

FCS Fund Services SICAV

Société d'investissement à capital variable

Annual report and audited financial statements
as of 31 December 2020

FCS Fund Services SICAV

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FCS Fund Services SICAV

ORGANISATION

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| Registered office | 3, rue Gabriel Lippmann L-5365 Munsbach Grand Duchy of Luxembourg (Since 1 August 2020) 2C, rue Albert Borschette L-1246 Luxembourg (Until 31 July 2020) |
| Management Company | FCS Asset Management Limited 40/2, Main Street Balzan BZN 1259 Malta |
| Board of Directors | Jaime Agurruza Fatosme (Chairman) Oscar Casas Oscar Garcia Arroyo (Since 3 March 2020) |
| Investment Manager | FCS Asset Management Limited 40/2, Main Street Balzan BZN 1259 Malta |
| Depository bank and Paying agent | European Depository Bank S.A. 3, rue Gabriel Lippmann, L-5365 Munsbach Grand Duchy of Luxembourg (Since 3 August 2020) UBS Europe SE, Luxembourg Branch 33A, avenue J.F. Kennedy L-1855 Luxembourg (Until 2 August 2020) |
| Central administrator and domiciliation agent | Apex Fund Services S.A. 3, rue Gabriel Lippmann L-5365 Munsbach Grand Duchy of Luxembourg (Since 1 August 2020) Northern Trust Global Services SE 6, rue Lou Hemmer L-1748 Senningerberg (Until 31 July 2020) |

FCS Fund Services SICAV

ORGANISATION (Continued)

| | |
|-------------------------------------|---|
| Auditor | Ernst & Young S.A. 35E, avenue John F. Kennedy L-1855 Luxembourg, Grand Duchy of Luxembourg |
| Legal Advisers in Luxembourg | Simmons & Simmons Luxembourg LLP 26A, Boulevard Royal L-1528 Luxembourg Grand Duchy of Luxembourg |

FCS Fund Services SICAV

FEATURES OF THE FUND

FCS Fund Services SICAV (the “Fund”) is an open-end investment fund with multiple Compartments (société d’investissement à capital variable (SICAV) à compartiments multiples) governed by Part I of the law of 17 December 2010 on undertakings for collective investment, as may be amended from time to time (the “Law”). The Fund was converted from a Luxembourg partnership limited by shares (“Société en commandite par actions”) into a Luxembourg public limited company (“Société anonyme”), both governed by the law of 10 August 1915 on commercial companies.

The Fund was incorporated for an indefinite period on 6 November 2013, with an initial capital of EUR 31 000. Its articles of incorporation (the “Articles of Incorporation”) have been published in the Mémorial number 2975 on 26 November 2013.

The Articles of Incorporation were last amended on 16 March 2016. The Fund is registered with the Registre de Commerce et des Sociétés of Luxembourg under number B 181 633. The Fund was originally registered as a Luxembourg specialised investment fund under the law of 13 February 2007 on specialized investment funds (the “2007 Law”) and converted into a Luxembourg undertaking for collective investment in transferrable securities under the Law as of 16 March 2016.

The Fund’s capital shall at all times be equal to the value of its total net assets. The minimum capital required by the Law is EUR 1 250 000 or its equivalent in another currency.

The Fund is an umbrella fund and as such may provide investors the choice of investment in a range of several separate Compartments each of which relates to a separate portfolio of eligible assets.

Ordinary Shares may be issued in one or more Classes in each Compartment.

The Board of Directors may launch additional Compartments or Classes, the offering terms and conditions of which will be described for each Compartment in the relevant Appendix to the Prospectus.

The Board of Directors will maintain for each Compartment a separate portfolio of assets. As between shareholders, each portfolio of assets will be invested for the exclusive benefit of the relevant Compartment.

The Fund constitutes one single legal entity. However, with regard to third parties, in particular towards the Fund’s creditors, each Compartment will be exclusively responsible for all liabilities attributable to it.

Classes of Shares may be sub-divided into two Categories: accumulation of income and distribution of income.

The following Classes of Shares are available:

- Class A shares are reserved for institutional investors. Fractions of Class A Shares cannot be issued
- Class B shares are available to all types of investors. Fractions of Class B Shares cannot be issued.
- Class C shares are reserved for investors who instruct the Management Company, at the time of subscription, to make a donation to “Fundacion Colores de Calcuta” equal to 0.5% of the Management Fee charged. Fractions of Class C Shares cannot be issued

The Reference Currency of the Fund is Euro.

The financial year of the Fund ends on 31 December of each year.

As at 31 December 2020, the following Compartments are active:

- FCS FUND SERVICES SICAV – FLEX ABLE GROWTH PLUS SUB-FUND; and
- FCS FUND SERVICES SICAV – FLEX ABLE GROWTH SUB-FUND.

The annual and semi-annual reports are available free of charge to shareholders at the registered office of the Fund and the Depositary.

No subscription may be accepted on the basis of the financial reports. Subscriptions are accepted only on the basis of the current prospectus accompanied by the latest annual or semi-annual report if available.

The figures stated in this report are historical and not necessarily indicative of future performance.

INVESTMENT MANAGEMENT REPORT

I. MARKET OVERVIEW

The fourth quarter of 2020 exhibited strong, broad based market performance.

Throughout the year a small group of mega-cap stocks leading the market higher from the March lows. The divergence in performance, particularly in the largest U.S. tech stocks versus the rest of the market, reached historical extremes. The fourth quarter finally demonstrated broader participation from value and cyclical stocks, global stocks (both developed and emerging), and small-cap stocks.

While much of the recovery has been driven by overwhelming monetary and fiscal stimulus, the most recent catalyst appears to be the arrival of a Covid-19 vaccine and the launch of worldwide programs for the vaccine's rollouts. The market laggards (i.e., value stocks) rallied sharply due to this news and regained some of the dispersion that had occurred vs. their growth stock counterpart. Even small company stocks in the U.S., which felt the brunt of the Covid-19 sell-off, rallied strongly to finish the year and were up over 30% for the quarter. On average, global stocks finished the year with double-digit returns.

The Covid-19 sell-off in the first quarter of 2020 impacted virtually all asset classes. This included high quality corporate bonds which are typically stable. As the credit markets continued to heal, and liquidity dislocations began to improve as the Central Banks stepped in, the bond market experienced a substantial reversal finishing the year with solid performance.

