b>	<b>4,179,785</b>
<b>Liabilities</b>				
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
<b>Net assets attributable to holders of redeemable participating shares</b>		<b>7,813,439</b>	<b>3,639,027</b>	<b>4,174,412</b>
<b>Net assets attributable to holders of redeemable participating shares per share</b>			<b>101.56</b>	<b>99.15</b>

The notes on pages 28 to 58 are an integral part of these financial statements.

The financial statements on pages 20 to 58 were approved and signed by the board of Directors on 19 April 2018.



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 year ended 31 December 2017

		FCS Global Fund Services ICAV	FCS Navigator Fund	FCS Navigator Plus Fund
	Notes	2017 €	2017 €	2017 €
Net assets attributable to holders of redeemable participating shares at beginning of year		7,813,439	3,639,027	4,174,412
Issue of redeemable shares	6	596,742	393,040	203,702
Repurchase of redeemable participating shares	6	(977,487)	(581,955)	(395,532)
<b>Increase/(decrease) in net assets attributable to holders of redeemable participating shares</b>		<b>(28,506)</b>	<b>10,160</b>	<b>(38,666)</b>
<b>Net assets attributable to holders of redeemable participating shares at the end of the year</b>		<b>7,404,188</b>	<b>3,460,272</b>	<b>3,943,916</b>

*The notes on pages 28 to 58 are an integral part of these financial statements.*

## FCS Global Fund Services ICAV

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

For the financial year ended 31 December 2016

		FCS Global Fund Services ICAV	FCS Navigator Fund	FCS Navigator Plus Fund
	Notes	2016 €	2016 €	2016 €
Net assets attributable to holders of redeemable participating shares at beginning of period		-	-	-
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 28 to 58 are an integral part of these financial statements.*

# FCS Global Fund Services ICAV

## Statement of Comprehensive Income

For the financial year ended 31 December 2017

		FCS Global Fund Services ICAV 2017 €	FCS Navigator Fund 2017 €	FCS Navigator Plus Fund 2017 €
	Notes			
<b>Income</b>				
Interest income		73,522	20,636	52,886
Dividend and other income		39,286	33,996	5,290
Net gain on financial assets at fair value through profit or loss	4	457,622	328,868	128,754
Net foreign currency loss		(202,090)	(141,195)	(60,895)
		<b>368,340</b>	<b>242,305</b>	<b>126,035</b>
<b>Expenses</b>				
Management fees	8	(114,019)	(53,027)	(60,992)
Administration fees	8	(35,803)	(35,803)	-
Transaction costs		(19,779)	(18,171)	(1,608)
Depositary fee	8	(61,952)	(30,896)	(31,056)
Directors' fees	11	(46,942)	(23,471)	(23,471)
Performance fee	8	(19,462)	(19,462)	-
Other operating expenses		(45,508)	(25,327)	(20,181)
Interest expense		(9,475)	(4,035)	(5,440)
Secretarial fees		(24,976)	(12,488)	(12,488)
Audit fee	8	(18,930)	(9,465)	(9,465)
		<b>(396,846)</b>	<b>(232,145)</b>	<b>(164,701)</b>
<b>Operating profit/(loss)</b>		<b>(28,506)</b>	<b>10,160</b>	<b>(38,666)</b>
<b>Increase/(decrease) in net assets attributable to holders of redeemable participating shares resulting from operations</b>		<b>(28,506)</b>	<b>10,160</b>	<b>(38,666)</b>

The notes on pages 28 to 58 are an integral part of these financial statements.



