

FCS Global Funds SICAV p.l.c.

Audited financial statements
for the financial year ended 31 December 2018

FCS Global Funds SICAV p.l.c.

Contents

General information	2 – 3
Information about the Company and salient statistics	4
Manager’s report	5 – 6
Report of the custodian	7
Directors’ report	8 – 9
Statement of directors’ responsibilities	10
Statement of financial position	11 – 12
Statement of changes in net assets attributable to holders of redeemable shares	13 – 14
Statement of profit or loss and other comprehensive income	15 – 16
Statement of cash flows	17 – 18
Notes to the financial statements	19 – 51
Portfolio	52 – 53
Independent auditor’s report	

FCS Global Funds SICAV p.l.c.

General information

Directors:	Mr. Jaime Agurruza Fatosme Mr. Neal Rossignaud Dr. Clayton Fenech (appointed 01 October 2018) Mr. Jean Borg (non-executive director) (resigned on 01 October 2018)
Investment manager:	FCS Asset Management Ltd 16/1, Sandra Flats, Windsor Terrace, Sliema SLM 1858 Malta
Company secretary:	LGA International Ltd 16/1, Sandra Flats, Windsor Terrace, Sliema SLM 1858 Malta
Registered office:	16/1, Sandra Flats Windsor Terrace, Sliema SLM 1858 Malta
Company registration number:	SV224
Administrator, registrar and transfer agent:	FCS Asset Management Ltd 16/1, Sandra Flats, Windsor Terrace, Sliema SLM 1858 Malta

FCS Global Funds SICAV p.l.c.

General information (continued)

Bankers/Brokers:

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

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

Bank of Valletta plc
58, Zachary Street
Valletta VLT 1130
Malta

CBP Quilvest S.A.
7, Rue Thomas Edison
Strassen L-1445
Luxembourg

Custodian:

Sparkasse Bank Malta plc
101, Townsquare
Ix-Xatt ta' Qui-si-Sana
Sliema SLM 3112
Malta

Legal advisors:

Legal Global Advisors
Po Castellana,
259 C, Planta 18
Edificio Torre de Cristal
28046 Madrid
España

Independent auditors:

Mazars Malta
32, Sovereign Building,
Zaghfran Road,
Attard, ATD 9012
Malta

FCS Global Funds SICAV p.l.c.

Information about the Company and salient statistics

FCS Global Funds SICAV p.l.c. ('the Company') is organised under the laws of Malta as a multi-fund investment company with variable share capital (SICAV) pursuant to the Maltese Companies Act 1995 (Chap. 386) and qualifying as a Maltese UCITS. The Company was registered on 20 April 2012 with registration number SV224 and consists of two classes: the Subscriber shares and the Investor shares, hereinafter referred to as 'redeemable shares'.

The Company is structured as a multi-fund (umbrella) company, which may issue separate classes of groups of classes of redeemable shares constituting distinct Funds ('the Funds'), with the assets and liabilities of each Fund constituting separate patrimonies pursuant to the Companies Act (Investment Companies with Variable Share Capital) Regulations (Legal Notice 241 of 2006 as amended).

As at 31 December 2014, the Scheme had launched two Funds namely FCS Navigator Fund and FCS World Equities Fund. On 11 July 2017, the licence of FCS Navigator Fund was officially surrendered.

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 2018 and 2017.

	FCS World Equities fund 2018	FCS World Equities fund 2017	FCS World Equities fund 2016
	Class 1 investor Shares	Class 1 investor Shares	Class 1 investor Shares
Investor shares in issue as at end of financial year (units)	130,973.524	33,150.375	58,261.376
Net asset value of investor shares as at end of financial period (valued in accordance with the offering memorandum)	€10,120,150	€2,708,876	€4,679,564
Net asset value per share as at end of financial year	€77.27	€81.71	€80.32
Percentage movement for the year	(5.43)%	1.73%	9.77%
Highest price during financial year	€84.44	€85.66	€80.21
Lowest price during financial year	€76.26	€80.17	€69.25

FCS Global Funds SICAV p.l.c.

Manager's report

Market Overview 2018

The year 2018 may have marked the end of what was nearly a 10-year bull run. January was a good month; February and March were not. However, as spring approached, growth in equities started to pick up speed, leading to several record highs on different stock markets during the summer months with positive macroeconomic data supporting the upward trend (both leading and lagging indicators).

In the third quarter, the expectations of growth started to decouple between US and Europe and volatility began to increase as the trade war started to cause concern among investors. In November, markets managed to recover a bit, but December proved to be a negative month and all major indices suffered losses in 2018 overall. To sum up, we can define 2018 as a volatile year in terms of market overall performance.

One of the hot topics in 2018 was the commercial war between US and all their commercial partners during the first half of 2018. This matter continues to be unresolved as China did not reach an agreement yet. Brexit and political tensions regarding to the budgets of some EU countries have also been in the spotlight during 2018.

All these events caused markets overall to perform negatively during 2018. S&P 500 -6.24%; NASDAQ -3.88%; EUROSTOXX50 -14.34%; DAX -18.26%; IBEX35 -14.97%; NIKKEI -12.08% and MSCI WORLD -10.44%

Commodities performance in 2018 is worth mentioning. On one hand, Oil prices reached levels not seen since 2014 (75 USD/barrel), however at the end of the year it went down to 42 USD/barrel. On the other hand, Gold had a back and forth movement during 2018 resulting in an overall negative performance of -1.56%.

Finally, a note on the interest rate curve of the US Treasuries. Throughout the year, there was a flattening movement on the curve but at the end of it, the curve inverted (2 years interest rate was higher than 5 years interest rate). This is uncommon and we will remain vigilant in the following months to see how this situation evolves.

FCS World Equities

During the 4th quarter of 2018, FCS World Equities changed its offering supplement in order to be able to trade fixed income securities. With that strategy, it performed quite well in the 4th quarter compared to its benchmark (-1.87% vs. -13.48%) helping the fund to show "good" results over the whole year (-6.56% vs. -13.85% of its benchmark). Nowadays, exposure is the following: 42% cash & margin, 27% shares, 14% Bonds, 10% Derivatives, Funds 4% compared with the 58% exposure in shares and 42% exposure in cash that we had at the end of 2017. Also, in relation to volatility, the Fund is less volatile than its benchmark (6.21% vs. 12.05%¹).

¹ FCS World Equities Fund Benchmark: 100% BWORLD Index

FCS Global Funds SICAV p.l.c.

Manager's report (continued)

Manager's Approach to Markets

The year has ended uneasily among investors. The financial markets have experienced 2018 intensely, with different episodes of stock market corrections, a gradual rise in risk premiums on corporate debt, round-trip uprisings in sovereign risk premiums in the periphery of the euro area, strengthening of the dollar against the main advanced and (especially) emerging currencies, as well as with a strong volatility of the oil price. Having said that, it is a fact that there is a deceleration in the economic growth, which surveys show clearly and companies have begun to indicate, however it is the natural evolution of the economic cycle and it is currently downwards, the cyclical contractions in the markets are common and, in fact, give you the market floor that allows you to buy interesting assets to build portfolio with a view to the next five years.

