

FCS Fund Services SICAV

Société d'investissement à capital variable

Annual report and audited financial statements
as of 31 December 2022

FCS Fund Services SICAV

CONTENTS

ORGANISATION	3
FEATURES OF THE FUND	4
INVESTMENT MANAGEMENT REPORT	5
INDEPENDENT AUDITOR'S REPORT	6
STATEMENT OF NET ASSETS	9
STATEMENT OF OPERATIONS AND OTHER CHANGES IN NET ASSETS	10
<u>FCS FUND SERVICES SICAV - FLEX ABLE GROWTH</u>	
STATISTICAL INFORMATION	11
STATEMENT OF INVESTMENTS	12
INDUSTRIAL AND GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS	13
NOTES TO THE FINANCIAL STATEMENTS	14
UNAUDITED INFORMATION	21

FCS Fund Services SICAV

ORGANISATION

Registered office	3, rue Gabriel Lippmann L-5365 Munsbach Grand Duchy of Luxembourg
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
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
Central administrator and domiciliation agent	Apex Fund Services S.A. 3, rue Gabriel Lippmann L-5365 Munsbach Grand Duchy of Luxembourg
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 2022, the following Compartment is active:

- 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

Markets had stabilized somewhat over the last three months of the year, but 2022 remained a bad year for investors with both equities and government bonds posting negative returns. Investors remained worried about high inflation, slowing growth and the potential for an aggressive Fed to cause a recession.

High inflation, rising interest rates & slowing economic growth caused stocks deliver annual negative returns (-18.1% S&P 500). Bonds produced negative returns as well (-13.0% Bloomberg Barclays U.S. Aggregate Bond Index). This positive correlation on the returns of equities and bonds is a rare event.

Market Volatility was elevated for much of 2022 but finished the year in the typical range.

Yield curve inverted as the Fed continues to battle inflation and long-term interest rates drop below short-term rates. Inflation remained elevated at the end of 2022.

Consumer sentiment went Up slightly from the annual low we saw in Q3.

It's too early to predict that a recession is the most likely outcome for the U.S. economy during 2023, but the probability is rising. The main warning comes from the inverted yield curve, where the spread between the yields on the 10-year and 2-year Treasury bonds is the most negative in 40 years. Some of the leading indicators for the U.S. economy have softened significantly. The indicators that the Fed is focused on, such as payrolls and wages, remain overheated. These labour-market trends tend to lag the broader economy. This creates the risk that the Fed will continue to tighten even as the economy weakens.

We're still in the soft/softish landing camp for the U.S. and expect that strong household and corporate finances can limit the downturn to, at worst, a mild recession.

We expect inflation to trend lower over coming months, which along with signs of softer growth, should allow the Fed to pause once the target rate is between 4.75%-5.00%.

The U.S. dollar has been on an upward trend for over a decade but 2022 might be the year that it starts to reverse as we are in the believe that it has peaked in the quarter.

The U.S. dollar has benefited from Fed hawkishness and its safe-haven appeal during times of market volatility but as we approach the end of the tightening cycle and inflation subside, we could see the us dollar's year end weakness rolling over 2023. Dollar weakness, however, will support the performance of non-U.S. equity markets, particularly emerging markets. This same scenario should allow the euro to rebound, particularly if natural gas prices fall further.

We still have preference for non-U.S. developed equities to U.S. equities. They are relatively cheaper and will benefit from U.S. dollar weakness should the Fed become less hawkish.

High yield remains attractive. Spreads will remain under upward pressure if U.S. recession probabilities increase. We have a neutral outlook on credit markets but will become more positive if a U.S. recession becomes less likely.

The risk of a further significant selloff seems limited given inflation is close to peaking and markets have priced hawkish outlooks for most central banks.

Commodities kept giving up some of the positive returns of the first half of the year over the past three months but are still the best performing asset class so far this year. Energy and agricultural prices have surged on the Russia-Ukraine conflict. Global recession is a risk for commodities, but one potential upside is a recovery in Chinese demand in 2023 as lockdowns ease and more stimulus measures are adopted.

Ongoing Concerns

The escalation of Ukraine War remains a matter of concern in the short and intermedium terms.

Although we have no direct or indirect interest in Russian assets, the approved broader economic sanctions against Russia have provoked increasingly side wards effects in commodities prices, especially in Gas and Oil and Materials adding to the already seen sticky inflation worldwide.

