

## **FPM Funds**

**Annual Report  
as at 31 December 2018**

*Open-ended investment company*

R.C.S. Luxembourg B 80.070



## FPM Funds

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## FPM Funds

### Organisational structure

#### Company

##### FPM Funds

##### R.C.S. Luxembourg B 80.070

15, rue de Flaxweiler, L - 6776 Grevenmacher

#### Board of Directors of the Company

##### *Chairman*

##### Thomas F. Seppi

Member of the Management Board of

FPM Frankfurt Performance Management AG, Frankfurt am Main

##### *Members*

##### Peter Sasse

Director Legal/Fund Set-up

Universal-Investment-Luxembourg S.A., Grevenmacher

##### Dr. Marcus Göring

Lawyer, Frankfurt am Main

#### Management Company, Central Administration Agent, Domiciliary Agent and Company Secretary

##### Universal-Investment-Luxembourg S.A.

##### R.C.S. Luxembourg B 75.014

15, rue de Flaxweiler, L - 6776 Grevenmacher

#### Board of Directors of the Management Company

##### *Chairman of the Board of Directors*

##### Bernd Vorbeck

Chairman of the Management Board of

Universal-Investment-Gesellschaft mbH, Frankfurt am Main

##### *Managing Directors*

##### Stefan Rockel

Managing Director of

Universal-Investment-Luxembourg S.A., Grevenmacher

##### Matthias Müller

Managing Director of

Universal-Investment-Luxembourg S.A., Grevenmacher

##### Marc-Oliver Scharwath (until 30 September 2018)

Managing Director of

Universal-Investment-Luxembourg S.A., Grevenmacher

##### *Members*

##### Markus Neubauer

Managing Director of

Universal-Investment-Gesellschaft mbH, Frankfurt am Main

#### Depositary, Paying Agent and Registrar and Transfer Agent

##### Joh. Berenberg, Gossler & Co. KG, Luxembourg branch

17, rue de Flaxweiler, L - 6776 Grevenmacher

#### Paying Agent

##### *Austria*

##### Erste Bank der oesterreichischen Sparkassen AG

Graben 21, A - 1010 Vienna

##### *Switzerland*

##### Bank Vontobel AG

Gotthardstrasse 43, CH - 8022 Zurich

#### Distributor

##### FPM Frankfurt Performance Management AG

Freiherr-vom-Stein-Straße 11, D - 60323 Frankfurt am Main

#### Portfolio manager

##### FPM Frankfurt Performance Management AG

Freiherr-vom-Stein-Straße 11, D - 60323 Frankfurt am Main

#### Réviseur d'Entreprises agréé

##### KPMG Luxembourg, Société coopérative

Cabinet de révision agréé

39, avenue John F. Kennedy, L - 1855 Luxembourg

## FPM Funds

### Report of the Board of Directors

Dear Sir/Madam,

Please find enclosed the annual report for the FPM Funds and its sub-funds FPM Funds Stockpicker Germany All Cap, FPM Funds Stockpicker Germany Small/Mid Cap and FPM Funds Ladon - European Value. The report covers the period from 01 January 2018 to 31 December 2018.

FPM Funds (the "Company" or the "Fund") is a Luxembourg investment company with variable capital (*Société d'investissement à capital variable*, "SICAV") established on 10 January 2001 in the form of a public limited company (*société anonyme*, "S.A."). As an undertaking for collective investment in transferable securities ("UCITS"), it is subject to Part I of the Luxembourg Law of 17 December 2010, as amended. The Company is structured as an umbrella fund which may offer investors investment opportunities in a number of different sub-funds. The Company was established for an indefinite period.

As at 31 December 2018, the fund assets and price performance of the Fund during the reporting period were as follows:

Share class	ISIN	Fund assets in EUR	Price performance in %*
FPM Funds Stockpicker Germany All Cap (C)	LU0124167924	39.061.343,47	-31,57
FPM Funds Stockpicker Germany All Cap (I)	LU0850380873	27.382.210,40	-30,97
FPM Funds Stockpicker Germany Small/Mid Cap (C)	LU0207947044	48.491.146,07	-43,08
FPM Funds Stockpicker Germany Small/Mid Cap (I)	LU1011670111	16.173.455,15	-42,80
FPM Funds Ladon - European Value	LU0232955988	7.838.282,18	-33,66

\*) Price/performance ratio, taking into account the following payment on the ex-dividend date of 07 May 2018 and the value date of 09 May 2018:

FPM Funds Stockpicker Germany All Cap (C)	EUR 2.600000 per share
FPM Funds Stockpicker Germany All Cap (I)	EUR 129.800000 per share
FPM Funds Stockpicker Germany Small/Mid Cap (C)	EUR 2.900000 per share
FPM Funds Stockpicker Germany Small/Mid Cap (I)	EUR 12.500000 per share
FPM Funds Ladon - European Value	EUR 1.600000 per share

## FPM Funds

### Derivative exposure (unaudited)

The derivative exposure as at 31 December 2018 can be found in the following table.