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



Eliza Montebello
Director

30 April 2019

The Directors
FCS Global Funds SICAV plc
16/1, Sandra Flats,
Windsor Terrace,
Sliema, SLM1858
Malta

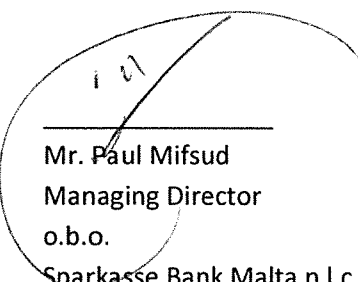
25th April 2019

Custodian's report


As Custodian to FCS World Equities Fund ("the sub-fund"), a sub-fund of FCS Global Funds SICAV plc ("the Scheme"), we hereby confirm having enquired into the conduct of the Scheme in relation to the above mentioned fund for the period 01st January 2018 until 31st December 2018 and confirm that during this period:

- I. the Sub-Fund was managed in accordance with the limitations imposed on the investment and borrowing powers of the respective sub-fund by its constitutional documents and by the Malta Financial Services Authority;

- II. And in accordance with the provision of the constitutional documents and the License Conditions.



Mr. Paul Mifsud
Managing Director
o.b.o.
Sparkasse Bank Malta p.l.c.



Ms. Anna Mironova
Manger Securities & Custody

FCS Global Funds SICAV p.l.c.

Directors' Report

The Directors present their report and the audited financial statements of FCS Global Funds SICAV p.l.c. for the reporting year ended 31 December 2018.

Principal activities

The Company is an investment company with variable share capital incorporated in terms of the Companies Act (Chapter 386 of the Laws of Malta) on the 20 April 2012 and is licensed by the Malta Financial Services Authority as a collective investment scheme and qualifies as a 'Maltese UCITS'. The Company is structured as a multi-fund (umbrella) company and the Funds established under the umbrella company as at reporting date are FCS World Equities Fund (previously called FCS Latin American Exposure Fund).

The Funds aim to be capital growth funds by investing in a wide range of actively managed assets. FCS World Equities Fund is a global asset allocation fund with no particular regional focus.

A description of the principal risks and uncertainties

The investments of the Company in securities are subject to normal market fluctuations and other risks inherent in investing in securities. The value of investments and the income from them, and therefore the value of and income from Shares relating to each Fund can go down as well as up and an investor may not get back the amount he invested. Changes in exchange rates between currencies or the conversion from one currency to another may also cause the value of the investments to diminish or increase. An investment in Shares should be viewed as medium to long term. An investment in a Fund should not constitute a substantial proportion of an investment portfolio of any investor and may not be appropriate for all investors.

Financial Key Performance indicators

As at 31 December 2018, the Net Asset Value stood at €10,120,150 (2017: €2,738,442). At this date, Net Asset Value per share for pricing purposes stood at €77.27 (2017: €82.61) which came to a loss of 6.45% in comparison to the prior year. The performance of FCS World Equities Fund is expected to improve in the foreseeable future.

Financial risk management and exposure

There are a number of financial risks that could potentially impact the activities of the Company and include, but not solely, the following: credit risk, liquidity risk, etc. The Company's objective in managing such risks is the creation and protection of shareholder's value. In order to manage and mitigate such risks, the Company employs a number of risk management tools in its day-to-day operation. Further detail can be found under note 3 of the annual financial statements.

Directors

During the year ended 31 December 2018 and up to the date of these financial statements, the Directors were as listed on page 3. Mr. Jean Borg resigned as director and was replaced by Mr. Clayton Fenech as of the 1st October 2018. In accordance with the Company's Articles of Association, the current Directors will remain in office.

FCS Global Funds SICAV p.l.c. Directors' Report (continued)

Post Balance Sheet Events

There were no significant events post period end.

Standard license conditions and regulatory sanctions

During the period under review, there were no breaches of the standard licence conditions and no other breaches of regulatory requirements which were subject to an administrative penalty or regulatory sanction. In relation to the compliance of the scheme with UCITS Regulations as well as other self-imposed investment restrictions, the Directors refer to the additional disclosures in the Investment Manager's Report and Custodian Report.

Auditors

Mazars Malta, who have been appointed as from this year, have indicated their willingness to continue in office and a resolution for their re-appointment will be proposed at the Annual General Meeting.

Approved and signed by the Directors on 30 April 2019:



Mr. Jaime Agurruza Fatosme
Director



Mr. Neal Rossignaud
Director

FCS Global Funds SICAV p.l.c.

Statement of directors' responsibilities

The Companies Act, Cap. 386 of the Laws of Malta requires the directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit or loss for that year.

The directors are responsible for ensuring that:

- appropriate accounting policies have been consistently applied and supported by reasonable and prudent judgements and estimates;
- the financial statements have been drawn up in accordance with International Financial Reporting Standards as adopted by the European Union;
- the financial statements are prepared on the basis that the Company must be presumed to be carrying on its business as a going concern; and
- account has been taken of income and charges relating to the accounting period, irrespective of the date of receipt or payment.

The directors are also responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Companies Act, Cap. 386 of the Laws of Malta. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

FCS Global Funds SICAV p.l.c.

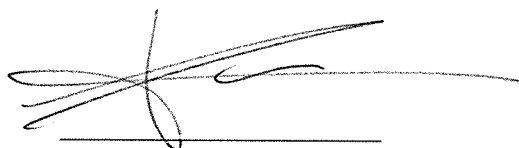
Statement of Financial Position

As at 31 December 2018

	Notes	FCS Global Funds SICAV p.l.c 2018 €	FCS World Equities Fund 2018 €
Assets			
Financial assets at fair value through profit and loss	3,5	5,312,658	5,312,658
Accrued income and other receivables		14,731	14,731
Prepaid expenses		-	-
Cash and cash equivalents	6	4,818,902	4,818,902
Total assets		10,146,291	10,146,291
Liabilities			
Accounts payable and accruals	8	26,141	26,141
Liabilities (excluding net assets attributable to holders of redeemable shares)		26,141	26,141
Net assets attributable to holders of redeemable shares		10,120,150	10,120,150
Represented by:			
Net assets attributable to holders of redeemable shares (valued in accordance with the offering memorandum)			
Adjustments for accounting of formation expenses	10		
Net assets attributable to holders of redeemable shares in accordance with IFRS		10,120,150	10,120,150
Net assets attributable to holders of redeemable shares per share			77.27

The notes on pages 19 to 51 are an integral part of these financial statements.

The financial statements on pages 11 to 51 were approved and signed by the board of Directors on 30 April 2019.



Mr. Jaime Agurruza Fatosme
Director



Mr. Neal Rossignaud
Director

FCS Global Funds SICAV p.l.c.