In March, the sharp drop in stocks caused many investors to feel like the decline would continue thus leading many investors to sell out of stocks. Seasoned investors knew that the market would eventually stop selling off and start to recover. The sharp, unprecedented rally after the Covid-19 sell-off quickly helped investors forget the severe economic damage and resultant stock market sell-off. They could then focus on jumping back into stocks so as not to miss the run-up. To be sure, this year's market was unlike any other in terms of the response from Washington and the Federal Reserve. As a result of the massive stimulus programs that were implemented, investors bought up stocks that just a few months prior seemed destined for bankruptcy.

For most of the Q4, Wall Street, and Main Street did hold their collective breath until President Trump signed the \$900 billion COVID-relief bill, which will provide much-needed relief to small businesses and direct payments to individuals and families.

And while there was hope that those payments might be increased to \$2,000, those hopes were put on hold until at least 2021.

- Volatility, as measured by the VIX, trended modestly lower from 26 to 23 for the quarter, although the end of October saw a significant spike that pushed the VIX north of 40.
- West Texas Intermediate crude trended up for the quarter, adding about \$10/barrel over the month to close out 2020 at \$48.52/barrel.

Three days before Christmas, the U.S. Department of Commerce released the "third" estimate of real gross domestic product for the third quarter and the "third" estimate was revised upwards from 33.1% to 33.4%. This is, of course, on the heels of the 31.4% decrease in the second quarter.

Global equity markets pulled back in October, turned in some astonishing returns in November, performed admirably for the month of December and closed out the fourth quarter of 2020 with new record highs.

The performance for the last quarter and for all of 2020 for the major U.S. indices was nothing short of impressive, especially given the headwinds of COVID-19 and the drama surrounding the presidential election.

For Q4 and the 2020 calendar year:

- The DJIA added 10.2% in Q4 and rose 7.3% in 2020.
- The S&P 500 added 11.7% in Q4 and rose 16.3% in 2020; and
- NASDAQ added 15.7% in Q4 and rose 43.6% in 2020.

November especially strong due to the vaccine news. The developments eclipsed Joe Biden's win in the US presidential election, as well as a \$900 billion stimulus package announced in late December. The Federal Reserve nonetheless reinforced its supportive message, stating it will continue with current levels of quantitative easing. Economically sensitive sectors made the strongest gains, with more defensive sectors making more modest progress.

European equities gained sharply in Q4, again on the news of effective vaccines. Sectors that had previously suffered most severely from the pandemic, such as energy and financials, were the top gainers. However, rising Covid infections saw many European countries tighten restrictions. EU leaders approved the landmark €1.8 trillion budget package, including the €750 billion recovery fund, after overcoming opposition from Hungary and Poland. The EU agreed a Brexit trade deal with the UK.

INVESTMENT MANAGEMENT REPORT (Continued)

UK equities performed well over the quarter reversing some of the underperformance that they suffered versus other regions during the global pandemic's initial stages. The market responded well to November's vaccine news and then again to the Brexit trade deal, with domestically focused areas of the market outperforming.

Japanese equities rallied in the quarter, driven from early November by vaccine-related news and the US presidential election result. The style reversal seen in most markets has not yet materialised in Japan, with only a brief outperformance for value stocks, while small caps underperformed sharply in the quarter. The focus now is on the vaccine roll out, Japan's general election timetable and the timing of a full corporate earnings recovery.

The MSCI Asia ex Japan Index rallied strongly. South Korea was the best-performing index market, aided by strong gains from the tech sector. Indonesia, Taiwan, the Philippines, and India also finished ahead of the index. Malaysia, China, and Hong Kong generated more modest gains and underperformed. In China, tensions with the US, and anti-trust moves weighed on sentiment somewhat.

Emerging market (EM) equities generated their strongest quarterly return in over a decade, with US dollar weakness amplifying gains. Korea, Brazil, and Mexico all outperformed. The rally in commodity prices was supportive of EM net exporters. Conversely, Egypt, where daily new Covid-19 cases accelerated, posted a negative return. China finished in positive territory but also lagged. The launch of an anti-trust investigation into Alibaba and further escalation in US-China tensions dragged on sentiment.

Government bond yields diverged markedly. The US 10-year yield was 25 basis points (bps) higher, finishing at 0.91%, while the German 10-year yield fell by 5bps to -0.57%. Italian and Spanish 10-year yields saw significant declines of 32 and 20bps respectively, as the European Central Bank increased quantitative easing. The UK 10-year yield was little changed at 0.20%, as vaccine optimism was tempered by Brexit uncertainty and new lockdown measures.

Corporate bonds enjoyed a fruitful quarter, outpacing government bonds, with both investment grade and high yield delivering strong positive total returns. Investment grade bonds are the highest quality bonds as determined by a credit rating agency; high yield bonds are more speculative, with a credit rating below investment grade.

Convertible bonds gained 10.7%, benefiting from the tailwind of global stocks at record highs. This implies a strong 73% participation in the equity market gains in Q4. The primary market for convertibles has also reached highs not seen for the last ten years. All in all, \$166 billion of new convertible bonds were issued in 2020. Valuations, especially in the US, have become more expensive, albeit from a lowly valued base.

In commodities, the S&P GSCI Index registered a robust return in Q4. Vaccine news lifted hopes for a global economic recovery in 2021. US dollar weakness was also beneficial. Agriculture was the best-performing index component, driven higher by strong performance from soybeans and corn. The energy component also posted a positive return. Crude oil prices rallied as a stronger demand outlook offset concerns over increased supply. Industrial metals also gained, driven higher by copper and nickel. Precious metals were mixed, with silver generating a robust gain while the gold price fell.

II. MANAGER'S APPROACH TO MARKETS

As we finished 2020, stocks have several strong tailwinds. The main driver may come from a global economy that continues to heal, supported by massive stimulus programs from Washington and accommodative interest rate policy from the Federal Reserve (with similar programs around the world). However, stocks are currently at a precarious intersection as it relates to various valuation metrics and the ability for companies to deliver profits needed to justify lofty prices. This reconciliation process will likely be the main risk driver for 2021 in an environment of higher inflation and inflation expectations.

Despite the lofty valuations for companies in the S&P 500 (particularly certain technology companies), we are finding much better valuations in some sectors of large U.S. stocks (like financials and industrial stocks) and in some sub-asset classes (like emerging market and small 'value' stocks). We believe diversification will be critical for success in a post Covid-19 world.