# FCS Global Fund Services ICAV

## Statement of Comprehensive Income

For the financial year ended 31 December 2016

	Notes	FCS Global Fund Services ICAV 2016 €	FCS Navigator Fund 2016 €	FCS Navigator Plus Fund 2016 €
<b>Income</b>				
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	-
		<u>103,622</u>	<u>103,622</u>	<u>-</u>
<b>Expenses</b>				
Management fees	8	(21,166)	(8,241)	(12,925)
Administration fees	8	(11,804)	(7,476)	(4,328)
Transaction costs		(875)	(875)	-
Depository 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)
		<u>(77,464)</u>	<u>(41,794)</u>	<u>(35,670)</u>
<b>Operating profit/(loss)</b>		<u>26,158</u>	<u>61,828</u>	<u>(35,670)</u>
<b>Increase/(decrease) in net assets attributable to holders of redeemable participating shares resulting from operations</b>		<u>26,158</u>	<u>61,828</u>	<u>(35,670)</u>

The notes on pages 28 to 58 are an integral part of these financial statements.

# FCS Global Fund Services ICAV

## Statement of Cash flows

For the financial year ended 31 December 2017

Notes	FCS Global Fund Services ICAV 2017 €	FCS Navigator Fund 2017 €	FCS Navigator Plus Fund 2017 €
<b>Cash flows from operating activities</b>			
Increase/(decrease) in net assets attributable to holders of redeemable participating shares resulting from operations	(28,506)	10,160	(38,666)
Increase in other receivables	(102,108)	(70,589)	(31,519)
Increase in other payables	28,810	11,924	870,267
Increase in financial assets	(4,026,580)	(896,028)	(3,983,933)
<b>Net cash flows used in operating activities</b>	<b>(4,128,384)</b>	<b>(944,533)</b>	<b>(3,183,851)</b>
<b>Cash flows from financing activities</b>			
Proceeds from issue redeemable shares	596,742	393,040	203,702
Payments for redemption of shares	(977,487)	(581,955)	(395,532)
<b>Net cash flows used in financing activities</b>	<b>(380,745)</b>	<b>(188,915)</b>	<b>(191,830)</b>
<b>Net movement in cash and cash equivalents</b>	<b>(4,509,129)</b>	<b>(1,133,448)</b>	<b>(3,375,681)</b>
<b>Cash and cash equivalents at beginning of the year</b>	<b>5,968,865</b>	<b>1,789,080</b>	<b>4,179,785</b>
<b>Cash and cash equivalents at 31 December</b>	<b>1,459,736</b>	<b>655,632</b>	<b>804,104</b>
<b>Supplementary Information</b>			
Net cashflow from operating activities include			
Dividend paid	39,286	33,996	5,290
Interest paid	73,522	20,636	52,886

*The notes on pages 28 to 58 are an integral part of these financial statements.*

# FCS Global Fund Services ICAV

## Statement of Cash flows

For the financial year ended 31 December 2016

Notes	FCS Global Fund Services ICAV 2016 €	FCS Navigator Fund 2016 €	FCS Navigator Plus Fund 2016 €
<b>Cash flows from operating activities</b>			
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)	-
<b>Net cash flows used in operating activities</b>	<b>(1,818,416)</b>	<b>(1,788,119)</b>	<b>(30,297)</b>
<b>Cash flows from financing activities</b>			
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)
<b>Net cash flows provided by financing activities</b>	<b>7,787,281</b>	<b>3,577,199</b>	<b>4,210,082</b>
<b>Net movement in cash and cash equivalents</b>	<b>5,968,865</b>	<b>1,789,080</b>	<b>4,179,785</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at 31 December</b>	<b>5,968,865</b>	<b>1,789,080</b>	<b>4,179,785</b>
<b>Supplementary Information</b>			
Net cashflow from operating activities include			
Dividend paid	3,871	3,871	-

*The notes on pages 28 to 58 are an integral part of these financial statements.*

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

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### 1. Reporting entity

The Company, FCS Global Fund Services ICAV, 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 year ended 31 December 2017 at fair value.

#### 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. Management do not think IFRS 9 will have a material impact on the Company as financial assets are carried at fair value through profit or loss.

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

---

### 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

For the purpose of calculating the dealing Net Asset Value and per the ICAV's prospectus, the preliminary expenses incurred in connection with the establishment and initial issue of shares in the Sub-Funds when incurred will be amortised over the first five financial years of the ICAV. However, as required by IFRS, this expense must be written off when incurred and so these financial statements have been adjusted accordingly, as set out in note 7 on page 54. This is for financial statements purposes only and has no impact on the Dealing NAV.