Statement of Financial Position


As at 31 December 2017

	Notes	FCS Global Funds SICAV p.l.c 2017 €	FCS World Equities Fund 2017 €	FCS Navigator Fund 2017 €
Assets				
Financial assets at fair value through profit and loss	3,5	1,570,766	1,570,766	-
Accrued income and other receivables		19,940	19,940	-
Prepaid expenses		-	-	-
Cash and cash equivalents	6	1,138,030	1,138,030	-
Total assets		2,728,736	2,728,736	-
Liabilities				
Accounts payable and accruals	8	19,860	19,860	-
Liabilities (excluding net assets attributable to holders of redeemable shares)		19,860	19,860	-
Net assets attributable to holders of redeemable shares		2,708,876	2,708,876	-
Represented by:				
Net assets attributable to holders of redeemable shares (valued in accordance with the offering memorandum)				
Adjustments for accounting of formation expenses	10	-	-	-
Net assets attributable to holders of redeemable shares in accordance with IFRS		2,708,876	2,708,876	-
Net assets attributable to holders of redeemable shares per share			81.71	-

The notes on pages 19 to 51 are an integral part of these financial statements.

The financial statements on pages 11 to 51 were approved and signed by the board of Directors on 30 April 2019.


Mr. Jaime Aguirruza Fatosme
Director


Mr. Neal Rossignaud
Director

FCS Global Funds SICAV p.l.c.

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

For the financial year ended 31 December 2018

		FCS Global Funds SICAV p.l.c	FCS World Equities Fund
		2018 €	2018 €
	Notes		
As at the 1 January		2,708,876	2,708,876
Issue of redeemable shares	9	10,938,000	10,938,000
Repurchase of redeemable shares	9	(3,160,689)	(3,160,689)
Net increase from share transactions		7,777,311	7,777,311
Decrease in net assets attributable to holders of redeemable shares during the year		(366,037)	(366,037)
As at 31 December (calculated in accordance with IFRS)		10,120,150	10,120,150
Adjustment for difference in valuation inputs		-	-
Net assets attributable to holders of redeemable shares at financial year end (valued in accordance with the Offering Memorandum)		10,120,150	10,120,150

The notes on pages 19 to 51 are an integral part of these financial statements.

FCS Global Funds SICAV p.l.c.

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

For the financial year ended 31 December 2017

		FCS Global Funds SICAV p.l.c	FCS World Equities Fund	FCS Navigator Fund
	Notes	2017 €	2017 €	2017 €
As at the 1 January		4,688,749	4,678,992	9,757
Issue of redeemable shares	9	-	-	-
Repurchase of redeemable shares	9	(2,089,547)	(2,089,547)	-
Net decrease from share transactions		(2,089,547)	(2,089,547)	-
Increase in net assets attributable to holders of redeemable shares during the year		109,674	119,431	(9,757)
As at 31 December (calculated in accordance with IFRS)		2,708,876	2,708,876	-
Adjustment for difference in valuation inputs		-	-	-
Net assets attributable to holders of redeemable shares at financial year end (valued in accordance with the Offering Memorandum)		2,708,876	2,708,876	-

The notes on pages 19 to 51 are an integral part of these financial statements.

FCS Global Funds SICAV p.l.c.

Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2018

	Notes	FCS Global Funds SICAV p.l.c 2018 €	FCS World Equities Fund 2018 €
Income			
Net foreign currency gain		8,069	8,069
Dividend and other income		45,760	45,760
Net loss on financial assets at fair value through profit or loss	5.2	(80,268)	(80,268)
		(26,439)	(26,439)
Expenses			
Management fees	11	(97,478)	(97,478)
Administration and custody fees	11	(43,456)	(43,456)
Distribution expenses		(25,000)	(25,000)
Audit fee	11	(12,184)	(12,184)
Commission		(51,101)	(51,101)
Directors' fees	13	(12,001)	(12,001)
Other operating expenses		(92,306)	(92,306)
		(333,526)	(333,526)
Loss before tax		(359,965)	(359,965)
Withholding taxes	12	(6,072)	(6,072)
Change in net assets attributable to holders of redeemable shares		(366,037)	(366,037)

The notes on pages 19 to 51 are an integral part of these financial statements.

FCS Global Funds SICAV p.l.c.

Statement of Profit or Loss and Other Comprehensive Income

For the financial year ended 31 December 2017

	Notes	FCS Global Funds SICAV p.l.c 2017 €	FCS World Equities Fund 2017 €	FCS Navigator Fund 2017 €
Income				
Net foreign currency loss		(9,209)	(9,209)	-
Dividend and other income		72,210	72,210	-
Net gain on financial assets at fair value through profit or loss	5.2	278,283	278,283	-
		341,284	341,284	-
Expenses				
Management fees	11	(58,255)	(58,255)	-
Administration and custody fees	11	(43,547)	(43,547)	-
Audit fee	11	(3,905)	(3,905)	-
Commission		(4,823)	(4,823)	-
Directors' fees	13	(10,373)	(10,373)	-
Other operating expenses		(109,908)	(100,151)	(9,757)
		(230,811)	(221,054)	(9,757)
Profit/(loss) before tax		110,473	120,230	(9,757)
Withholding taxes	12	(799)	(799)	-
Change in net assets attributable to holders of redeemable shares		109,674	119,431	(9,757)

The notes on pages 19 to 51 are an integral part of these financial statements.

FCS Global Funds SICAV p.l.c.

Statement of Cash flows

For the financial year ended 31 December 2018

	Notes	FCS Global Funds SICAV p.l.c 2018 €	FCS World Equities Fund 2018 €
Cash flows from operating activities			
Net decrease in net assets during the year		(366,037)	(366,037)
Net cash flow before working capital adjustments			
Net changes in financial assets at fair value through profit and loss		(3,741,892)	(3,741,892)
Decrease in other receivables		5,209	5,209
Decrease in other payables		6,281	6,281
Net cash flows (used in)/from operating activities			
Cash flows from financing activities			
Proceeds from issue of redeemable shares		10,938,000	10,938,000
Payments for redemption of shares		(3,160,689)	(3,160,689)
Net cash flows (used in)/from financing activities			
Net movement in cash and cash equivalents			
Cash and cash equivalents at the beginning of the year		1,138,030	1,138,030
Cash and cash equivalents at the end of the year	6	4,818,902	4,818,902

The notes on pages 19 to 51 are an integral part of these financial statements.

FCS Global Funds SICAV p.l.c.

Statement of Cash flows

For the financial year ended 31 December 2017

	Notes	FCS Global Funds SICAV p.l.c 2017 €	FCS World Equities Fund 2017 €	FCS Navigator Fund 2017 €
Cash flows from operating activities				
Net increase/(decrease) in net assets during the year		109,674	119,431	(9,757)
Net cash flow before working capital adjustments		109,674	119,431	(9,757)
Net changes in financial assets at fair value through profit and loss		2,073,658	2,073,658	-
(Increase)/Decrease in other receivables		4,697	(7,163)	11,860
(Increase)/Decrease in other payables		(2,092)	5,709	(7,801)
Net cash flows (used in)/from operating activities		2,185,937	2,191,635	(5,698)
Cash flows from financing activities				
Payments for redemption of shares		(2,089,547)	(2,089,547)	-
Net cash flows (used in)/from financing activities		(2,089,547)	(2,089,547)	-
Net movement in cash and cash equivalents		96,390	102,088	(5,698)
Cash and cash equivalents at the beginning of the year		1,041,640	1,035,942	5,698
Cash and cash equivalents at the end of the year	6	1,138,030	1,138,030	-

The notes on pages 19 to 51 are an integral part of these financial statements.