Sub-funds	Derivative exposure in %
FPM Funds Stockpicker Germany All Cap	0,00
FPM Funds Stockpicker Germany Small/Mid Cap	0,00
FPM Funds Ladon - European Value	122,20

### Key risk data (unaudited)

#### General remarks

The calculation of the Value at Risk for the Fund was carried out using a historic simulation based on the individual securities. A one-year observation period, a confidence interval of 99% and a holding period of one day were chosen for the calculation.

The calculations comply with the regulatory requirements of the CSSF pursuant to the Law of 17 December 2010 and Circular no. 11/512.

#### Method of determining overall risk

The relative Value at Risk approach was used for monitoring overall risk during the period from 01 January 2018 to 31 December 2018. In the relative VaR approach, the VaR (99% confidence level, 1-day holding period, 1-year period under consideration) of the sub-fund may not exceed an amount equal to twice the VaR of a derivative-free reference asset. Here, in principle, the reference asset should approximate the investment policy of the sub-fund.

Derivative-free reference assets as at 31 December 2018:

Sub-funds	Derivative-free benchmark
FPM Funds Stockpicker Germany All Cap	GERM CDAX PERFORMANCE unhedged Constituents
FPM Funds Stockpicker Germany Small/Mid Cap	38% MDAX; 24% TecDAX and 38% SDAX
FPM Funds Ladon - European Value	Portfolio ex derivatives

## FPM Funds

The leverage shall be calculated according to Directive CESR/10-788 based on the sum of notionals method, excluding any netting and hedging effects. In this context, a portfolio with 100% leverage is considered unleveraged.

The VaR limit usage during the reporting period was as follows:

Sub-funds	Lowest usage in %	Highest usage in %	Average usage in %
FPM Funds Stockpicker Germany All Cap	96,98	115,29	107,08
FPM Funds Stockpicker Germany Small/Mid Cap	90,76	118,50	107,33
FPM Funds Ladon - European Value	40,61	159,73	75,81

The average leverage of the sub-fund during the reporting period was:

Sub-funds	Average leverage in %
FPM Funds Stockpicker Germany All Cap	100,04
FPM Funds Stockpicker Germany Small/Mid Cap	100,05
FPM Funds Ladon - European Value	284,02

## Remuneration policy of the Management Company (unaudited)

Information on employee remuneration (as at 30 September 2018) is listed below:

Total employee remuneration paid during the company's last completed financial year	5,11 EUR million
- of which fixed remuneration	4,74 EUR million
- of which variable remuneration	0,37 EUR million
Number of company employees	48,2 Full-time equivalent
Amount of carried interest paid	n/a
Total risk taker remuneration paid during the company's last completed financial year	0,85 EUR million
- of which managers	0,76 EUR million
- of which other risk takers	0,09 EUR million

The remuneration system of the Management Company can be found on the website of Universal-Investment-Gesellschaft mbH at <http://www.universal-investment.com/de/permanent-seiten/profil/luxemburg/regulatorische-informationen/verguetungssystem-luxemburg> and in the Sales Prospectus.

No changes were made to the remuneration system compared to the previous year.

## Remuneration policy of the portfolio manager (unaudited)

The portfolio manager has not published any information and no data could be made available.

## FPM Funds

### Portfolio Manager Report as at 31 December 2018

#### FPM Funds Stockpicker Germany All Cap

##### Investment objective and outcome for the reporting period

FPM Funds Stockpicker Germany All Cap focused on the entire German equity market. This sub-fund placed particular importance on low valuations in return for which it tolerated decreases in the long-term predictability of company profits. Over the financial year ending December 2018, the FPM Funds Stockpicker Germany All Cap (C) share class recorded a -31.57% rise in value per share on balance, while the FPM Funds Stockpicker Germany All Cap (I) share class recorded a loss of -30.97% per share.