By design, the Federal Reserve cut interest rates to the lowest they can go (without going negative) and will keep them there until at least 2022. This is to encourage investors to reduce cash holdings in favour of riskier investments (like bonds, stocks, and real estate). As a result, prices of bonds have gone up and yields offered on the bonds are much lower. The bond market performed very well during 2020 because of this phenomenon. However, future returns for bonds will likely be suboptimal for the foreseeable future.

FCS Fund Services SICAV

INVESTMENT MANAGEMENT REPORT (Continued)

Interest rate risk, which is the risk associated with a bond's price falling due to rising interest rates (remember, bond yields and prices have an inverse relationship), is on the forefront of our minds as we attempt to navigate a ZIRP (Zero Interest Rate Policy) world. We prefer to remain in low maturities and in bonds that have low interest rate risk and high credit quality to act as a ballast to the volatility often experienced with stocks.

Cash, while very safe in terms of volatility, is a dangerous asset class as it relates to inflation-adjusted returns. Cash is currently paying approximately zero while the cost of goods (inflation) is increasing closer to 2%. The real return from this is accordingly negative.

The information stated in the report is historical and is not representative of future results.

Independent auditor's report

To the Shareholders of
FCS FUND SERVICES SICAV
Luxembourg

Opinion

We have audited the financial statements of FCS FUND SERVICES SICAV (the "Fund") and of each of its sub-funds, which comprise the statement of net assets and the statement of investments as at 31 December 2020, and the statement of operations and other changes in net assets for the year then ended, and the 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 Fund and of each of its sub-funds as at 31 December 2020, and of the results of their operations and changes in their net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

Basis for opinion

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (the "Law of 23 July 2016") and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the "Commission de Surveillance du Secteur Financier" ("CSSF"). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the "réviseur d'entreprises agréé" for the audit of the financial statements" section of our report. We are also independent of the Fund in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants ("IESBA Code") as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information included in the annual report but does not include the financial statements and our report of the "réviseur d'entreprises agréé" thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors of the Fund for the financial statements

The Board of Directors of the Fund is responsible for the preparation and fair presentation of these financial statements in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements, and for such internal control as the Board of Directors of the Fund determines 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 Board of Directors of the Fund is responsible for assessing the Fund's and each of its sub-funds' 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 Board of Directors of the Fund either intends to liquidate the Fund or any of its sub-funds or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the “réviseur d'entreprises agréé” for the audit of the financial statements

The objectives of our audit 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 a report of the “réviseur d'entreprises agréé” that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF 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 the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism 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 Fund's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund.

- Conclude on the appropriateness of the Board of Directors of the Fund's 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 Fund's or any of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "réviseur d'entreprises agréé" 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 report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund or any of its sub-funds to cease to continue as a going concern.
- 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate to them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Jean-Marc Cremer

Luxembourg, 30 April 2021

FCS Fund Services SICAV

STATEMENT OF NET ASSETS

as at 31 December 2020

| <u>ASSETS</u> | Notes | FLEXIBLE GROWTH PLUS EUR | FLEXIBLE GROWTH EUR | COMBINED EUR |
|--|-------|--------------------------------|---------------------------|---------------------|
| Investment at market value | 1 | - | 2,636,223.19 | 2,636,223.19 |
| Unrealised gain on futures contracts | 7 | - | 4,398.60 | 4,398.60 |
| Cash at banks | | 755,096.93 | 513,664.79 | 1,268,761.72 |
| Dividends receivable | | - | 314.70 | 314.70 |
| Due from affiliate | | 6,344.32 | - | 6,344.32 |
| Formation expenses, net | 2 | 22,836.84 | 7,714.94 | 30,551.78 |
| Other receivables | | 3,541.87 | 2,905.42 | 6,447.29 |
| TOTAL ASSETS | | 787,819.96 | 3,165,221.64 | 3,953,041.60 |
| <u>LIABILITIES</u> | | | | |
| Options written at market value | 6 | - | 4,762.20 | 4,762.20 |
| Provision for investment management fees | 2 | 981.05 | 1,053.41 | 2,034.46 |
| Provision for administration fees | 2 | 3,335.72 | 6,726.48 | 10,062.20 |
| Provision for audit fees | 2 | 19,785.28 | 2,826.46 | 22,611.74 |
| Provision for depositary fees | | 9,937.53 | 7,555.18 | 17,492.71 |
| Distribution fees payable | | 2,547.93 | 2,547.93 | 5,095.86 |
| Subscription duty ("taxe d'abonnement") | 3 | 91.82 | 78.90 | 170.72 |
| Other payables | 2 | 8,929.83 | 16,508.00 | 25,437.83 |
| TOTAL LIABILITIES | | 45,609.16 | 42,058.56 | 87,667.72 |
| TOTAL NET ASSETS | | 742,210.80 | 3,123,163.08 | 3,865,373.88 |