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

1. Reporting entity

FCS Global Funds SICAV p.l.c. "the Company" is an investment company with variable share capital incorporated under the laws of Malta, and licensed by the MFSA, under the Investment Services Act, and is licensed as a collective investment scheme qualifying as a 'Maltese UCITS' according to UCITS Regulations. The Company is structured as a multi-fund (umbrella) company and the Fund established under the umbrella company as at reporting date is FCS World Equities Fund. The licence of FCS Navigator Fund was officially surrendered on 11 July 2017. The Company was incorporated on 20 April 2012.

The performance of FCS World Equities Fund is expected to improve in the foreseeable future.

2. Summary of significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared under the historical cost convention, as modified by the fair valuation of financial assets at fair value through profit or loss. These financial statements are in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) and comply with the Companies Act, Cap. 386 of the Laws of Malta.

The preparation of financial statements in conformity with IFRSs as adopted by the EU requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to these financial statements are disclosed in note 4.

The Company maintains a separate account for each sub-fund, to which the proceeds are credited, and against which expenses are charged. Upon redemption, shareholders are entitled only to their proportion of the net assets held in the account relating to the sub-fund in which their participating shares are designated.

Separate statements of financial position, statements of changes in net assets attributable to shareholders, statements of comprehensive income and statements of cash flows have accordingly been prepared for each sub-fund. All references to net assets throughout the document refer to net assets attributable to shareholders.

These financial statements have been prepared on a going concern basis, under the historical cost convention and are presented in Euro (EUR).

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

The accounting policies adopted are consistent with those of the previous financial period except as follows:

The Company has adopted the following new and amended IFRS and IFRIC interpretations as of 1 January 2018:

- IFRS 9 – Financial instruments (effective from 1 January 2018)

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for de-recognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

Key requirements of IFRS 9:

- all recognised financial assets that are within the scope of IAS 39 Financial Instruments: Recognition and Measurement are required to be subsequently measured at amortised cost or fair value. Specifically, debt investments that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets, and that have contractual terms that give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are generally measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in the fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss;

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

- IFRS 9 – Financial instruments (effective from 1 January 2018) (continued)

Key requirements of IFRS 9 (continued):

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability's credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss; and
- in relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised

The impact of the adoption of IFRS 9 *Financial Instruments* is disclosed in note 14.

- IFRS 15 – Revenue from contracts with customers (effective from 1 January 2018)

The application of these amendments did not have a material effect on the company's financial statements.

- IFRS 15 Clarification – Revenue from contracts with customers (effective from 1 January 2018)

The application of these amendments did not have a material effect on the company's financial statements.

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

- Annual improvements to IFRS Standards 2014 - 2016 cycle (effective 1 January 2018)

The application of these amendments did not have a material effect on the company's financial statements.

- IFRIC 22 – Foreign currency transactions and advance considerations (effective 1 January 2018)

The application of these amendments did not have a material effect on the company's financial statements.

Standards, interpretations and amendments to published standards as adopted by the EU that are not yet effective for financial periods beginning on 1 January 2018

Up to the financial position date, certain new standards, amendments and interpretations to existing standards have been published but are not yet effective for the current reporting period and which the Company has not yet adopted. These are as follows:

- IFRS 16 - Leases – effective 1 January 2019

The Directors are assessing the impact that the adoption of these Financial Reporting Standards will have in the financial statements of the Company in the period of initial application.

- Amendments to IFRS 9: Prepayment Features with Negative Compensation

The Directors are assessing the impact that the adoption of these Financial Reporting Standards will have in the financial statements of the Company in the period of initial application.

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

2. Summary of significant accounting policies (continued)

2.1 Basis of preparation (continued)

Standards, interpretations and amendments issued by the International Accounting Standards Board (IASB) but not yet adopted by the European Union:

- IFRS 17 - Insurance Contracts
- Amendments to IAS 28: Long term Interests in Associates and Joint Ventures
- Annual Improvements to IFRS Standards 2015 – 2017 Cycle
- Amendments to IAS 19: Plan Amendment, Curtailment or Settlement
- Amendments to References to the Conceptual Framework in IFRS Standards
- Amendment to IFRS 3 Business Combinations
- Amendments to IAS 1 and IAS 8 Definition of Material

The Directors are assessing the impact that the adoption of these Financial Reporting Standards will have in the financial statements of the Company in the period of initial application.

2.2 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 Fund'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 fund's presentation currency is also Euro.

2.3 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 gain/(loss)'. Foreign currency transaction gains and losses on financial instruments classified as at fair value through profit or loss are included in profit or loss 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 Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

2. Summary of significant accounting policies (continued)

2.4 Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instrument. Financial assets and financial liabilities are initially recognised at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when the company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognised when the contractual rights to the cash flows from the financial assets expire or when the entity transfers the financial asset and the transfer qualifies for derecognition. Financial liabilities are derecognised when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

(i) Other receivables

Trade receivables are classified with current assets and are stated at their nominal value unless the effect of discounting is material, in which case trade receivables are measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in profit or loss when there is objective evidence that the asset is impaired.

(ii) Other financial liabilities

Subsequent to initial recognition, other financial liabilities are measured at amortised cost using the effective interest method unless the effect of discounting is immaterial.

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

2. Summary of significant accounting policies (continued)

2.5 Financial assets at fair value through profit or loss

Classification

From 1 January 2018, the Company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income or through profit or loss), and
- Those to be measured at amortised cost

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity investments that are not held for trading, this will depend on whether the company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income (FVTOCI).

The company reclassifies debt investments when and only when its business model for managing those assets changes.

The company classifies the following financial assets at fair value through profit or loss (FVPL):

- Debt investments that do not qualify for measurement at either amortised cost or FVOCI
- Equity investments that are held for trading; and
- Equity investments for which the entity has not elected to recognise fair value gains and losses through OCI

Recognition and derecognition

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

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

2. Summary of significant accounting policies (continued)

2.5 Financial assets at fair value through profit or loss (continued)

Recognition and derecognition (continued)

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those that the company has designated as fair value through profit or loss. After initial recognition, receivables are measured at amortised cost using the effective interest rate method. The Fund includes in this category short-term receivables.

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

Measurement

At initial recognition, the company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expenses in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payments of principal and interest.

Debt instruments

Subsequent measurement of debt instruments depends on the company's business model for managing the asset and the cash flow characteristics of the asset. There is one measurement category into which the company classifies its debt instruments:

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

2. Summary of significant accounting policies (continued)

2.5 Financial assets at fair value through profit or loss (continued)

Debt instruments (continued)

- FVPL – assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

The contractual cash flows of the Fund's debt securities are solely principal and interest, however, these securities are neither held for the purpose of collecting contractual cash flows nor held both for collecting contractual cash flows and for sale. The collection of contractual cash flows is only incidental to achieving the company's business model's objective. Consequently, all investments are measured at fair value through profit or loss.