#### 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 year from 1 January 2017 to 31 December 2017

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### 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, bonds, exchange traded notes 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.

##### *(iii) Futures*

Futures are contracts for delayed delivery of commodities, securities or money market instruments in which the seller agrees to make delivery at a specified future date of a specified commodity or instrument, at a specified price or yield. Gains and losses on futures are recorded by the ICAV based upon market fluctuations and are recorded as realised or unrealised gains or losses in the Statement of Comprehensive Income.

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

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

#### 2.6 Financial assets and liabilities *(continued)*

##### 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.

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 on the Statement of Comprehensive Income. 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.

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

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

#### 2.6 Financial assets and liabilities *(continued)*

##### **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:

- (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.



# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

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

#### 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.

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.

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

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

#### 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.

#### 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 year 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 year from 1 January 2017 to 31 December 2017

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### 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 year from 1 January 2017 to 31 December 2017

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### 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. Market risk is comprised of price risk, currency risk and interest rate risk.

##### ***(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 3.52% (2016: 4.84%) of the respective net assets attributable to holders of redeemable participating shares. FCS Navigator Plus had a concentration of 8.34% (2016: nil) in an individual equity position of the respective net assets attributable to holders of redeemable participating shares.

##### ***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 +/- €85,253 (2016: +/- €87,854) effect on the fair value of those instruments in FCS Navigator Fund whilst it would result in a +/- €30,016 (2016: nil) in FCS Navigator Plus Fund.

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

### 3. Financial risk management *(continued)*

#### 3.2 Financial risk factors *(continued)*

##### (a) Market risk *(continued)*

##### (i) Price risk *(continued)*

##### **Sensitivity analysis *(continued)***

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

##### **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 2017 %	FCS Navigator Plus Fund 2017 %
European Union (excluding United Kingdom)	79%	67%
Europe (other than EEA)	2%	-
United States of America	15%	33%
Others	4%	-
	<hr/> 100% <hr/>	<hr/> 100% <hr/>
	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%	-
	<hr/> 100% <hr/>	<hr/> - <hr/>

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

### 3. Financial risk management *(continued)*

#### 3.2 Financial risk factors *(continued)*

##### Market risk *(continued)*

##### *(i) Price risk (continued)*

##### **Concentration of price risk *(continued)***

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

	FCS Navigator Fund 2017 %	FCS Navigator Plus Fund 2017 %
Basic materials	22%	-
Financial	-	33%
Industrial	26%	-
Technology	6%	34%
Energy	8%	-
Others	38%	33%
	100%	100%

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

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

### 3. Financial risk management *(continued)*

#### 3.2 Financial risk factors *(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

	2017 AUD €	2017 DKK €	2017 MXN €	2017 NOK €	2017 USD €	2017 GBP €
Assets	39,379	30,318	225,262	110,355	1,207,162	4,629
Liabilities	-	-	-	-	-	-
<b>Net exposure</b>	<b>39,379</b>	<b>30,318</b>	<b>225,262</b>	<b>110,355</b>	<b>1,207,162</b>	<b>4,629</b>

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

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

### 3. Financial risk management (continued)

#### 3.2 Financial risk factors (continued)

(ii) *Currency risk (continued)*

#### FCS Navigator Plus Fund

	2017 USD €
Assets	600,314
Liabilities	-
<b>Net exposure</b>	<b>600,314</b>

As at 31 December 2016, FCS Navigator Plus Fund had no assets and liabilities in foreign currencies other than Euro.