FCS Fund Services SICAV

STATEMENT OF OPERATIONS AND OTHER CHANGES IN NET ASSETS

For the year ended 31 December 2020

| | Notes | FLEXIBLE GROWTH PLUS EUR | FLEXIBLE GROWTH EUR | COMBINED EUR |
|---|-------|--------------------------------|---------------------------|---------------------|
| INCOME | | | | |
| Dividends, net | | 1,609.30 | 1,617.88 | 3,227.18 |
| Interest income | | 1,051.25 | - | 1,051.25 |
| Other income | | 4,521.30 | - | 4,521.30 |
| TOTAL INCOME | | 7,181.85 | 1,617.88 | 8,799.73 |
| EXPENSES | | | | |
| Investment management fees | 2 | 12,579.82 | 2,076.87 | 14,656.69 |
| Administrative agent and transfer agent fees | 2 | 34,031.12 | 6,726.48 | 40,757.60 |
| Depositary fees | | 31,653.50 | 8,149.76 | 39,803.26 |
| Bank charges and other fees | | 1,978.34 | 150.00 | 2,128.34 |
| Audit fees | | 22,773.87 | 2,826.46 | 25,600.33 |
| Formation expenses | | 7,508.32 | 535.06 | 8,043.38 |
| Subscription duty ("taxe d'abonnement") | 3 | 538.41 | - | 538.41 |
| Transaction costs | 2, 4 | 15,105.61 | 8,838.11 | 23,943.72 |
| Advisory fees | 2 | 128,155.06 | - | 128,155.06 |
| Interest expense | | 443.96 | 3,120.01 | 3,563.97 |
| Distribution fees | | 30,158.56 | 5,095.87 | 35,254.43 |
| Directors fees | | 20,082.80 | 8,052.96 | 28,135.76 |
| Legal fees | | 14,320.34 | - | 14,320.34 |
| FATCA fees | | 6,658.05 | 3,000.09 | 9,658.14 |
| Regulatory fees | | 1,703.85 | 784.98 | 2,488.83 |
| Licence fees | | 7,982.43 | - | 7,982.43 |
| Other expenses | | 63,447.55 | 7,333.87 | 70,781.42 |
| TOTAL EXPENSES | | 399,121.59 | 56,690.52 | 455,812.11 |
| NET INVESTMENT GAIN/(LOSS) | | (391,939.74) | (55,072.64) | (447,012.38) |
| NET REALISED GAINS/(LOSSES) | | | | |
| - on investments | | (72,209.28) | 24,368.93 | (47,840.35) |
| - on futures contracts | 7 | (80,313.17) | 31,141.63 | (49,171.54) |
| - on options | 6 | - | 5,900.00 | 5,900.00 |
| - on forward foreign exchange contracts | | 1,214.30 | (1,624.30) | (410.00) |
| - on foreign currency transactions | | (67,147.83) | - | (67,147.83) |
| NET REALISED GAINS/(LOSSES) FOR THE YEAR | | (610,395.72) | 4,713.62 | (605,682.10) |
| CHANGE IN NET UNREALISED APPRECIATION/ (DEPRECIATION) FOR THE YEAR | | | | |
| - on investments | | 8,571.36 | 138,473.49 | 147,044.85 |
| - on financial future contracts | 7 | - | 4,398.60 | 4,398.60 |
| - on options | 6 | - | (600.00) | (600.00) |
| - on foreign currency transactions | | (119,457.83) | (23,822.63) | (143,280.46) |
| RESULT OF OPERATIONS FOR THE YEAR | | (721,282.19) | 123,163.08 | (598,119.11) |
| Subscriptions | | 1,299,951.45 | 3,000,000.00 | 4,299,951.45 |
| Redemptions | | (1,423,628.02) | - | (1,423,628.02) |
| TOTAL CHANGES IN NET ASSETS | | (844,958.76) | 3,123,163.08 | 2,278,204.32 |
| TOTAL NET ASSETS at the beginning of the year | | 1,587,169.56 | - | 1,587,169.56 |
| TOTAL NET ASSETS at the end of the year | | 742,210.80 | 3,123,163.08 | 3,865,373.88 |

FCS Fund Services SICAV- Flex Able Growth Plus

STATISTICAL INFORMATION

31 December 2020

Total net assets

| | |
|--------------------------|-------------------|
| - as at 31 December 2020 | EUR 742,210.80 |
| - as at 31 December 2019 | EUR 1,587,169.56 |
| - as at 31 December 2018 | EUR 18,161,076.94 |

Number of Class A EUR shares

| | |
|--|--------------|
| - outstanding at the beginning of the year | 2,999.0000 |
| - issued | - |
| - redeemed | (2,999.0000) |
| - outstanding at the end of the year | - |

Net asset value per Class A EUR shares

| | |
|--------------------------|------------|
| - as at 19 November 2020 | EUR 61.85 |
| - as at 31 December 2019 | EUR 109.44 |
| - as at 31 December 2018 | EUR 124.50 |

Number of Class B EUR shares

| | |
|--|---------------|
| - outstanding at the beginning of the year | 13,277.0000 |
| - issued | 15,855.0000 |
| - redeemed | (13,277.0000) |
| - outstanding at the end of the year | 15,855.0000 |

Net asset value per Class B EUR shares

| | |
|--------------------------|-----------|
| - as at 31 December 2020 | EUR 46.81 |
| - as at 31 December 2019 | EUR 94.82 |
| - as at 31 December 2018 | - |

FCS Fund Services SICAV- Flex Able Growth

STATISTICAL INFORMATION

31 December 2020

Total net assets

| | |
|--------------------------|-------------------|
| - as at 31 December 2020 | EUR 3,123,163.08 |
| - as at 28 June 2019 | EUR 577,165.06 |
| - as at 31 December 2018 | EUR 19,589,146.99 |

Number of Class A EUR shares

| | |
|--|-----------|
| - outstanding at the beginning of the year | - |
| - issued | 30,000.00 |
| - redeemed | - |
| - outstanding at the end of the year | 30,000.00 |

Net asset value per Class A EUR shares

| | |
|--------------------------|------------|
| - as at 31 December 2020 | EUR 104.11 |
| - as at 28 June 2019 | EUR 84.04 |
| - as at 31 December 2018 | EUR 92.24 |