Equity instruments

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

Changes in the fair value of financial assets at FVPL are recognised in net gain/(loss) on financial assets and liabilities at fair value through profit or loss as applicable.

Accounting policies applied until 31 December 2017

The company has applied IFRS 9 retrospectively but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the company's previous accounting policy.

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

2. Summary of significant accounting policies (continued)

2.5 Financial assets at fair value through profit or loss (continued)

Classification

Until 31 December 2017, the company classified its financial assets as financial assets at fair value through profit and loss. The classification depended on the purpose for which the investments were acquired.

Financial assets at fair value through profit or loss are those that are held for trading purposes or those financial assets that are so designated by the company upon initial recognition. All transaction costs for such instruments are recognised directly in profit or loss. After initial recognition, financial assets at fair value through profit or loss are measured at their fair value. Gains and losses arising from a change in fair value are recognised in profit or loss in the period in which they arise.

Subsequent measurement

The measurement at initial recognition did not change on adoption of IFRS 9, see description above.

Subsequent to initial recognition, financial assets at FVPL were subsequently carried at fair value. Gains or losses arising from changes in fair value were recognised in profit or loss within the gain/loss on financial assets and financial liabilities at fair value through profit or loss.

2.6 Impairment

IFRS 9: A new provisioning approach was introduced by the Standard;

From 1 January 2018, the company assesses, on a forward-looking basis, the expected credit losses associated with its debt instruments at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. For receivables, the company applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

The impact on the adoption of IFRS 9 on receivables was not considered to be material. The adoption of IFRS 9 did not bring about any other impacts.

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

2. Summary of significant accounting policies (continued)

2.6 Impairment (continued)

Impairment of financial assets

As cash at bank balances are demand deposits, that are held with reliable, but unrated institutions. The estimated 12 month expected credit losses in terms of IFRS 9 was not considered to be material.

While other receivables are also subject to the impairment requirements of IFRS 9, the identified impairment losses were not considered to be material.

Accounting policies applied until 31 December 2017

The Company has applied IFRS 9 retrospectively but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the company's previous accounting policy.

The company assessed at the end of each reporting period whether there was objective evidence that a financial asset or group of financial assets was impaired. A financial asset or a group of financial assets was impaired and impairment losses were incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) had an impact on the estimate future cash flows of the financial asset or group of financial assets that could be reliably estimated.

For receivables, if there was objective evidence that an impairment loss had been incurred, the loss was measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the original effective interest rate. The carrying amount of the asset is reduced directly.

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

2. Summary of significant accounting policies (continued)

2.7 Offsetting of financial instruments

When the Fund 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 Fund's continuing involvement in the asset. In that case, the fund 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 fund has retained. The Fund derecognises a financial liability when the obligation under the liability is discharged, cancelled or expired.

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 Other receivables

Other receivables represent amounts receivable for transactions contracted for but not yet delivered by the year end. These are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment. The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognised in profit or loss. When a receivable is uncollectible, it is written off against the allowance account for trade and other receivables. Subsequent revenues of amounts previously written off are credited against profit or loss.

2.9 Cash and cash equivalents

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

2.10 Accrued expenses

Accrued expenses are recognised initially at fair value and subsequently stated at amortised cost using the effective interest method.

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

2. Summary of significant accounting policies (continued)

2.11 Redeemable shares

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

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

2.12 Income recognition

Interest income is recognised on a time-proportionate basis using the effective interest method. It includes interest income from cash and cash equivalents and on debt securities at fair value through profit or loss.

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

Other gains or losses arising from changes in the fair value of financial assets at fair value through profit or loss are present in the statement of comprehensive income within net gain on financial assets at fair value through profit or loss.

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).

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

2. Summary of significant accounting policies (continued)

2.13 Transaction costs

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

2.14 Other expenses

All other expenses, including management fees, administration fees and custodian fees, are recognised in the statement of comprehensive income on an accrual basis and are accordingly expenses as incurred.

2.15 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 at mid-value of last traded price for financial instruments.

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

2. Summary of significant accounting policies (continued)

2.16 Withholding taxes

The Fund is exempt from all forms of taxation in Malta, 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 Fund. The Fund 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.

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 shares as disclosed in Note 7 to these financial statements and in the statement of changes in net assets attributable to holders of redeemable shares, respectively.

3.2 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including price risk, foreign currency risk, fair value interest rate risk and cash flow 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 purchased options, collective investment schemes, exchange traded notes, long equity and debt securities is limited to the fair value of those positions.

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.

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

3. Financial risk management (continued)

3.2 Financial risk factors (continued)

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 of future cash flows of financial instruments will fluctuate due to market variables.

(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 World Equities Fund had no concentration in individual equity positions exceeding 6.03% (2017: 7.31%) of the respective net assets attributable to holders of redeemable 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. An estimated change in fair values for changes in fair value of equities on instantaneous increase/decrease of 5% in prices at the reporting date, with all other variables remaining constant will result in +/- €153,369 (2017: +/-€78,538) effect on the statement of comprehensive income.

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

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

3. Financial risk management (continued)

3.2 Financial risk factors (continued)

Concentration of price risk

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

	FCS World Equities Fund 2018 %	FCS World Equities Fund 2017 %
European union (excluding United Kingdom)	30%	85%
European union (other than EEA)	8%	-
United States of America	43%	14%
Others	19%	1%
	<hr/>	<hr/>
	100%	100%
	<hr/>	<hr/>

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

	FCS World Equities Fund 2018 %	FCS World Equities Fund 2017 %
Basic materials	7%	21%
Industrial	2%	20%
Technology	3%	3%
Energy	0%	12%
Others	88%	44%
	<hr/>	<hr/>
	100%	100%
	<hr/>	<hr/>

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

3. Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign 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 Fund's assets may be affected favourably or unfavourably by fluctuations in currency rates.