##### Investment policy during the reporting period

Inversely to the development of the previous year, the Fund recorded significant losses in the reporting period, which were driven by the structure of the fund and the above-average weighting of shares that were undervalued due to their below-average stability. After reaching a high in the first quarter, interest rates declined and had a negative impact on the performance of some shares that had benefited from the interest rise in previous quarters. The situation worsened considerably in the course of the year due to increasing political unrest, from the Brexit discussions to the problems in Italy, the lower growth in China and the USA's looming threats of trade wars. The open questions linked to this situation led to increasing uncertainties, which in turn started to gradually impact the real economy and led to a significant economic slowdown until the end of the year.

These developments especially affected Wacker Chemie due to a modified funding policy of the photovoltaic sector in China and the general weakness of the chemical industry in the last quarter of the year, but also the car industry, whose global value-added chain was threatened by the introduction of custom fees. Falling interests and the tighter competition affected bank shares. Jeweller retailer elumeo and film producer Pantaflix recorded business-specific negative developments. The Pantaflix position was sold at a sizeable profit compared with its debut in 2017. There were problems with elumeo with regard to its production capacity utilisation, which had a negative impact on profitability and the overall business, but which should be resolved by now. As this should be reflected in a significantly improved earnings situation, the position was not sold despite the difficult situation. Heidelberger Druck developed mostly in the context of its own planning, whose goals for the year 2022 continue to apply, although with a speed that is below what the market would wish for in uncertain times. Accordingly, the share recorded significant losses corresponding to the profits in the previous year. As to Bayer, the usefulness of the Monsanto takeover under the terms negotiated was questioned, which was intensified by the multitude of pending suits and damages.

From our point of view, the above aspects are valid but had a disproportionate effect on prices. The valuation of a multitude of share declined significantly in 2018. Based on the generally adequate evaluation at the beginning of the year, fund management now considers there to be significant undervaluation. The fund's turnover ratio was very low. Alternatives to the current investments are either stable but now very expensive shares or "average" shares whose profit and valuation profile can be compared to the currently held positions which recorded a comparable price development.

Shares of companies of above-average quality showed a relatively positive development but partly also recorded losses due to market trends, which did not at all correspond to the generally good business development. SAP was mostly able to reach its yearly goals and extend its strategically strong position. Merck KGaA was able to significantly improve its pharma sector. It is expected to overcome the weakness caused by market changes in the field of liquid crystals. Rocket Internet benefited from the extremely high liquidity the company built on after various flotations of associate companies. M1 Kliniken is the winner of the year. This operator of beauty clinics pursued its high-speed profitable growth, opened new sites and started offering new services.

## FPM Funds

### Portfolio Manager Report as at 31 December 2018

#### FPM Funds Stockpicker Germany Small/Mid Cap

##### Investment objective and outcome for the reporting period

FPM Funds Stockpicker Germany Small/Mid Cap invested in shares of medium and smaller German companies. This sub-fund placed particular importance on low valuations in return for which it tolerated decreases in the long-term predictability of company profits. Over the financial year ending December 2018, the FPM Funds Stockpicker Germany Small/Mid Cap (C) share class recorded a -43.08% rise in value per share, whilst the FPM Funds Stockpicker Germany Small/Mid Cap (I) share class recorded a rise of -42.80% per share.

##### Investment policy during the reporting period

Inversely to the development of the previous year, the Fund recorded significant losses in the reporting period, which were driven by the structure of the fund and the above-average weighting of shares that were undervalued due to their (below-)average stability perceived by the market. While these shares were characterised by a partly significant decline in valuation multiples, some of them, often highly weighted companies in the indices, showed significant growth due to their alleged high quality although we felt that their valuations were already high at the beginning of the year. The significantly worse relative fund performance compared with the usual benchmark indices is explained by our non-investment in this partial market segment.

After reaching a high in the first quarter, interest rates declined and had a negative impact on the performance of some shares that had benefited from the interest rise in previous quarters. The situation worsened considerably in the course of the year due to increasing political unrest, from the Brexit discussion, the problems in Italy, the lower growth in China as well as the USA's looming trade war threats. The open questions linked to this situation led to increasing uncertainties, which in turn started to gradually impact the real economy and led to a significant economic slowdown until the end of the year. These developments especially affected Wacker Chemie due to a modified funding policy of the photovoltaic sector in China and the general weakness of the chemical industry in the last quarter of the year, but also the car industry, whose global value-added chain was threatened by the introduction of custom fees. Falling interests and the tenser competition affected bank shares.