The following tables summarises the sensitivity of the Company's assets and liabilities to changes in foreign exchange movements at 31 December 2017 and 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 Fund

	2017 AUD €	2017 DKK €	2017 MXN €	2017 NOK €	2017 USD €	2017 GBP €
Sensitivity	+/-1,969	+/-1,516	+/-11,263	+/-5,518	+/-60,358	+/-4,629
	2016 AUD €	2016 DKK €	2016 MXN €	2016 NOK €	2016 USD €	2016 GBP €
Sensitivity	+/-3,244	+/-2,995	+/-5,096	+/-3,274	+/-14,307	-



# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

### 3. Financial risk management *(continued)*

#### 3.2 Financial risk factors *(continued)*

##### (a) Market risk *(continued)*

##### (ii) Currency risk *(continued)*

##### FCS Navigator Plus Fund

	2017 USD €
Sensitivity	+/-30,016
	<hr/>
	2016 USD €
Sensitivity	-
	<hr/>

##### (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.

The Sub-funds of the Company have a mixed allocation between equity, fixed income and alternative investments. Given the sizeable allocation of the Sub-funds' portfolios to fixed income, the Company is exposed to interest rate risk, particularly interest risk exposure from high investment grade sovereign bonds. However, particularly in relation to the FCS Navigator Fund, in order to manage the Company's exposure to this risk the Manager during the year implemented hedging measures through the use of exchange traded derivatives. In relation to FCS Navigator Plus Fund, the high investment grade sovereign bonds exposure was focused on short dated bonds thereby limiting the funds exposure to duration and interest rate fluctuations.

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

### 3. Financial risk management (continued)

#### 3.2 Financial risk factors (continued)

##### (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:

	Navigator Fund 2017 €	Navigator Plus Fund 2017 €	FCS Global Fund Services ICAV 2017 €
Equity securities	1,299,383	1,006,297	2,305,680
Debt securities	1,128,501	2,672,116	3,800,617
Exchange traded notes	320,400	305,520	625,920
Futures	6,742	-	6,742
Other current assets	73,826	31,519	105,345
Cash and cash equivalents	655,632	804,104	1,459,736
	<u>3,484,484</u>	<u>4,819,556</u>	<u>8,304,040</u>

	Navigator Fund 2017 €	Navigator Plus Fund 2017 €	FCS Global Fund Services ICAV 2017 €
Equity securities	1,663,998	-	1,663,998
Debt securities	101,925	-	101,925
Exchange traded notes	93,075	-	93,075
Other current assets	3,237	-	3,237
Cash and cash equivalents	1,789,080	4,179,785	5,968,865
	<u>3,651,315</u>	<u>4,179,785</u>	<u>7,831,100</u>

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

### 3. Financial risk management (continued)

#### 3.2 Financial risk factors (continued)

##### (b) Credit risk (continued)

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 Moody's rating of debt securities as at 31 December 2017:

	FCS Navigator Fund 2017 € As a % of Total debt Securities	FCS Navigator Plus Fund 2017 € As a % of Total debt Securities
AAA	80%	-
A3	20%	-
A2	-	11%
Baa2u	-	21%
NR	-	68%
	<b>100%</b>	<b>100%</b>

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

### 3. Financial risk management (continued)

#### 3.2 Financial risk factors (continued)

##### (b) Credit risk (continued)

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

The Company holds cash and cash equivalents with Societe Generale which is rated 'A1' by Moody's; Banca March which has a current long term rating of 'A3' by Moody's and Altura Markets S.V S.A which is currently not rated.

##### **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 2017 %	FCS Navigator Plus Fund 2017 %
South America	20%	-
United States of America	80%	-
European union (excluding United Kingdom)	-	100%
	<b>100%</b>	<b>100%</b>

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

### 3. Financial risk management (continued)

#### 3.2 Financial risk factors (continued)

##### *Risk concentrations of the maximum exposure to credit risk (continued)*

	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 2017 %	FCS Navigator Plus Fund 2017 %
Government	100%	100%

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

##### ***Offsetting financial assets and financial liabilities***

At 31 December 2017 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 year from 1 January 2017 to 31 December 2017

### 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

	2017	2017	2017
	More than 6	More than 1	Up to 1
	months	week up to 6	week and on
	€	months	demand
	€	€	€
Accounts payable and accruals	-	-	24,212
Net asset attributable to holders of redeemable participating shares	-	-	3,460,272
	<u>-</u>	<u>-</u>	<u>3,484,484</u>