The Company's investment manager monitors the Funds' 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 World Equities Fund

	2018 AUD €	2018 CAD €	2018 CHF €	2018 GBP €
Assets	610,530	216,781	108,592	166,204
Liabilities	-	-	-	-
Net exposure	610,530	216,781	108,592	166,204

	2018 NOK €	2018 USD €
Assets	-	3,141,376
Liabilities	(131)	-
Net exposure	(131)	3,141,376

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

3. Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign currency risk (continued)

FCS World Equities Fund

	2017 AUD €	2017 CHF €	2017 GBP €	2017 USD €
Assets	44,748	-	40,573	367,932
Liabilities	-	52	-	-
Net exposure	44,748	52	40,573	367,932
				2017 NOK €
Assets				19,717
Liabilities				-
Net exposure				19,717

The following table summarises the sensitivity of the Company's assets and liabilities to changes in foreign exchange movements at 31 December 2018. 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 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 Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

3. Financial risk management (continued)

(a) Market risk (continued)

(ii) Foreign currency risk (continued)

FCS World Equities Fund

	2018 AUD €	2018 CAD €	2018 CHF €	2018 GBP €	2018 NOK €
Sensitivity	+/-3,526	+/-10,839	+/-5,429	+/-8,310	+/-6

Sensitivity					2018 USD € +/-157,068
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FCS World Equities Fund

	2017 AUD €	2017 CAD €	2017 CHF €	2017 GBP €	2017 USD €
Sensitivity	+/-2,237	-	+/-3	+/-2,029	+/-18,397

Sensitivity					2017 NOK € +/-986
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(iii) Interest rate risk

The funds are exposed to interest rate risk through directly holding interest-bearing financial assets or indirectly bearing financial assets held by the respective underlying collective investment schemes. Assets earning interest at variable rates expose the funds to cash flow interest rate risk, whereas assets earning interest at fixed rates expose the funds to fair value interest rate risk. The funds cash and cash equivalents are non-interest-bearing. The funds' exposure to interest rate risk is summarised in the table below:

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

3. Financial risk management (continued)

(a) Market risk (continued)

(iii) Interest rate risk (continued)

	2018 Assets held at fixed interest rates (as a % of NAV)	2017 Assets held at fixed interest rates (as a % of NAV)
FCS World Equities Fund	15.6%	-

Based on the above, the Directors are of the opinion that the company is not significantly exposed to changes in interest rates. Accordingly, a sensitivity analysis disclosing the impact of a change in interest rates that was reasonably possible at the end of the year, is not required.

(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. Financial assets, which potentially subject the Company to a concentration of credit risk consist principally of debt securities and holdings in collective investment schemes. The Company's financial assets are placed with quality issuers or counterparties. The maximum exposure to credit risk at the reporting date is the carrying amount of financial assets as set out below:

	FCS World Equities Fund 2018 €	FCS World Equities Fund 2017 €
Debt securities	1,574,539	-
Derivative assets (exchange traded options)	38,095	-
Collective investor schemes	431,038	-
Exchange traded funds	201,600	-
Other current assets	14,731	19,940
Cash and cash equivalents	4,818,902	1,138,030
	<u>7,078,905</u>	<u>1,157,970</u>

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

3. Financial risk management (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 company is of the opinion that cash is placed with reliable financial institutions as mentioned in the general information page. Such institutions were not rated by a rating agency as at 31 December 2018 and 2017.

(c) Liquidity risk

Liquidity risk is defined as the risk that the Funds 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 Funds could be required to pay its liabilities or redeem its shares earlier than expected.

The Company is exposed to the daily settlement of margin calls on derivatives and to weekly liquidity for FCS World Equities Fund. Its policy is therefore to invest its assets in investments that are traded in an active market and can be readily disposed.

Redeemable 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 Fund's prospectus. The Company has no restrictions or specific capital requirements on the redemption of shares.

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 Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

3. Financial risk management (continued)

(c) Liquidity risk (continued)

FCS World Equities Fund

	2018	2018	2018
	More than 6	More than 1	Up to 1
	Months	week up to 6	week and on
	€	months	demand
	€	€	€
Accounts payable and accruals	-	-	26,141
Net asset attributable to holders of redeemable shares	-	-	10,120,150
	-	-	10,146,291
	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	-	-	19,860
Net asset attributable to holders of redeemable shares	-	-	2,708,876
	-	-	2,728,736

3.3 Fair values of financial instruments

As at 31 December 2018 and 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.

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

3. Financial risk management (continued)

3.3 Fair values of financial instruments (continued)

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 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

As at 31 December 2018 and 2017, the Fund's financial assets which are designated at fair value through profit or loss are classified as summarised below:

FCS World Equities Fund

	2018	2018	2018	2017	2017	2017
	Level 1	Level 2	Total	Level 1	Level 2	Total
	€	€	€	€	€	€
Equity securities	3,067,386	-	3,067,386	1,570,766	-	1,570,766
Debt securities	1,574,539	-	1,574,539	-	-	-
Exchange traded funds	201,600	-	201,600	-	-	-
Derivative financial instruments (Options)	38,095	-	38,095	-	-	-
Collective Investment Schemes	431,038	-	431,038	-	-	-
	<u>5,312,658</u>	<u>-</u>	<u>5,312,658</u>	<u>1,570,766</u>	<u>-</u>	<u>1,570,766</u>

There were no transfers between levels during the year ended 31 December 2018 and 31 December 2017.

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

4. 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.

5. Financial assets/liabilities at fair value through profit or loss

5.1 Derivative financial instruments

The table below shows the fair values of derivative financial instruments recorded as assets together with their notional amounts. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amount indicates the volume of transactions outstanding at the year end.

	FCS World Equities Fund 2018 Market Value €	FCS World Equities Fund 2018 % of net assets
Equity instruments	3,067,386	30.3%
Debt securities	1,574,539	15.6%
Exchange traded funds	201,600	2%
Collective investment schemes	431,038	4.3%
Derivative financial instruments (Options)	38,095	0.38%
	<hr/>	
	5,312,658	52.58%
	<hr/>	

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

5. Financial assets/liabilities at fair value through profit or loss (continued)

	FCS World Equities Fund 2017 Market Value €	FCS World Equities Fund 2017 % of net assets
Equity securities	1,570,766	57.99%
	<u>1,570,766</u>	<u>57.99%</u>

(a) Exchange traded options

The primary difference in the risk associated with OTC contracts and exchange-traded contracts is credit risk. Credit risk from OTC contracts arises when two conditions are present (i) the OTC contract have unrealised gains, net of any collateral and (ii) the counterparty to the contracts defaults. The credit risk related to exchange traded contracts, to which the Company is exposed, is minimal because the exchange ensures that their contracts are always honoured.

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

For the year ended 31 December 2018 and 31 December 2017, the gains and losses on financial instruments at fair value through profit or loss consist of the following:

	FCS World Equities Fund 2018 €	FCS World Equities Fund 2017 €
Realized gain/(loss)	524,062	(536,897)
Unrealised gain/(loss)	(604,330)	258,614
	<u>(80,268)</u>	<u>(278,283)</u>

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

6. Cash and cash equivalents

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

	FCS World Equities Fund 2018 €	FCS World Equities Fund 2018 % of net assets
Cash at bank	<u>4,818,902</u>	<u>47.62%</u>
	FCS World Equities Fund 2017 €	FCS World Equities Fund 2017 % of net assets
Cash at bank	<u>1,138,030</u>	<u>42.01%</u>

7. Other receivables

	FCS World Equities Fund 2018 €	FCS World Equities Fund 2017 €
Interest receivable	<u>14,731</u>	<u>19,940</u>

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

8. Accounts payable and accruals

	FCS World Equities Fund 2018 €	FCS World Equities Fund 2017 €
Management fee payable	6,848	3,459
Administration fee payable	3,058	3,058
Directors' fees payable	3,524	2,039
Audit fee payable	7,080	3,557
Other payables	5,631	7,747
	<hr/>	<hr/>
	26,141	19,860
	<hr/>	<hr/>

9. Share capital and redeemable shares

All issued redeemable shares are fully paid. The Company's capital is represented by these redeemable shares with no par value and with no voting rights. They are entitled to payment of a proportionate share based on the respective Fund's net asset value per share on the redemption date. The Company has no restrictions or specific capital requirements on the redemptions of shares. The relevant movements are shown on the statement of changes in net assets attributable to holders of redeemable shares. The Funds endeavour to invest the subscriptions received in appropriate investments while maintaining sufficient liquidity to meet redemptions, such liquidity being augmented by short-term borrowings or disposal of listed securities where necessary.