The three shares with the highest negative yields were Heidelberger Druckmaschinen, Hellofresh and Ceconomy. Heidelberger Druck developed mostly in the context of its own planning, whose goals for the year 2022 continue to apply, although with a speed that is below what the market would wish for in uncertain times. Accordingly, the share recorded significant losses corresponding to the profits in the previous year. The operative business of Hellofresh developed significantly better than expected. Although the company grew faster than expected and reached the profit threshold early, the market was frightened off by the announcement that increased product investment was temporarily planned in the USA because the largest competitor was suffering from considerable economic problems. As we consider this to be the correct strategy and as the market share gains of Hellofresh speak for themselves, we maintained our position or even increased it. Ceconomy had to cut its own goals twice due to management errors and weaker business during the summer months. As specifically the second correction phase showed blatant weaknesses both in management and reporting, the management boards were asked to leave. As the share price fell much more than profit revisions and as we continue to be convinced by the business model, we have also increased our positions here.

From our point of view, the above aspects are valid but had a disproportionate effect on prices. The valuation of a multitude of share declined significantly in 2018. Based on the generally adequate evaluation at the beginning of the year, fund management now considers there to be significant undervaluation. Alternatives to the current investments are either stable, but now very expensive shares, or "average" shares whose profit and valuation profile can be compared to the currently held positions which recorded a comparable price development.

In the reporting period, there were only few shares with an absolutely positive yields, such as Bilfinger, Sixt, Rocket Internet, TUI and Shop Apotheke. We sold all these shares during the year and increased other shares that had dropped more.



## FPM Funds

### Portfolio Manager Report as at 31 December 2018

#### FPM Funds Ladon - European Value

##### Investment objective and outcome for the reporting period

FPM Funds Ladon - European Value invested mainly in European equities plus floating and fixed-rate securities such as corporate bonds. This sub-fund placed particular importance on low valuations in return for which it tolerated decreases in the long-term predictability of company profits. The sub-fund recorded a -33.66% growth in the value per share in the year ending December 2018.

##### Investment policy during the reporting period

Inversely to the development of the previous year, the Fund recorded significant losses in the reporting period, which were driven by the structure of the fund and the above-average weighting of shares that were undervalued due to their (below-)average stability perceived by the market. While these shares were characterised by partly significant decline in valuation multiples, some of them, often highly weighted companies in the indices, showed significant growth due to their alleged high quality, although we felt that their valuations were already high at the beginning of the year. The significantly worse relative fund performance compared with the usual benchmark indices is explained by our non-investment in this partial market segment.

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In the reporting period, there were only few shares with an absolutely positive yields, such as Bilfinger, M1 Kliniken, SAP, Rocket Internet, Jost and S&T. We sold all these shares during the year, some of which we had only acquired during the year, and increased other shares that had dropped more. Hedging the portfolio with index futures also had a positive effect.

## FPM Funds

### Notes on the statement of assets as at 31 December 2018

#### Share value calculation

The net asset value per sub-fund, the net asset value per share, the net asset value per share class, the redemption price of shares and the issue price of shares are calculated on each valuation date and at least twice a month. The valuation dates for each sub-fund are indicated in the Annex for each sub-fund.

The net asset value of each sub-fund and the net asset value of the relevant share class are stated in the currency of the individual sub-funds as specified in the respective Annex. The reporting currency of the Company may be the euro (EUR), but the net asset value will be made available in the currency of the individual sub-funds indicated in the Annex for each sub-fund. The net asset value is calculated separately on each valuation date for all shares of each sub-fund and for each share class by dividing the total net asset value of the relevant sub-fund and the relevant share class by the appropriate number of shares in circulation of this sub-fund and of the relevant share class.

The net asset value is calculated by subtracting the total liabilities of the sub-fund or share class from the total assets of this sub-fund or share class; this calculation is made in accordance with the principles in the Company's Articles of Association and other valuation principles which may be adopted by the Company's Board of Directors.