FCS Fund Services SICAV- Flex Able Growth

STATEMENT OF INVESTMENTS

As at 31 December 2020

| Currency | Nominal/ Quantity | Description | Cost | Market Value | % of total net assets |
|---|----------------------|------------------------------------|------------|--------------|-----------------------|
| TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | | |
| Equity shares | | | | | |
| <i>Belgium</i> | | | | | |
| EUR | 7,000.00 | EURONAV NV | 49,175.00 | 46,200.00 | 1.48% |
| | | <i>Total Belgium</i> | | 46,200.00 | 1.48% |
| <i>Canada</i> | | | | | |
| USD | 3,750.00 | BROOKFIELD RENEWABLE PARTNER | 126,985.21 | 132,264.60 | 4.24% |
| USD | 5,000.00 | CAMECO CORP | 38,912.87 | 54,765.41 | 1.75% |
| | | <i>Total Canada</i> | | 187,030.01 | 5.99% |
| <i>France</i> | | | | | |
| EUR | 10,000.00 | AIR FRANCE-KLM | 44,200.00 | 51,200.00 | 1.64% |
| EUR | 500.00 | AIR LIQUIDE SA | 67,575.00 | 67,125.00 | 2.15% |
| EUR | 2,000.00 | ALSTOM | 92,147.40 | 93,220.00 | 2.98% |
| EUR | 1,000.00 | ARKEMA SHS | 92,279.50 | 93,500.00 | 2.99% |
| EUR | 5,000.00 | BOLLORE | 16,760.00 | 16,910.00 | 0.54% |
| EUR | 2,500.00 | FAURECIA | 98,970.75 | 104,775.00 | 3.35% |
| EUR | 5,000.00 | PEUGEOT SA | 98,125.00 | 111,850.00 | 3.58% |
| | | <i>Total France</i> | | 538,580.00 | 17.23% |
| <i>Germany</i> | | | | | |
| EUR | 2,500.00 | BASF SE | 144,313.50 | 161,800.00 | 5.18% |
| EUR | 3,000.00 | COVESTRO AG | 139,489.80 | 151,440.00 | 4.85% |
| EUR | 300.00 | LINDE PLC | 61,598.70 | 63,900.00 | 2.05% |
| EUR | 1,800.00 | PORSCHE AUTOMOBIL HOLDING | 102,757.86 | 101,520.00 | 3.25% |
| | | <i>Total Germany</i> | | 478,660.00 | 15.33% |
| <i>Luxembourg</i> | | | | | |
| EUR | 3,000.00 | ARCELORMITTAL | 40,710.30 | 56,640.00 | 1.81% |
| | | <i>Total Luxembourg</i> | | 56,640.00 | 1.81% |
| <i>Marshall Islands</i> | | | | | |
| USD | 7,000.00 | TEEKAY LNG PARTNERS LP | 65,232.63 | 65,571.36 | 2.10% |
| | | <i>Total Marshall Islands</i> | | 65,571.36 | 2.10% |
| <i>Netherlands</i> | | | | | |
| EUR | 5,000.00 | ORASCOM CONSTRUCTION INDUSTRIES NV | 74,200.00 | 78,600.00 | 2.52% |
| EUR | 3,000.00 | SIGNIFY NV | 108,654.78 | 103,590.00 | 3.32% |
| | | <i>Total Netherlands</i> | | 182,190.00 | 5.84% |
| <i>Spain</i> | | | | | |
| EUR | 2,500.00 | AMADEUS IT GROUP SA | 141,296.25 | 148,900.00 | 4.77% |
| EUR | 30,000.00 | BANCO SANTANDER SA - (EUR) | 75,849.00 | 76,140.00 | 2.44% |
| EUR | 30,000.00 | GESTAMP AUTOMOCION SA | 103,779.00 | 118,380.00 | 3.79% |
| EUR | 15,000.00 | TALGO SA | 67,043.00 | 62,025.00 | 1.99% |
| | | <i>Total Spain</i> | | 405,445.00 | 12.99% |
| <i>United Kingdom</i> | | | | | |
| USD | 3,000.00 | GOLAR LNG PARTNERS LP | 5,440.66 | 6,326.63 | 0.20% |
| | | <i>Total United Kingdom</i> | | 6,326.63 | 0.20% |

FCS Fund Services SICAV- Flex Able Growth

STATEMENT OF INVESTMENTS (continued)

As at 31 December 2020

| Currency | Nominal/ Quantity | Description | Cost | Market Value | % of total net assets |
|---|----------------------|-----------------------------------|---------------------|---------------------|-----------------------|
| TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | | | |
| Equity shares | | | | | |
| <i>United States</i> | | | | | |
| USD | 325.00 | BERKSHIRE HATHAWAY INC | 58,581.82 | 61,596.98 | 1.97% |
| USD | 2,500.00 | CARRIER GLOBAL CORP | 79,933.18 | 77,080.27 | 2.47% |
| USD | 1,000.00 | COMCAST CORP-CLASS A | 41,268.51 | 42,831.45 | 1.37% |
| USD | 2,000.00 | DOWDUPONT INC 1 | 105,879.84 | 116,249.78 | 3.73% |
| USD | 5,000.00 | HALLIBURTON CO | 72,735.41 | 77,243.75 | 2.47% |
| USD | 5,000.00 | INTERNATIONAL SEAWAYS INC | 62,722.74 | 66,740.23 | 2.14% |
| USD | 2,000.00 | SCHLUMBERGER LTD | 29,016.35 | 35,687.43 | 1.14% |
| | | <i>Total United States</i> | | <i>477,429.89</i> | <i>15.29%</i> |
| Total equity shares | | | 2,305,634.06 | 2,444,072.89 | 78.26% |
| Debt securities/Treasury notes, fixed rate | | | | | |
| <i>Canada</i> | | | | | |
| CAD | 300,000.00 | 0% CANADA GOVT TREAS BILL 2020/04 | 192,115.65 | 192,150.30 | 6.15% |
| | | <i>Total Canada</i> | | <i>192,150.30</i> | <i>6.15%</i> |
| Total debt securities | | | 192,115.65 | 192,150.30 | 6.15% |
| TOTAL TRANSFERABLE SECURITIES | | | | | |
| ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING | | | 2,497,749.71 | 2,636,223.19 | 84.41% |

FCS Fund Services SICAV- Flex Able Growth

INDUSTRIAL AND GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

As at 31 December 2020

| Sector | % of net assets |
|--------------------------------|------------------------|
| Non financial corporations | 20.64 |
| Basic Materials | 19.36 |
| Industrial | 8.64 |
| Financial | 8.12 |
| Other financial intermediaries | 5.79 |
| Consumer, Cyclical | 5.22 |
| Technology | 4.77 |
| Utilities | 4.24 |
| Energy | 3.24 |
| Other | 2.47 |
| Communications | 1.37 |
| Diversified | 0.55 |
| TOTAL | 84.41 |

| Country | % of net assets |
|------------------|------------------------|
| France | 17.24 |
| Germany | 15.33 |
| United States | 15.29 |
| Spain | 12.99 |
| Canada | 12.14 |
| Netherlands | 5.83 |
| Marshall Islands | 2.10 |
| Luxembourg | 1.81 |
| Belgium | 1.48 |
| United Kingdom | 0.20 |
| TOTAL | 84.41 |

FCS Fund Services SICAV

NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2020

NOTE 1 - Summary of significant accounting policies

The financial statements have been prepared in accordance with the generally accepted accounting principles for investment funds in Luxembourg. The significant accounting policies are summarised as follows:

a) Calculation of the Net Asset Value

The Net Asset Value will be expressed in the Reference Currency of each class within the relevant Compartment and will be determined as of any valuation day.

The frequency of the Net Asset Value calculation is detailed for each Compartment in the appendices of the prospectus.

The Net Asset Value per Share of each Class or Category of Shares is determined by dividing the value of the total assets of that Compartment properly allocable to such Class or Category less the liabilities of such Compartment properly allocable to such Class or Category by the total number of Shares of such Class or Category outstanding on the relevant Valuation Day.