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

### 3. Financial risk management (continued)

#### FCS Navigator Fund (continued)

	2016	2016	2016
	More than 6 months	More than 1 week up to 6 months	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
	<u>-</u>	<u>-</u>	<u>3,651,315</u>

#### FCS Navigator Plus Fund

	2017	2017	2017
	More than 6 months	More than 1 week up to 6 months	Up to 1 week and on demand
	€	€	€
Accounts payable and accruals	-	-	22,259
Unsettled trades	-	-	853,381
Net asset attributable to holders of redeemable participating shares	-	-	3,943,916
	<u>-</u>	<u>-</u>	<u>4,819,556</u>

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

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

### 3. Financial risk management (continued)

#### 3.3 Fair values of financial instruments

As at 31 December 2017 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.

The table on the following page analyses financial instruments at the end of the year by the level in the fair value hierarchy into which the fair value measurement is categorised.

FCS Navigator Fund	2017	2017	2017	2017
	Level 1	Level 2	Level 3	Total
	€	€	€	€
Equity securities	1,299,383	-	-	1,299,383
Debt securities	1,128,501	-	-	1,128,501
Exchange traded notes	320,400	-	-	320,400
Futures	6,742	-	-	6,742
	<u>2,755,026</u>	<u>-</u>	<u>-</u>	<u>2,755,026</u>



# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

### 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
Futures	-	-	-	-
	<u>1,858,998</u>	<u>-</u>	<u>-</u>	<u>1,858,998</u>

FCS Navigator Plus Fund	2017 Level 1 €	2017 Level 2 €	2017 Level 3 €	2017 Total €
Equity securities	1,006,297	-	-	1,006,297
Debt securities	2,672,116	-	-	2,672,116
Exchange traded notes	305,520	-	-	305,520
	<u>3,983,933</u>	<u>-</u>	<u>-</u>	<u>3,983,933</u>

As at 31 December 2016, FCS Navigator Plus Fund had a nil portfolio.

### 4. Financial assets at fair value through profit or loss

	FCS Navigator Fund 2017 Market value €	FCS Navigator Fund 2017 % of net assets
Debt securities	1,128,501	32.61%
Equity securities	1,299,383	37.55%
Exchange traded notes	320,400	9.26%
Futures	6,742	0.19%
	<u>2,755,026</u>	<u>79.61%</u>

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

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

	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 Navigator Plus Fund 2017 Market value €	FCS Navigator Plus Fund 2017 % of net assets
Debt securities	2,672,116	67.75%
Equity securities	1,006,297	25.51%
Exchange traded notes	305,520	7.75%
	<u>3,983,933</u>	<u>101.01%</u>

As at 31 December 2016, FCS Navigator Plus Fund had a nil portfolio.

As at 31st December 2017, the derivative positions held within the portfolio of FCS Navigator Fund were as follows:

Description	CCY	Industry	Geographical location
7 USH8 Comb Mar 18 Futures	USD	Government Bonds	United States of America

During the end of 2017, short positions were taken in exchange traded US treasury bond futures as part of a hedging strategy implemented in order to cover the Sub-fund's US bond position exposures in the portfolio. From the perspective of the Sub-fund's global exposure (calculated under the UCITS commitment method), this hedging strategy served to reduce the Sub-fund's market risk exposure (including interest rate risk) because no incremental exposure was generated by shorting such bond futures contracts.