Volatility is also expected to remain high and economic growth to be challenged by the effects of the monetary policies. Renovated tensions between the two top economies of the World, US and China, over Taiwan and broader security issues has also become a matter of concern in the short and medium term.

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
3, rue Gabriel Lippman
L-5365 Munsbach
Grand Duchy of Luxembourg

Opinion

We have audited the financial statements of FCS Fund Services SICAV (the "Fund"), which comprise the statement of net assets and the statement of investments as at 31 December 2022, 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 as at 31 December 2022, and of the results of its operations and changes in its 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 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 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

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 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 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 our report of the "réviseur d'entreprises agréé". However, future events or conditions may cause the Fund 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.

Ernst & Young
Société anonyme
Cabinet de révision agréé



Jean-Marc Cremer

Luxembourg, 28 April 2023

FCS Fund Services SICAV

STATEMENT OF NET ASSETS

as at 31 December 2022

<u>ASSETS</u>	Notes	FLEXIBLE GROWTH EUR
Investment at market value		2,081,877.54
Unrealised gain on futures contracts	6	6,248.54
Cash at banks		168,361.69
Dividends receivable		779.86
Due from affiliate		524.39
Formation expenses, net	2	1,415.04
TOTAL ASSETS		2,259,207.06
<u>LIABILITIES</u>		
Provision for investment management fees	2	735.99
Provision for administration fees	2	53,052.36
Provision for audit fees		14,674.00
Provision for depositary fees		10,863.73
Distribution fees payable		2,547.93
Directors fee payable		13,964.85
Subscription duty ("taxe d'abonnement")	3	310.56
Other payables	2	30,841.75
TOTAL LIABILITIES		126,991.17
TOTAL NET ASSETS		2,132,215.89

FCS Fund Services SICAV

STATEMENT OF OPERATIONS AND OTHER CHANGES IN NET ASSETS

For the year ended 31 December 2022

	Notes	FLEXIBLE GROWTH EUR
<u>INCOME</u>		
Dividends, net		73,869.32
TOTAL INCOME		73,869.32
<u>EXPENSES</u>		
Investment management fees	2	9,877.72
Administrative agent and transfer agent fees	2	39,599.41
Depository fees		50,885.69
Bank charges and other fees		300.00
Audit fees	2	9,136.53
Formation expenses		3,149.95
Subscription duty ("taxe d'abonnement")	3	248.82
Transaction costs	2, 4	6,521.92
Interest expense		1,651.68
Distribution fees		29,999.87
Directors fees		13,499.21
FATCA fees		3,000.30
Regulatory fees		1,909.65
Licence fees		4,400.00
Other expenses		28,036.57
TOTAL EXPENSES		202,217.32
NET INVESTMENT GAIN/(LOSS)		(128,348.00)
<u>NET REALISED GAINS/(LOSSES)</u>		
- on investments		(131,419.07)
- on futures contracts	6	(113,672.03)
- on forward foreign exchange contracts		(1,702.02)
- on foreign currency transactions		(197.66)
NET REALISED GAINS/(LOSSES) FOR THE PERIOD/YEAR		(375,338.78)
<u>CHANGE IN NET UNREALISED APPRECIATION/ (DEPRECIATION) FOR THE PERIOD/YEAR</u>		
- on investments		(145,842.52)
- on financial future contracts	6	(4,089.35)
- on foreign currency transactions		18,319.51
RESULT OF OPERATIONS FOR THE PERIOD/YEAR		(506,951.14)
Subscriptions		-
Redemptions		(150,000.00)
TOTAL CHANGES IN NET ASSETS		(656,951.14)
TOTAL NET ASSETS at the beginning of the period/year		2,789,167.03
TOTAL NET ASSETS at the end of the period/year		2,132,215.89

FCS Fund Services SICAV- Flex Able Growth

STATISTICAL INFORMATION

31 December 2022

Total net assets

- as at 31 December 2022	EUR 2,132,215.89
- as at 31 December 2021	EUR 2,789,167.03
- as at 31 December 2020	EUR 3,123,163.08

Number of Class A EUR shares

- outstanding at the beginning of the year	26,472.11
- issued	-
- redeemed	(1,822.89)
- outstanding at the end of the year	24,649.22