The assets of the Fund, in relation to each Compartment, shall be deemed to include:

- (i) all cash on hand or on deposit, including any interest accrued thereon;
- (ii) all bills and demand notes payable and accounts receivable (including proceeds of securities sold but not delivered);
- (iii) all bonds, timenotes, certificates of deposit, shares, stock, debentures, debenture stocks, subscription rights, warrants, options and other securities, money market instruments, financial instruments and similar assets owned by the Fund or contracted by the management company on behalf of the Fund (provided that the management company may make some adjustments in a manner not inconsistent with paragraph below with regards to fluctuations in the market value of securities caused by trading ex-dividends, ex-rights, or by similar practices);
- (iv) all stock dividends, cash dividends and cash distributions receivable by the Fund to the extent information thereon is reasonably available to the Fund;
- (v) all interest accrued on any interest bearing assets owned by the Fund except to the extent that the same is included or reflected in the principal amount of such asset;
- (vi) the preliminary expenses of the Fund, including the cost of issuing and distributing Shares of the Fund, insofar as the same have not been written off;
- (vii) the liquidating value of all forward contracts and all call or put options the Fund has an open position in; and
- (viii) all other assets of any kind and nature including expenses paid in advance.

The value of such assets shall be determined as follows:

- the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued and not yet received, is deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof is arrived at after making such discount as may be considered appropriated in such case to reflect the true value thereof;

- the value of securities and money market instruments listed or dealt in on a Regulated Market, stock exchange or other regulated markets will be valued at the last available price on such markets. If a security or a money market instrument is listed or traded on several markets, the closing price at the market which constitutes the main market for such securities and money market instruments, will be determining;

- in the event that the securities and money market instruments are not listed or dealt in on a Regulated Market, stock exchange or other regulated markets or if, in the opinion of the Fund, the latest available price does not truly reflect the fair market value of the relevant securities and money market instruments, the value of such securities will be defined by the Fund based on the reasonably foreseeable sales proceeds determined prudently and in good faith by the Fund who may use commonly used valuation as a basis or any other method if it believes that such method better reflects the value of the relevant asset;

- units and shares of Underlying Funds are based on the last available value provided by the Central Administrator, the manager or any other reliable party involved with the Underlying Target Funds. For the purpose of Calculating the Net Asset Value of the Compartment, the Fund may allow the use of an estimate of value of the relevant underlying target funds;

NOTES TO THE FINANCIAL STATEMENTS (Continued)

As at 31 December 2020

NOTE 1 - Summary of significant accounting policies (Continued)

a) Calculation of the Net Asset Value (Continued)

- the liquidating value of futures, forward or options contracts not dealt in on Regulated Markets, stock exchange or other regulated markets shall mean their net liquidation value determined, pursuant to the policies established by the Fund, on a basis consistently applied for each different variety of contracts. The liquidating value of futures, forward or options contracts dealt in on Regulated Markets, stock exchanges or other regulated markets shall be based upon the last available settlement prices of these contracts on Regulated Markets, stock exchanges or other regulated markets on which the particular futures, forward or options contracts are dealt in by the Fund; provided that if a futures, forward or options contract could not be liquidated on the day with respect to which net assets are being determined, the basis for determining the liquidating value of such contract shall be such value as the Fund may deem fair and reasonable;

- the Net Asset Value per Share of any Compartment may be determined by using an amortised cost method for all investments with a known short term maturity date. This involves valuing an investment at its cost and thereafter assuming a constant amortisation to maturity of any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the investments. While this method provides certainty in valuation, it may result in periods during which value, as determined by amortisation cost, is higher or lower than the price such Compartment would receive if it sold the investment. The Fund will continually assess this method of valuation and recommend changes, where necessary, to ensure that the relevant Compartment's investments will be valued at their fair value as determined in good faith by the Fund. If the Fund believes that a deviation from the amortised cost per Share may result in material dilution or other unfair results to shareholders, the Fund shall take such corrective action, if any as they deem appropriate to eliminate or reduce, to the extent reasonably practicable, the dilution or unfair results;

- the relevant Compartment shall, in principle, keep in its portfolio the investments determined by the amortisation cost method until their respective maturity date unless another method is employed upon decision of the Board of Directors in the best interest of the investors;

- interest rate swaps will be valued at their market value established by reference to the applicable interest rate curve. Index and financial instruments related swaps will be valued at their market value established by reference to the applicable index or financial instrument. The valuation of the index or financial related swap agreement shall be based upon the market value of such swap transaction established in good faith pursuant to procedures established by the Fund;

- all other assets will be valued at fair market value as determined in good faith pursuant to procedures established by the Fund;

- the Fund, in its discretion, may permit some other method of valuation to be used if it considers that such valuation better reflects the fair value of any asset of the Fund.

In the event that extraordinary circumstances render valuations as aforesaid impracticable or inadequate, the Board of Directors may authorize the Management Company to prudently and in good faith, follow other rules in order to achieve a fair valuation of the assets of the Fund.

b) Net realized gain (loss) on sales of securities

The realized gains or losses on the sales of securities are calculated on the basis of the average cost of the securities sold.

c) Valuation of forward foreign exchange contracts

The unrealized gain (loss) of outstanding forward foreign exchange contracts is valued on the basis of the forward exchange rates prevailing at valuation date.

d) Valuation of financial futures contracts

Financial futures contracts are valued based on the latest available published price applicable on the valuation date. Realized gains and losses and the changes in unrealized gains and losses are recorded in the statement of operations. The realized gains and losses are calculated in accordance with the FIFO method, i.e. the first contracts acquired are regarded as the first to be sold.

FCS Fund Services SICAV

NOTES TO THE FINANCIAL STATEMENTS (Continued)

As at 31 December 2020

NOTE 1 - Summary of significant accounting policies (Continued)

e) Valuation of financial options contracts

Financial options contracts are valued based on the latest available published price applicable on the valuation date. Realised and unrealised profits and losses are recorded in the statement of operations and other changes in net assets.

f) Conversion of foreign currencies

Bank accounts, other net assets and the valuation of the investments in securities held denominated in currencies other than the currency of account of the different Compartments are converted at the mid closing spot rates on the valuation date. Income and expenses denominated in currencies other than the currency of the different Compartments are converted at the mid closing spot rates at payment date. Gain or loss on foreign exchange is included in the statement of operations.

The cost of securities denominated in currencies other than the currency of account of the different Compartments is converted at the mid closing spot rate prevailing on the day of acquisition.

g) Receivable on securities sales, Payable on securities purchases

The position "Receivable on securities sales" can also include receivables from foreign currency transactions. The position "Payable on securities purchases" can also include payables from foreign currency transactions.

Receivables and payables from foreign exchange transactions are netted.

h) Combined statements

The Combined statements of the Fund are expressed in EUR. The various items of the Combined statement of net assets and the Combined statement of operations as of 31 December 2020 of the Fund are equal to the sum of the corresponding items in the financial statements of each Compartment.