Investments are valued as follows:

- (1) The value of all cash or time deposits, bills of exchange, bills on demand and receivables, accruals and deferrals, cash distributions and interest declared or accumulated but not yet received is determined as their full nominal value unless it is unlikely that this value will be paid or received in full. In this case, the value is determined after a provision has been formed which the Company considers appropriate to reflect the actual value of these assets.
- (2) The value of all securities listed on an official stock exchange is determined at their latest available price. If the securities are listed on more than one stock exchange, the Company's Board of Directors may select, at its own discretion, one stock exchange as the main stock exchange for this purpose.
- (3) Securities traded on a regulated market are also valued in the same way as listed securities.
- (4) Securities which are not traded on an official stock exchange or traded on a regulated market are valued by the Company in accordance with the valuation principles agreed by the Board of Directors at a price that is not lower than the bid price and not higher than the ask price on the relevant valuation date.
- (5) Derivatives and repurchase agreements which are not listed on an official stock exchange or traded on a regulated market are valued by the Company in accordance with the valuation principles agreed by the Board of Directors on the basis of their marked to market price.
- (6) Term deposits are valued at their current value.
- (7) Tradeable options and futures contracts to which the Company is a party and which are traded on a stock exchange, financial futures exchange or other stock exchanges are valued with reference to the profit or loss which occur when closing the relevant contract or directly before close of trading on the relevant market.

All securities and other assets whose valuation in accordance with the above provisions would not be possible or feasible or would not be representative of their fair realisable value are valued at their fair realisable value, estimated with due diligence and in good faith in accordance with the procedure stipulated by the Company's Board of Directors.

The amounts calculated in accordance with these valuation principles are converted into the currency of the sub-fund at the average exchange rates, using the prices stipulated by a bank or another first-rate financial institution as the basis for this calculation.

The liabilities of the Company include:

- (1) all loans, bills of exchange and other amounts due;
- (2) all due or accumulated administrative costs including (inter alia) the costs incurred from its establishment and registration with the regulatory authorities as well as legal and auditing costs and expenses, the costs of mandatory publications, listing costs, the Sales Prospectus, financial reports and other documents made available to shareholders, translation costs and all other general expenses incurred through managing the Company;
- (3) all known liabilities that are due or not yet due, including all due contractual obligations for payment in cash or in kind including the amount of all distributions determined by the Company which are not paid out by the day on which these distributions revert back to the Company in accordance with legal provisions;
- (4) all reasonable provisions for taxes due on the valuation date of the net asset value and other provisions authorised and approved by the Board of Directors; and

## FPM Funds

### Notes on the statement of assets as at 31 December 2018

(5) all other liabilities of the Company to third parties of any type.

In the case of extensive redemption requests that a sub-fund cannot fulfil using cash and permissible borrowings, the Management Company may, subject to prior approval from the Depositary, determine the share value based on the prices on the valuation date on which it actually makes the necessary sale of investment units.

The Management Company is not obliged to redeem more than 10% of the shares currently in circulation at this point on a valuation day. If the Company receives redemption requests on a valuation day for more than the stated number of shares, the Management Company is entitled to postpone the redemption of shares exceeding 10% of the shares in issue at this point until the fourth valuation day afterwards. These redemption requests should be given preferential treatment over applications received later. Redemption requests submitted on the same valuation day are treated equally.

#### Exchange rates

As at 31 December 2018, the foreign currency positions were valued at the exchange rates set out below:

Currency	Rate
EUR - GBP	0,9012
EUR - USD	1,1433

#### Management fee

This fee shall be calculated daily and paid out at the end of the month based on the average monthly sub-fund assets. It includes the fee for the Portfolio Manager. The Management Company receives an annual fee from the fund assets amounting to:

Sub-funds	Management fee
FPM Funds Stockpicker Germany All Cap (C)	up to 1.05% p.a.; currently not subject to Luxembourg value added tax.
FPM Funds Stockpicker Germany All Cap (I)	up to 0.80% p.a.; currently not subject to Luxembourg value added tax.
FPM Funds Stockpicker Germany Small/Mid Cap (C)	up to 1.40% p.a.; currently not subject to Luxembourg value added tax.
FPM Funds Stockpicker Germany Small/Mid Cap (I)	up to 1.00% p.a.; currently not subject to Luxembourg value added tax.
FPM Funds Ladon - European Value	up to 1.40% p.a.; currently not subject to Luxembourg value added tax.

#### Fees for the Depositary, Registrar and Transfer Agent and Paying Agent

The Depositary effectively receives a fee of up to 0.10% p.a. (based on the sub-fund's assets), subject to a minimum of EUR 30,000 p.a. per sub-fund for the sub-funds FPM Funds Stockpicker Germany All Cap and FPM Funds Stockpicker Germany Small/Mid Cap and a minimum of EUR 10,000 p.a. for the sub-fund FPM Funds Ladon - European Value.