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

### 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 year ended 31 December 2017, the gains and losses on financial instruments at fair value through profit or loss consist of the following:

	FCS Navigator Fund 2017 €	FCS Navigator Plus Fund 2017 €
Unrealised gain	328,868	128,754
Net foreign exchange (loss)	(141,195)	(60,895)
	<u>(187,673)</u>	<u>(67,859)</u>

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

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

### 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 2017 €	FCS Navigator Fund 2017 % of net assets	FCS Navigator Plus Fund 2017 €	FCS Navigator Plus Fund 2017 % of net assets	FCS Global Fund Services ICAV 2017 €	FCS Global Fund Services ICAV 2017 % of net assets
Cash at bank	655,632	18.95%	804,104	20.39%	1,459,736	17.68%
	FCS Navigator Fund 2016 €	FCS Navigator Fund 2016 % of net assets	FCS Navigator Plus Fund 2016 €	FCS Navigator Plus Fund 2016 % of net assets	FCS Global Fund Services ICAV 2016 €	FCS Global Fund Services ICAV 2016 % of net assets
Cash at bank	1,789,080	49%	4,179,785	100%	5,968,865	76.39%

### 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.

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

### 6. Share capital and redeemable participating shares (continued)

#### *Management shares*

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

FCS Group Limited	1 Management share (fully paid up)
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 €101.78 (2016: €101.56) and €98.20 (2016: €99.15) for FCS Navigator Plus Fund.

The following table shows the movements during the year end 31 December 2017:

	FCS Navigator Fund Participating Shares 2017 €	FCS Navigator Plus Fund Participating Shares 2017 €
Balance at the beginning of the year	35,830	42,100
Subscription of shares	3,876	2,061
Redemption of shares	(5,710)	(4,000)
Number of shares at the end of the year	<u>33,996</u>	<u>40,161</u>

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

### 6. Share capital and redeemable participating shares *(continued)*

	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	42,600
Redemption of shares	(1,997)	(500)
	<u>35,830</u>	<u>42,100</u>
Number of shares at the end of the period	<u>35,830</u>	<u>42,100</u>

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

#### Establishment Expenses

All fees and expenses relating to the establishment and organisation of the ICAV including the fees of the ICAV's professional advisers and registering the Shares for sale in various markets will be borne only by FCS Navigator Fund as agreed by the directors. Such fees and expenses are estimated to amount to approximately €58,478. For the purpose of calculating the dealing Net Asset Value and per the ICAV's prospectus, these expenses will be amortised over the first five annual accounting periods of the ICAV. However, as required by International Financial Reporting Standards, this expense must be written off when incurred and so these financial statements have been adjusted accordingly. This is for financial statements purposes only and has no impact on the dealing NAV. Fees and expenses relating to the establishment of new Sub-Funds are borne by the individual Sub-Fund.

#### Net Asset Value per share

	FCS Navigator Fund 2017	FCS Navigator Plus Fund 2017
Redeemable participating shares in issue at at end of financial year (units)	33,996.194	40,161.000
Net asset value of redeemable participating shares as at year end	3,406,472	3,943,916
Net asset value per redeemable participating share as at end of financial year	€100.20	€98.20

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

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### 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 year ended 31 December 2017 were €114,019 (2016: €21,166) of which €8,569 was payable at year 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 €19,462 all of which was paid at year 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 €35,803 (2016: €11,804), of which €2,860 was payable at year end. Administrator fees for FCS Navigator Plus Fund were waived by FCS Asset Management Ltd.

#### Depositary fees

Depositary fee is subject to a minimum monthly fee of €5,000. The fees due for the reporting period amounted to €61,952 (2016: €15,612) of which €15,050 was still payable at year end.

#### Audit fees

Fees charged by the auditor for services rendered during the financial year ended 31 December 2017 are €18,930 (2016: €8,500) for the year of which €8,476 (2016: nil) was still payable as at year end.

# FCS Global Fund Services ICAV

## Notes to the financial statements

For the year from 1 January 2017 to 31 December 2017

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### 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 year from 1 January 2017 to 31 December 2017

### 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 Agurruza 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. Mr Jaime Agurruza Fatosme has waived all his rights to a Director's fee.

For the year ended 31 December 2017, the total Directors' remuneration was €46,942 (2016: €11,200) of which €192 was prepaid at the year end.