Authorised

The authorised share capital of the Company is 10,000,000,000 shares with no nominal value and which can be issued as shares of different classes. As at 31 December 2018, the Company has issued two classes of shares, being the "Class 'A' Subscriber Shares" and the "Class 'I' Investor shares".

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

9. Share capital and redeemable shares (continued)

Class 'A' Subscriber Shares

The Company has issued 100 voting shares of €1 each, fully paid and are held by:

FCS Group Limited	99 Class 'A' Subscriber Shares
Mr Daniel Alonso-Pulpon Nuñez	1 Class 'A' Subscriber Share

The subscriber 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.

Investor shares

The net assets attributable to holders of redeemable 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. Investor shares do not carry any voting rights.

The following table shows the movements during the year end 31 December 2018 and 31 December 2017 for each of the two investor share classes:

	FCS World Equities Fund Class 1 Investors Shares 2018 €	FCS World Equities Fund Class 1 Investors Shares 2017 €
Balance at the beginning of the year	33,150.375	58,261.376
Creation of shares (units)	137,473.524	-
Redemption of shares (units)	(39,650.375)	(25,111.001)
Number of units at the end of the year	<u>130,973.524</u>	<u>33,150.375</u>

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

10. Net Asset Value

Net assets attributable to holders of redeemable shares represent a liability in the statement of financial position, carried at the redemption amount that would be payable as at the reporting date if the holder had to exercise the right to put the share back to the Company at that time. Differences exist between the valuation of quoted investments as prescribed by the Company's Offering Memorandum as opposed to that prescribed by IFRS as adopted by the EU.

In accordance with the Offering Memorandum, the net asset value of each class of shares in a Company is determined by reference to the market prices of the underlying assets in the Company attributable to such class at the close of business on the 'valuation date'. The net asset value of the Company based on the provisions of the Offering Memorandum is disclosed in the salient statistics.

The Offering Memorandum also stipulates the amortisation of formation expenses over a period of 5 years. In accordance with International Financial Reporting Standards, formation expenses are written off to profit or loss in the period when they are incurred.

In view of the above, as at 31 December 2018, the difference between the net asset value of the Company based on the provisions in the Offering Memorandum and that reported in the financial statements, amounted to €Nil (2017: €Nil) as included in the Statement of Financial Position.

Other differences that arise between the pricing net asset value included in the statement of financial position are disclosed below:

	FCS World Equities Fund Class 1 Investor Shares 2018 €
Dealing NAV	10,118,593
No. of shares in issue	130,973.524
Dealing NAV per share	€77.26
Adjustment to accounts payable and accruals	(€1,557)
Financial statements NAV per share	€77.27

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

11. Fees

Management fees

The manager is entitled to receive a management fee under the management agreement dated 23 April 2012, of 1.5% per annum in relation to Class 1 Investors Shares and 2% per annum in relation to Class 2 Investors Shares for each Fund. On 26 October 2018, the Offering Supplement was amended with changes applicable to Class 1 Investors Shares from 1.5% per annum to 0.8%. The fee is based on the net asset value of each class payable monthly in arrears. The fees due for the reporting year were €6,848 (2017: €3,459).

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. No performance fees were incurred during the year (2017: €Nil).

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 (2017: €36,000) per annum for FCS World Equities Fund and are payable monthly in arrears; and subject to a minimum of fee of €3,000 (2017: €3,000) per month. The fees due by the Company for the reporting year amounted to €36,000 (2017: €36,000), with €3,058 (2017: €3,058) in outstanding accrued fees due to FCS Asset Management Ltd as at the end of year.

Custody fees

Custody fee is subject to a minimum fee of €7,500 per annum (2017: €7,500) per sub-fund.

Audit fees

Fees charged by the auditor for services rendered during the financial year ended 31 December 2018 and 31 December 2017, included under other operating expenses in the statement of comprehensive income, are as follows:

	2018	2017
	€	€
Annual statutory fee	7,080	7,000
Tax services and advisory services	-	1,210
	<u>7,080</u>	<u>8,210</u>

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

12. Taxation

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

On the basis that the sub-funds of the Company are classified as non-prescribed funds for Maltese tax purposes, the Company is not subject to tax on its income or gains (other than any income from immovable property situated in Malta) but resident investors therein may be subject to a 15% final withholding tax on capital gains realised on a redemption of units in the Company. However in respect of such capital gain, the resident investor may request the Company not to effect the deduction of the said 15% withholding tax in which case the investor would be required to declare the gains in his/her income tax return and will be subject to tax at the normal rates of tax.

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

During the year under review, the Company paid withholding taxes arising from transactions outside Malta amounting to €6,072 (2017: €799) as disclosed in the Statement of Comprehensive Income.

13. 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.

Total Directors' fees for the year amounted to €12,001 (2017: €10,373) out of which €3,524 (2017: €2,039) were outstanding as at reporting date.

Total management fees for the year amounted to €97,478 (2017: €58,255) with €6,848 (2017: €3,459) in outstanding accrued fees due to FCS Asset Management Limited as at the end of the year.

FCS Global Funds SICAV p.l.c.

Notes to the financial statements

For the financial year ended 31 December 2018

13. Related party transactions (continued)

Total administrator fees for the year and outstanding accrued fees due to FCS Asset Management Ltd as at the end of the year are disclosed in note 11.

14. Change in accounting policy

IFRS 9 Financial Instruments

Classification and measurement

Equity securities – held for trading financial assets are required to be measured at Fair Value through Profit or Loss (FVTPL) under IFRS 9. Such assets were also measured at FVTPL and hence there was no impact on the amounts recognised in relation to these assets from the adoption of IFRS 9.

Reclassification of financial instruments on adoption of IFRS 9

On the date of initial application, 1 January 2018, the financial instruments of the company were as follows, with any reclassifications noted:

FCS World Equities Fund

	Measurement category		Carrying amount		Difference
	Original (IAS 39)	New (IFRS 9)	Original €	New €	
<i>Financial assets</i>					
Equity securities	FVTPL	FVTPL	1,570,766	1,570,766	-

15. Post balance sheet events

There are no post balance sheet events to note.

FCS Global Funds SICAV p.l.c.