## FPM Funds

### Notes on the statement of assets as at 31 December 2018

#### Performance fee

*For share class "C" of FPM Funds Stockpicker Germany All Cap and FPM Funds Stockpicker Germany Small/Mid Cap*

The Portfolio Manager may also receive a performance fee from the sub-fund's assets for share class "C" if the performance of the shares is above 4% for each half year (accounting period). The performance fee is up to 15% of performance achieved. No performance fee is incurred for performance of up to 4% in a half-year period; for performance exceeding 4%, a fee of up to 15% is incurred in relation to the entire performance over the accounting period. If performance is slightly above the fixed threshold, the deduction of the performance fee must not result in a net performance of less than 4%. If the performance fee is payable, it is calculated based only on the level of performance in excess of the respective highest price of the shares at the end of the respective preceding accounting periods.

The six-monthly accounting periods start on 1 January or 1 July and end on 30 June or 31 December of each calendar year. Accounting periods may be shortened, for example, in the event of mergers, short financial years or the closure of sub-fund assets.

The performance fee is usually calculated on a daily basis and settled semi-annually based on the reporting dates. This means that any performance fee calculated daily is accrued in the net assets of the sub-fund. If share performance on the semi-annual settlement date is below the 4% performance limit, any performance fee already deducted shall be refunded accordingly. If share performance is above the 4% performance limit, any performance fee outstanding at the end of the half-year may be deducted.

The performance fee may only be withdrawn if the value of the sub-fund shares at the end of the accounting period exceeds the maximum value of the sub-fund shares (high water mark) that was achieved at the end of the ten previous accounting periods. Sentence 1 shall not apply to the end of the first accounting period after this costs arrangement comes into effect (1 January 2015); sentence 1 shall apply to the end of the second, third, fourth, fifth, sixth, seventh, eighth, ninth and tenth accounting period after this costs arrangement comes into effect on condition that the share value exceeds the maximum share value at the end of the one, two, three, four, five, six, seven, eight and nine previous accounting periods.

*For share class "I" of FPM Funds Stockpicker Germany All Cap and FPM Funds Stockpicker Germany Small/Mid Cap*

The portfolio manager also receives a performance fee for share class I from the sub-fund's assets which corresponds to 20% of the amount by which share performance exceeds the performance of the CDAX Performance Index (benchmark index) from the beginning to the end of a financial year (accounting period). An accounting period generally ends at the end of the sub-fund's financial year.

Underperformance compared to the benchmark index over the previous five accounting periods must be made up again before a performance fee can be calculated (based on the previous accounting periods since the launch if the share class has not yet been in place for five years). The performance fee may also be payable if the share value at the end of the accounting period is less than the share value at the beginning of the accounting period (absolute negative share performance).

The performance fee for share class I is calculated daily and settled annually. Payment of any accrued performance fee in respect of the sub-fund assets for share class I shall be deferred in accordance with the result of the daily comparison. If share value performance during a financial year is below the benchmark index performance, then any performance fee already deducted during the annual period in question will be refunded in accordance with the daily comparison. Any accrued performance-related fee can be deducted at the end of the financial year.

## FPM Funds

### Notes on the statement of assets as at 31 December 2018

#### *For FPM Funds Ladon - European Value*

In return for managing the sub-fund's assets, the Portfolio Manager may receive a performance fee per issued share if the value of the shares at the end of an accounting period exceeds the value of the shares at the start of the accounting period by 6% (absolute positive share performance). No performance fee is incurred for an absolute positive performance of up to 6% in the share value during an accounting period; if performance exceeds 6%, the performance fee amounts to up to 15% (maximum amount) of the entire amount by which the value of the shares held by FPM Funds Ladon – European Value exceeds the value of the shares held by FPM Funds Ladon – European Value at the end of an accounting period. If performance is slightly above the fixed threshold, the deduction of the performance fee must not result in a net performance of less than 6%. However, the performance fee shall not amount in total to more than 4% of the average value of the shares in FPM Funds Ladon - European Value during the accounting period (cap). In the event of shorter or longer accounting periods, the threshold value defined in sentence 1 shall be taken into account accordingly on a pro rata temporis basis. If the performance fee is payable, it is calculated based only on the level of performance in excess of the respective highest price of the shares at the end of the respective preceding accounting periods.