### 12. Exchange rates

The following exchange rates were used at 31 December 2017 to convert investments and other assets and liabilities denominated from local to base currency:

	AUD	DKK	MXN	NOK	USD	GBP
EUR	0.6514	0.1343	0.0424	0.1015	0.8330	1.1259
2016						
EUR	AUD	DKK	MXN	NOK	USD	GBP
	0.6582	0.1344	0.0459	0.1100	0.9506	-

### 13. Significant events during the financial year

There were no significant events during the year.

### 14. Significant events after the year end

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 year from 1 January 2017 to 31 December 2017

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### **15. Commitments and contingent liabilities**

As at the year ended 31 December 2017, the ICAV did not have any significant commitments or contingent liabilities.

### **16. Soft Commission**

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

### **17. Cross Liabilities**

There were no cross liabilities between sub-funds at 31 December 2017.

### **18. Approval of financial statements**

The financial statements were approved by the board of directors and authorised for issue on 20 April 2018.

# FCS Global Fund Services ICAV

**FCS GLOBAL FUND SERVICES**

**REPORT AND FINANCIAL STATEMENTS**

**For the period ended 31 December 2017**

**Depositary's Report**

We have enquired into the conduct of the ICAV for the period ended 31 December 2017 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

19<sup>th</sup> April 2018

**INDEPENDENT AUDITOR'S REPORT TO THE  
SHAREHOLDERS OF FCS GLOBAL FUND SERVICES ICAV**

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

*Opinion*

We have audited the financial statements of FCS Global Fund Services ICAV ('the ICAV') for the year ended 31 December 2017, 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 to the financial statements, including the summary of significant accounting policies set out in note 2. The financial reporting framework that has been applied in their preparation is the Irish Collective Asset-management Act 2015 ("the ICAV Act 2015") and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion the financial statements:

- give a true and fair view of the assets, liabilities and financial position of the ICAV as at 31 December 2017 and of its profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been properly prepared in accordance with the requirements of the ICAV Act, 2015 and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulation 2011 as amended.

*Basis for opinion*

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the ICAV in accordance with ethical requirements that are relevant to our audit of financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA), and 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 ISAs (Ireland) require us to report to you where:

- 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.

**INDEPENDENT AUDITOR'S REPORT TO THE  
SHAREHOLDERS OF FCS GLOBAL FUND SERVICES ICAV**

***Other information***

The directors are responsible for the other information. The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. 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 or apparent material misstatements, 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.

***Opinions on other matters prescribed by the ICAV Act 2015***

Based solely on the work undertaken in the course of the audit, we report that:

- in our opinion, the information given in the directors' report is consistent with the financial statements; and
- in our opinion, the directors' report has been prepared in accordance with the ICAV Act 2015.

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 and financial statements are in agreement with the accounting records.

**Respective responsibilities**

***Responsibilities of directors for the financial statements***

As explained more fully in the directors' responsibilities statement set on page 11, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the 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 management either intends to liquidate the ICAV or to cease operations, or has no realistic alternative but to do so.

**INDEPENDENT AUDITOR'S REPORT TO THE  
SHAREHOLDERS OF FCS GLOBAL FUND SERVICES ICAV**

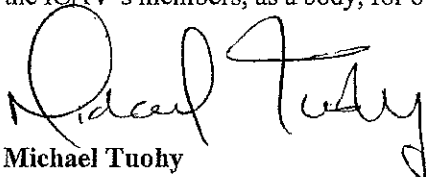
*Auditor's responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (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.

A further description of our responsibilities for the audit of the financial statements is located on the IAASA's website at: [http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description of auditor's responsibilities for audit.pdf](http://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description%20of%20auditor's%20responsibilities%20for%20audit.pdf). This description forms part of our auditor's report.

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

Our report is made solely to the ICAV's members, as a body, in accordance with section 120 of the ICAV 2015. Our audit work has been undertaken so that we might state to the ICAV's members 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 members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Michael Tuohy**  
**for and on behalf of Mazars**  
**Chartered Accountants & Statutory Audit Firm**  
**Harcourt Centre**  
**Block 3**  
**Harcourt Road**  
**Dublin 2**

**Date:** 19 April 2018