NOTE 2 - Fees and Expenses

The Fund shall pay out of the assets of the relevant Compartment all expenses payable by the Compartment which shall include but not be limited to:

- fees payable to and reasonable disbursements and out-of-pocket expenses incurred by the Fund, the Depositary and the Central Administrator, as applicable;
- all taxes which may be due on the assets and the income of the Compartment (in particular, the "taxe d'abonnement" and any stamp duties payable);
- usual banking fees due on transactions involving securities held in the Compartment;
- legal expenses incurred by the Central Administrator, and the Depositary while acting in the interests of the shareholders;
- the cost of any liability insurance or fidelity bonds covering any costs, expenses or losses arising out of any liability of or claim for damage or other relief asserted against the Fund and/or the Depositary, the Central Administrator, or other agents of the Fund for violation of any law or failure to comply with their respective obligations under the Articles of Association or otherwise with respect to the Fund;
- the costs and expenses of the preparation and printing of written confirmations of Shares; the costs and expenses of preparing and/or filing and printing of all other documents concerning the Fund, including registration statements and Offering Document and explanatory memoranda with all authorities (including local securities dealers' associations) having jurisdiction over the Fund or the offering of Shares of the Fund; the costs and expenses of preparing, in such languages as are necessary for the benefit of the shareholders, including the beneficial holders of the Shares, and distributing annual reports and such other reports or documents as may be required under the applicable laws or regulations of the above-cited authorities; the cost of accounting, bookkeeping and calculating the Net Asset Value; the cost of preparing and distributing public notices to the shareholders; lawyers' and auditor's

FCS Fund Services SICAV

NOTES TO THE FINANCIAL STATEMENTS (Continued)

As at 31 December 2020

NOTE 2 - Fee and Expenses (Continued)

fees; and all similar administrative charges, including all advertising expenses and other expenses directly incurred in offering or distributing the Shares.

All recurring charges will be charged first against income, then against capital gains and then against assets. Other charges may be amortised over a period not exceeding five (5) years.

Formation and launching expenses of the Fund

The costs and expenses of the formation of the Fund and the initial issue of its Shares will be borne by the Fund and amortised over a period not exceeding 5 years from the information of the Fund and in such amounts in each year as determined by the Fund on an equitable basis.

Formation and launching expenses of additional Compartments

The costs and expenses incurred in connection with the creation of a new Compartment shall be written off over a period not exceeding five (5) years against the assets of such Compartment only and in such amounts each year as determined by the Fund on an equitable basis. The newly created Compartment shall not bear a pro-rata of the costs and expenses incurred in connection with the formation of the Fund and the initial issue of Shares, which have not already been written off at the time of the creation of the new Compartment.

Fees of the Management Company

Unless otherwise provided in the appendices of the sales prospectus, the Management Company is entitled to a management fee payable at the end of each month.

FCS FUND SERVICES SICAV - FLEX ABLE GROWTH PLUS SUB-FUND

Class A: 0.375% p.a. out of the Compartments' net assets.

Class B: 1.50 % (1% until 1 August 2020) p.a. out of the Compartment's net assets.

Class C: 1.125% p.a. out of the Compartment's net assets.

FCS FUND SERVICES SICAV - FLEX ABLE GROWTH SUB-FUND

Class A: 0.40% p.a. out of the Compartments' net assets.

Class B: 1% p.a. out of the Compartment's net assets.

Class C: 1.15% p.a. out of the Compartment's net assets.

Any reasonable disbursements and out-of-pocket expenses (including without limitation legal fees, external service providers fees, telephone, telex, cable and postage expenses) incurred by the Management Company will be borne by the relevant Compartment.

Distribution fee

The Management Company is entitled to a distribution fee equal to the higher of EUR 2,500 per month, or 0.5% on the Net New Assets per annum, on a monthly basis.

Fees for the Central Administrator

Until 2 August 2020, UBS Europe SE, Luxembourg Branch ("UBS") was acting as the Central Administration. In consideration for the services rendered UBS is entitled to an administration fee out of the Assets of the relevant Compartment not exceeding 0.06% of the Net Asset Value and payable at the end of each month in accordance with the terms of the Central Administration Agreement, with a minimum of EUR 30,000 p.a. per Compartment.

Since 3 August 2020, Apex Fund Services S.A. ("Apex") is acting as the Central administration. In consideration for the services rendered, Apex is entitled to a minimum fee of EUR 36,000 per annum, per Compartment, or the below, whichever is greater :

Up to EUR 200 million of aggregate Compartment value : 0.05%

From EUR 200 million and above : 0.04%

FCS Fund Services SICAV

NOTES TO THE FINANCIAL STATEMENTS (Continued)

As at 31 December 2020

NOTE 2 - Fee and Expenses (Continued)

Fees of the Depositary

Until 2 August 2020, UBS Europe SE, Luxembourg Branch ("UBS") was acting as depositary and was entitled to be pay out of the assets of the relevant Compartment all fees and expenses payable to its Depositary not exceeding 0.05% of the Net Asset Value in accordance with the terms of the Depositary and Paying Agreement, with a minimum of EUR 20,000 p.a. per Compartment.

Any reasonable disbursements and out-of-pocket expenses (including without limitation telephone, telex, e-mail, website, cable and postage expenses) incurred by the Depositary, and any custody charges of banks and financial institutions to which custody of assets of a Compartment is entrusted, will be borne by the relevant Compartment.

Since 3 August 2020, European Depositary Bank S.A. ("EDB") is acting as depositary.

In consideration for the services rendered, EDB is entitled to a minimum fee of EUR 30,000 per annum, per Compartment, or the below, whichever is greater :

From EUR 0 to EUR 200 million of aggregate Compartment value : 0.025%

From EUR 200 million and above : 0.015%

Listing Fees

All fees and expenses relating to the listing of the Shares of Compartments on the Italian Stock Exchange, where applicable, and registering the Compartments for sale in various markets will be borne by the FCS Flex Able Growth Sub-Fund and FCS Flex Able Growth Plus Compartment. Such fees and expenses are estimated not to exceed EUR 100,000 and may be amortised over the first five Accounting Periods of the Compartments and shall be subject to such adjustments following the establishment of new Funds as the Directors may determine.

Other Operating Expenses

The costs and expenses in relation to the tasks and activities required to operate the Fund including without limitation, the fees of independent valuers, appraisers and cost associated to the use of special purpose vehicles.