The accounting period shall begin on 1 January and end on 31 December of each calendar year. Accounting periods may be shortened, for example, in the event of mergers, short financial years or the closure of sub-fund assets.

The performance fee is generally calculated on a daily basis and settled annually at the end of the accounting period. This means that any performance fee is accrued daily in the net assets of the sub-fund. The performance fee is determined during the accounting period taking into account the additional threshold value and the cap, and based on the performance of the shares held by FPM Funds Ladon - European Value, calculated according to the BVI method. If share performance at the end of the accounting period is below the 6% performance limit, any performance fee already deducted shall be refunded accordingly. If share performance is above the 6% performance threshold, the accrued performance fee at the end of the accounting period may be withdrawn.

The performance fee may only be withdrawn if the value of the shares held by the FPM Funds Ladon – European Value at the end of the accounting period exceeds the maximum value of the shares held by FPM Funds Ladon – European Value (high water mark) that was achieved at the end of the previous five accounting periods. Sentence 1 shall not apply to the end of the first accounting period after this costs arrangement comes into effect; sentence 1 shall apply to the end of the second, third, fourth and fifth accounting period after the costs arrangement comes into effect on condition that the share value exceeds the highest share value at the end of the previous one, two, three or four accounting periods.

#### Transaction costs

The following transaction costs were incurred in connection with the sale and purchase of shares in the Fund during the reporting period ending 31 December 2018:

Sub-funds	Transaction costs in EUR
FPM Funds Stockpicker Germany All Cap	25.802,31
FPM Funds Stockpicker Germany Small/Mid Cap	183.207,33
FPM Funds Ladon - European Value	31.009,27

## FPM Funds

### Notes on the statement of assets as at 31 December 2018

#### Portfolio Turnover Rate (PTR)

During the reporting period from 01 January 2018 until 31 December 2018:

Sub-funds	PTR in %
FPM Funds Stockpicker Germany All Cap	-22,03
FPM Funds Stockpicker Germany Small/Mid Cap	10,01
FPM Funds Ladon - European Value	-31,88

The absolute number calculated for the portfolio turnover rate (PTR) represents the ratio between securities purchases and sales, cash inflows and outflows and the average sub-fund assets for the aforementioned reporting period.

#### Ongoing charges

During the reporting period from 01 January 2018 until 31 December 2018:

Share class	Ongoing charges in % (including performance fee)	Ongoing charges in % (excluding performance fee)
FPM Funds Stockpicker Germany All Cap (C)	1,25	1,25
FPM Funds Stockpicker Germany All Cap (I)	1,01	1,01
FPM Funds Stockpicker Germany Small/Mid Cap (C)	1,56	1,56
FPM Funds Stockpicker Germany Small/Mid Cap (I)	1,17	1,17
FPM Funds Ladon - European Value	1,97	1,97

#### Taxation

The sub-fund assets are currently subject to tax ("taxe d'abonnement") of 0.05% p.a. in the Grand Duchy of Luxembourg. In terms of sub-funds or share classes which are reserved for institutional investors, the taxe d'abonnement amounts to 0.01% p.a. This taxe d'abonnement is payable every quarter on the net sub-fund assets reported at the end of that quarter. The income of the Fund is not subject to taxation in Luxembourg. However, the income of the Fund may be subject to withholding tax in countries in which assets of the Fund are invested. In such cases, neither the Depositary nor the Management Company are obligated to collect tax certificates.

Interested parties should obtain information about laws and regulations applicable to the purchase, ownership and redemption of shares, as well as seek advice, if appropriate.

## FPM Funds

### Notes on the statement of assets as at 31 December 2018

#### Publications

Information on the issue and redemption prices is always available at the registered office of the Management Company, Depositary and Paying Agents of the Fund abroad and is published in accordance with the legal provisions of any country in which units are authorised for sale to the public as well as on the website of the Management Company [www.universal-investment.com](http://www.universal-investment.com). The net asset value may be requested from the registered office of the Management Company and is also published on the website of the Management Company.

Information, particularly notices to investors, is also published on the Management Company's website. In addition, notices will be published in Luxembourg in the RESA and in a Luxembourg daily newspaper, where required by law, and also, if required, in another daily newspaper that has sufficient circulation.

#### Changes to the securities portfolio

The changes to the securities holdings in the reporting period can be obtained free of charge at the registered office of the Management Company, via the Depositary and via any paying agent.