Net asset value per Class A EUR shares

- as at 31 December 2022	EUR 86.50
- as at 31 December 2021	EUR 105.36
- as at 31 December 2020	EUR 104.11

FCS Fund Services SICAV- Flex Able Growth

STATEMENT OF INVESTMENTS

As at 31 December 2022

Currency	Nominal/ Quantity	Description	Cost	Market Value	% of total net assets
TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
Equity shares					
<i>China</i>					
USD	400.00	ALIBABA GROUP HOLDING- SP ADR	47,782.62	33,015.70	1.55%
		<i>Total China</i>		33,015.70	1.55%
<i>France</i>					
EUR	10,000.00	DERICHEBOURG SA	100,478.59	55,200.00	2.59%
		<i>Total France</i>		55,200.00	2.59%
<i>Germany</i>					
EUR	1,500.00	FRESENIUS SE & CO KGAA	55,163.40	39,375.00	1.85%
EUR	1,000.00	INFINEON TECHNOLOGIES AG	38,000.00	28,430.00	1.33%
		<i>Total Germany</i>		67,805.00	3.18%
<i>Italy</i>					
EUR	4,000.00	IVECO GROUP NV	41,600.00	22,232.00	1.04%
		<i>Total Italy</i>		22,232.00	1.04%
<i>Netherlands</i>					
EUR	7,195.00	SHELL PLC-NEW	137,186.91	190,523.60	8.94%
EUR	6,000.00	STELLANTIS NV	108,369.00	79,620.00	3.73%
		<i>Total Netherlands</i>		270,143.60	12.67%
<i>Spain</i>					
EUR	20,000.00	BANCO BILBAO VIZCAYA ARGENTA	112,036.00	112,680.00	5.28%
EUR	75,000.00	BANCO DE SABADELL SA	58,304.33	66,060.01	3.10%
EUR	50,000.00	BANCO SANTANDER SA - (EUR)	155,722.90	140,125.00	6.57%
EUR	5,000.00	INDRA SISTEMAS SA	43,473.62	53,250.00	2.50%
EUR	8,000.00	REPSOL SA	104,185.75	118,800.00	5.57%
EUR	30,000.00	TUBACEX ORD	61,677.06	59,940.00	2.81%
		<i>Total Spain</i>		550,855.01	25.83%
<i>Switzerland</i>					
EUR	1,000.00	STMICROELECTRONICS NV	42,365.00	32,995.00	1.55%
		<i>Total Switzerland</i>		32,995.00	1.55%
<i>United Kingdom</i>					
EUR	3,000.00	CNH INDUSTRIAL NV	42,885.00	44,895.00	2.11%
GBP	31,007.00	BP PLC	117,944.43	165,968.35	7.78%
		<i>Total United Kingdom</i>		210,863.35	9.89%
<i>United States</i>					
USD	1,100.00	ALPHABET INC-CL A	140,712.91	90,937.46	4.26%
USD	500.00	AMAZON INC_	54,494.26	39,353.48	1.85%
USD	1,000.00	APA CORP	39,783.56	43,738.58	2.05%
USD	4,200.00	BAUSCH HEALTH COS INC	108,262.21	24,713.99	1.16%
USD	1,000.00	DEVON ENERGY CORP	68,279.22	57,634.10	2.70%
USD	250.00	ELI LILLY & CO	59,294.23	85,696.89	4.02%
USD	1,000.00	FISERV INC	102,503.26	94,701.34	4.44%
USD	1,300.00	MERCK & CO. INC	98,442.74	135,146.41	6.34%
USD	300.00	NVIDIA CORP	73,225.58	41,079.41	1.93%
USD	1,200.00	ON SEMICONDUCTOR CORP	71,297.26	70,127.90	3.29%
USD	1,000.00	PARAMOUNT GLOBAL-CLASS B	38,705.75	15,816.35	0.74%
USD	2,000.00	SYNCHRONY FINANCIAL	96,488.73	61,578.82	2.89%
USD	1,500.00	TRUIST FINANCIAL CORP	87,480.85	60,477.86	2.84%
USD	2,000.00	WARNER BROS DISCOVERY INC	54,317.96	17,765.29	0.83%
		<i>Total United States</i>		838,767.88	39.34%
TOTAL TRANSFERABLE SECURITIES					
ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			2,360,463.13	2,081,877.54	97.64%