Portfolio

FCS World Equities Fund

Description	Holding	CRY	Market price as at 31 December 2018
Equity securities			
CLINUVEL PHARMACEUTICALS LTD - CUV ASX	54860	AUD	18.1
DUNDEE CORP -CL A - DC/A CN	51000	CAD	1.28
FALCO RESOURCES LTD - FPC CN	165000	CAD	0.29
GOLDMONEY INC - XAU CN	86500	CAD	1.72
HUT 8 MINING CORP - HUT TSX-V	15000	CAD	1.4
MENE INC - MENE CN	1889	CAD	0.605
ARYZTA AG - ARYN SW	3676	CHF	1.0885
BLOCKESCENCE PLC - BCK ETR	150166	EUR	1.11
FERRATUM OYJ - FRU ETR	8700	EUR	8
FRESENIUS MEDICAL CARE AG & - FME ETR	1620	EUR	56.64
MUTARES AG - MUX ETR	6750	EUR	9.04
OSRAM LICHT AG - OSR ETR	1960	EUR	37.92
RYANAIR HOLDINGS PLC - RYA LSE	9200	EUR	10.7
SOLUTIONS 30 SE - ALS30 PAR	14480	EUR	8.92
BRAEMAR SHIPPING SERVICES PL - BMS LSE	29000	GBP	2.025
B2GOLD CORP - BTG US	53000	USD	2.92
CENTURY CASINOS INC - CNTY US	6888	USD	7.39
EMAGIN CORPORATION - EMAN US	30000	USD	1.03
FRANCO-NEVADA CORP - FNV US	2550	USD	70.17
GLOBALSTAR INC - GSAT US	75000	USD	0.6397
HUDSON TECHNOLOGIES INC - HDSN US	13698	USD	0.89
INFLARX NV - IFRX US	1430	USD	36.37
NATIONAL BEVERAGE CORP - FIZZ US	1360	USD	71.77
NIC INC - EGOV US	9000	USD	12.48
ROYAL GOLD INC - RGLD US	1650	USD	85.65
SAMSUNG ELECTR-GDR - SMSN LI	84	USD	867
SANDSTORM GOLD LTD - SAND US	32000	USD	4.61
TYSON FOODS INC-CL A - TSN US	1400	USD	53.4
VOLITIONRX LTD - VNRX US	209000	USD	1.81
WHEATON PRECIOUS METALS CORP - WPM US	9500	USD	19.53

FCS Global Funds SICAV p.l.c.

Portfolio

Description	Holding	CRY	Market price as at 31 December 2018
Fund Investments			
BANK JULIUS BAER & CO AG May 23 0% (EUR) - BAER 0 05/05/23	240	EUR	840
FCS NAVIGATOR FUND-A - FCGSINE ISX	5078.204	EUR	84.88
Bonds			
AEGON NV Oct 96 Floating - AEGON 5.185 PERP	600000	EUR	31.537
BANCO SANTANDER SA Mar 14 Floating - SANTAN 6 1/4 PERP	200000	EUR	95.202
ALTRIA GROUP INC May 21 4.75% - MO 4 3/4 05/05/21	250000	USD	102.169
CREDIT SUISSE GROUP AG Sep 18 Floating - CS 7 1/4 PERP	250000	USD	94.94
GENERAL ELECTRIC CO Mar 24 3.375% - GE 3 3/8 03/11/24	300000	USD	92.929
JOHNSON & JOHNSON May 21 3.55% - JNJ 3.55 05/15/21	350000	USD	102.031
MONSANTO CO Jul 21 2.75% - MON 2 3/4 07/15/21	250000	USD	96.711
Options			
BID US 18 Jan 19 C37 - BID 1 C37 US	-25	USD	2.1
BID US 18 Jan 19 P37 - BID 1 P37 US	25	USD	0.45
BRKB US 18 Jan 19 C200 - BRKB 1 C200 US	-5	USD	7.6
BRKB US 18 Jan 19 P200 - BRKB 1 P200 US	5	USD	3.4
CCI US 18 Jan 19 C110 - CCI 1 C110 US	-9	USD	1.6
CCI US 18 Jan 19 P110 - CCI 1 P110 US	9	USD	3.4
CF US 18 Jan 19 C47.5 - CF 1 C47.5 US	-30	USD	0.44
CF US 18 Jan 19 P47.5 - CF 1 P47.5 US	30	USD	7.1
DE US 18 Jan 19 C150 - DE 1 C150 US	-10	USD	3.94
DE US 18 Jan 19 P150 - DE 1 P150 US	10	USD	5.45
HLF US 18 Jan 19 C55 - HLF 1 C55 US	-18	USD	4.05
HLF US 18 Jan 19 P55 - HLF 1 P55 US	18	USD	0.49
IRM US 18 Apr 19 C32.5 - IRM 4 C32.5 US	-30	USD	1.6
IRM US 18 Apr 19 P32.5 - IRM 4 P32.5 US	30	USD	2.1
RUTW US 31 Dec 18 P1350 - RUTW 12 P1350 US	-2	USD	3.98
RUTW US 31 Dec 18 P1500 - RUTW 12 P1500 US	2	USD	162.55

Independent auditor's report

To the Shareholders of FCS Global Funds SICAV plc

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of FCS Global Funds SICAV plc (the Company), set out on pages 11 to 51, which comprise the statement of financial position as at 31 December 2018 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at 30 June 2018, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the EU (EU IFRSs) and have been prepared in accordance with the requirements of the Companies Act (Cap. 386).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in accordance with the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) in Malta, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The financial statements of FCS Global Funds SICAV plc for the year ended 31 December 2017 were audited by another auditor who expressed an unmodified opinion on those statements on 30 May 2018.

Other Information

The directors are responsible for the other information. The other information comprises the directors' report. Our opinion on the financial statements does not cover this information. 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. With respect to the Directors' Report, we also considered whether the Directors' Report includes the disclosures required by Article 177 of the Maltese Companies Act (Cap. 386). Based on the work we have performed, in our opinion:

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

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

Independent auditor's report (continued)

To the Shareholders of FCS Global Funds SICAV plc

Responsibilities of the Directors

The directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with EU IFRS's, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

Independent auditor's report (continued)

To the Shareholders of FCS Global Funds SICAV plc

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

Under the Maltese Companies Act (Cap. 386) we are required to report to you if, in our opinion:

- We have not received all the information and explanations we require for our audit.
- Adequate accounting records have not been kept, or that returns adequate for our audit have not been received from branches not visited by us.
- The financial statements are not in agreement with the accounting records and returns.

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



This copy of the audit report has been signed by Ernestino Riolo (Partner) for and on behalf of

Mazars Malta
Certified Public Accountants
Attard,
Malta

30 April 2019


FCS GLOBAL FUNDS SICAV PLC

16/1, Sandra Flats, Windsor Terrace
Sliema SLM 1858

RESOLUTION IN WRITING SIGNED BY THE DIRECTORS OF THE COMPANY

International Financial Reporting Standards as adopted by the E.U.

It is hereby approved that the financial statements for the year ended 12/31/2018 are to be prepared in accordance with the Companies Act (Chap.386), enacted in Malta, which permits compliance with the International Financial Reporting Standards as adopted by the E.U..



Jaime Agurruza Fatosme
Director



Neal Rossignaud
Director

30 April 2019