Directors Remuneration

Each of the Directors of the Board of Directors will be entitled to remuneration for his services at the rate determined by the general meeting of shareholders from time to time. In addition, each Director may be paid reasonable travelling, hotel and other incidental expenses for attending and returning from board meetings or general meetings of shareholders as well as for visiting services providers and delegates of the Fund.

All recurring expenditure is paid when incurred or invoiced from the net assets of the relevant Compartment(s). Other expenditure may be amortised over a period not exceeding five years.

Charges involved in the calculation of the net asset values of the various Compartments shall be spread between the Compartments in proportion to their net assets, except in cases where charges specifically relate to one Compartment, in which case they will be charged to that Compartment.

NOTE 3 - Taxe d'abonnement

The Fund is subject to a subscription tax (taxe d'abonnement) levied at the rate of 0.05% per annum based on its net asset value at the end of the relevant quarter, calculated and paid quarterly. A reduced subscription tax rate of 0.01% per annum is applicable to Luxembourg UCIs whose exclusive object is the collective investment in money market instruments, the placing of deposits with credit institutions, or both. A reduced subscription tax rate of 0.01% per annum is applicable to UCITS individual Compartments of UCITS with multiple Compartments, as well as for individual classes of securities issued within a UCI or within a Compartment of a UCI with multiple Compartments, provided that the securities of such Compartments or classes are reserved to one or more institutional investors.

The taxe d'abonnement is waived for that part of the net assets invested in units or shares of other undertakings for collective investment that have already paid the taxe d'abonnement in accordance with the statutory provisions of Luxembourg law.

FCS Fund Services SICAV

NOTES TO THE FINANCIAL STATEMENTS (Continued)

As at 31 December 2020

NOTE 4 – Transaction costs

Transaction costs include brokerage fees, stamp duty, local taxes and other foreign charges if incurred during the period. Transaction fees are included in the cost of securities purchased and sold.

For the financial year ended on 31 December 2020, the Company incurred transaction costs relating to purchase or sale of investments in securities and similar transactions as follows:

| FCS FUND SERVICES SICAV | Transaction costs |
|----------------------------------|-------------------|
| - FLEX ABLE GROWTH PLUS SUB-FUND | 15105.61 |
| - FLEX ABLE GROWTH SUB-FUND | 8838.11 |

NOTE 5 – Authoritative language

The English version of these financial statements is the authoritative version and only this version was audited by the auditor.

NOTE 6 – Options

FCS Fund Services SICAV – Flex Global Growth Sub-Fund

As at 31 December 2020, short options were as follows:

| Description | Put/Call | Strike price | Maturity | Currency | Contract size | Number of Contracts | Market value (EUR) | Commitment (EUR) |
|----------------------|----------|--------------|----------|----------|---------------|---------------------|--------------------|------------------|
| Air France-KLM | Call | 6.00 | Mar-21 | EUR | 100 | -100.00 | (2,100.00) | 60,000.00 |
| Banco Santander S.A. | Call | 2.75 | Feb-21 | EUR | 102 | -290.00 | (2,662.20) | 81,345.00 |
| Total | | | | | | | (4,762.20) | 141,345.00 |

NOTE 7 – Futures contracts

FCS Fund Services SICAV – Flex Global Growth Sub-Fund

Unrealised gain on financial futures contracts as at 31 December 2020 was as follows:

| Currency | Counterparty | No. of Contracts | Underlying Securities | Expiration Date | Notional value | Unrealised gain |
|----------|-----------------------------|------------------|-----------------------|-----------------|----------------|-----------------|
| | | | | | in EUR | in EUR |
| USD | European Depository Bank | 5.00 | EURO FX CURR | March, 2021 | 621,214.44 | 4,398.60 |
| Total | | | | | | 4,398.60 |

FCS Fund Services SICAV

NOTES TO THE FINANCIAL STATEMENTS (Continued)

As at 31 December 2020

NOTE 8 - Subsequent events

As at 28/02/2021, a full redemption of the remaining shares held in FCS Fund Services Flex Able Growth Plus Class B EUR occurred. Following this redemption, there is no more active shares in circulation for this sub-fund. The Compartment FCS Fund Services Flex Able Growth Plus will be kept dormant for potential new investors according to the circular resolution of the Board taken on 15 October 2020.

No other events took place between the end of the Reporting Period and the date of the approval of these financial statements that would require disclosure in or adjustments to the amounts recognized in these financial statements.

Unaudited information

1. Global Exposure

Risk management

Risk management in accordance with the commitment approach is applied pursuant to the applicable laws and regulatory provisions.

Leverage

Leverage is defined pursuant to the applicable ESMA directives as the total of the nominal values of the derivatives used by the respective Compartment. According to this definition, leverage may result in artificially increased leverage amounts, as some derivatives that can be used for hedging purposes may be included in the calculation. Consequently, this information does not necessarily reflect the precise actual leverage risk that the investor is exposed to.

Compartment:

FCS Fund Services SICAV – Flex Able Growth Plus
FCS Fund Services SICAV – Flex Able Growth

Global risk calculation method :

Commitment approach
Commitment approach

2. Directors Remuneration

Each of the Directors of the Board of Directors will be entitled to remuneration for his services at the rate determined by the general meeting of Shareholders from time to time. In addition, each Director may be paid reasonable travelling, hotel and other incidental expenses for attending and returning from board meetings or general meetings of Shareholders as well as for visiting services providers and delegates of the Fund.

3. Remuneration Disclosure

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

The Malta Financial Services Authority has granted the Company a derogation from the remuneration requirements on the pay-out-process and to establish a remuneration committee for a period of 2 (two) years, ending October 2021.

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

With respect to the financial year ended 31 December 2020 the total fixed amount paid by the management company to its employees amounted to EUR 472,390. The company did not pay any variable remuneration to its employees. The total remuneration paid by the management company to senior management and members of its staff whose actions have a material impact on the risk profile of the collective investment schemes managed amounted to EUR 124,656. The remuneration function of the Company has reviewed the implementation of the remuneration policy and has not identified any deficiencies in this respect. An updated remuneration policy will be presented to the Authority in September 2021.

4. Transparency of securities financing transactions and their reuse

No securities financing transactions or total return swaps within the meaning of Regulation (EU) 2015/2365 of the European Parliament and of the Council of 25 November 2015 on transparency of securities financing transactions and of reuse and amending Regulation (EU) No 648/2012 (“SFTR”) were used in the investment fund’s financial year. As a result, no disclosures within the meaning of Article 13 of said Regulation need to be made to investors in the annual report.