FCS Fund Services SICAV- Flex Able Growth

INDUSTRIAL AND GEOGRAPHICAL CLASSIFICATION OF INVESTMENTS

As at 31 December 2022

Sector	% of net assets
Energy	27.05
Non financial corporations	10.57
Consumer, Non-cyclical	9.34
Financial	8.82
Technology	8.10
Industrial	8.94
Consumer Discretionary	7.13
Other financial intermediaries	6.57
Communications	5.84
Financial auxiliaries	5.28

TOTAL	97.64
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Country	% of net assets
United States	39.34
Spain	25.83
Netherlands	12.67
United Kingdom	9.89
Germany	3.18
France	2.59
China	1.55
Switzerland	1.55
Italy	1.04

TOTAL	97.64
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NOTES TO THE FINANCIAL STATEMENTS

As at 31 December 2022

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, time notes, 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 2022

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 2022

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.

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 2022

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 formation 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 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

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 2022

NOTE 2 - Fee and Expenses (Continued)

Fees of the Depositary

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.

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. 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.

Foreign Exchange translation

Values expressed in a currency other than the currency of denomination of the Net Asset Value of the relevant Sub-Fund are translated into that currency of denomination at the average of the last available buying and selling price for such currency.

The exchange rate prevailing as at 31 December 2022 was the following:

1 EUR = 0.9370 USD
1 EUR = 1.1271 GBP

FCS Fund Services SICAV

NOTES TO THE FINANCIAL STATEMENTS (Continued)

As at 31 December 2022

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.

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 2022, the Company incurred transaction costs relating to purchase or sale of investments in securities and similar transactions as follows:

FCS FUND SERVICES SICAV

- FLEX ABLE GROWTH SUB-FUND	6,521.92
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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 – Futures contracts

FCS Fund Services SICAV – Flex Global Growth Sub-Fund

Unrealised gain on financial futures contracts as at 31 December 2022 was as follows:

Currency	Counterparty	No. of Contracts	Underlying Securities	Expiration Date	Notional value in EUR	Unrealised gain in EUR
USD	European Depositary Bank	11.00	Euro FX Curr	March, 2023	1,379,251.58	6,248.54
Total						<u>6,248.54</u>

FCS Fund Services SICAV

NOTES TO THE FINANCIAL STATEMENTS (Continued)

As at 31 December 2022

NOTE 7 - Significant events during the year

The escalation of Ukraine War remains a matter of concern in the short and intermedium terms.

In February 2022, a number of countries (including the US, UK, and EU) imposed sanctions against certain entities and individuals in Russia as a result of the official recognition of the Donetsk People Republic and Lugansk People Republic by the Russian Federation. Announcements of potential additional sanctions have been made following military operations initiated by Russia against the Ukraine on 24 February 2022.

The situation, together with growing turmoil from fluctuations in commodity prices and foreign exchange rates, and the potential to adversely impact global economies, has driven a sharp increase in volatility across markets.

Although we have no direct or indirect interest in Russian assets, the approved broader economic sanctions against Russia have provoked increasingly side wards effects in commodities prices, especially in Gas and Oil and Materials adding to the already seen sticky inflation worldwide.

Volatility is also expected to remain high and economic growth to be challenged by the results of the monetary policies and the impact of any second-round effects in the prices of energy and food.

Renovated tensions between the two top economies of the World, US, and China, over Taiwan and broader security issues has also become a matter of concern in the short and medium term.

The Directors regards these events for the Fund and any of its sub-funds as non-adjusting events after the reporting period.

Although the Fund's performance and going concern nor operations, at the date of this report, have been significantly impacted by the above, the Directors continues to monitor the evolving situation and its impact on the financial position of the Fund and any of its sub-funds.

NOTE 8 - Subsequent events

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.

FCS Fund Services SICAV

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

Global risk calculation method :

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).

On 25 April 2022, the Company has requested the Malta Financial Services Authority to renew its derogation, which expired on 21 October 2021, from the remuneration requirements on the pay-out process and to establish a remuneration committee.

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 2022 the total fixed amount paid by the management company to its employees amounted to EUR 362,482. 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 257,549. 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 May 2023.

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.

5. Information concerning the SFDR disclosures

The investments underlying these sub-funds do not take into account the EU criteria for environmentally sustainable economic activities.