#### Information as per Regulation (EU) 2015/2365 on the transparency of securities financing transactions and of reuse and amending Regulation (EU) No. 648/2012 - figures according to Section A

During the reporting period, there were no securities financial transactions or total return swaps subject to the above-named regulations.

## FPM Funds

The consolidated statement of assets, the consolidated income and expenditure statement and the consolidated movements in fund assets consist of the sum of all sub-funds.

### Consolidated statement of assets as at 31/12/2018

	Current value in EUR	% of fund assets *)
<b>Assets</b>		
Securities portfolio	134.715.673,58	96,96
Derivatives	1.475,27	0,00
Bank deposits	4.862.187,28	3,50
<b>Total assets</b>	<b>139.579.336,13</b>	<b>100,46</b>
<b>Liabilities</b>		
Liabilities from loans	-22.025,28	-0,02
Liabilities from the management fee	-454.491,15	-0,33
Liabilities from the depositary fee	-29.051,63	-0,02
Accruals set aside for audit costs	-27.347,22	-0,02
Liabilities from taxe d'abonnement	-16.673,07	-0,01
Other liabilities	-83.310,51	-0,06
<b>Total liabilities</b>	<b>-632.898,86</b>	<b>-0,46</b>
<b>Fund assets</b>	<b>138.946.437,27</b>	<b>100,00</b>

\*) Minor rounding differences may arise due to rounding of the share percentages during calculation.



## FPM Funds

### Consolidated income and expenditure statement (incl. income equalisation) for the period from 01/01/2018 to 31/12/2018

				Total
<b>I. Income</b>				
- Dividends	EUR			3.623.195,44
- Interest from liquid investments *)	EUR			-50.258,99
- Other income	EUR			230.794,05
<b>Total revenues</b>	<b>EUR</b>			<b>3.803.730,50</b>
<b>II. Expenditure</b>				
- Interest on short-term loans	EUR			-4.089,49
- Management fee	EUR			-2.870.988,05
- Depositary fee	EUR			-175.193,96
- Custody fees	EUR			-13.433,68
- Auditing and publication costs	EUR			-49.871,82
- <i>Taxe d'abonnement</i>	EUR			-103.984,42
- Foreign withholding tax	EUR			-516.488,25
- Expenditure equalisation	EUR			712.000,27
- Other expenditure	EUR			-142.167,20
<b>Total expenditure</b>	<b>EUR</b>			<b>-3.164.216,60</b>
<b>III. Ordinary net profit</b>	<b>EUR</b>			<b>639.513,90</b>
<b>IV. Sale transactions</b>				
1. Realised profits from			EUR	26.749.879,42
- Securities transactions	EUR	24.144.037,39		
- Financial futures contracts	EUR	2.590.283,23		
- Currencies	EUR	15.558,80		
2. Realised losses from			EUR	-8.043.495,82
- Securities transactions	EUR	-5.860.636,35		
- Financial futures contracts	EUR	-2.174.240,34		
- Currencies	EUR	-8.619,13		
<b>Realised profit/loss</b>			<b>EUR</b>	<b>18.706.383,60</b>
<b>V. Net change in unrealised gains/losses</b>				
- Net change in unrealised gains	EUR	-73.654.939,90		
- Net change in unrealised losses	EUR	-53.386.191,35		
<b>Net change in unrealised profit</b>	<b>EUR</b>			<b>-127.041.131,25</b>
<b>VI. Result for the reporting period</b>	<b>EUR</b>			<b>-107.695.233,75</b>

\*) "Interest from liquid investments" includes negative credit interest of EUR 52,061.05.

## FPM Funds

<b>Consolidated movements in fund assets</b>				<b>2018</b>	
<b>I. Value of fund assets at the beginning of the reporting period</b>				<b>EUR</b>	<b>338.845.584,65</b>
1. Distribution for the previous year				EUR	-1.794.853,82
2. Interim distributions				EUR	0,00
3. Inflow/outflow of funds (net)				EUR	-99.151.351,09
(a) Inflows from sale of shares	EUR	116.236.260,59			
(b) Outflows from redemption of shares	EUR	-215.387.611,68			
4. Income equalisation/expenditure equalisation				EUR	8.742.291,28
5. Result for the reporting period				EUR	-107.695.233,75
<b>II. Value of fund assets at the end of the reporting period</b>				<b>EUR</b>	<b>138.946.437,27</b>

## FPM Funds Stockpicker Germany All Cap

### Balance sheet as at 31/12/2018

Investment focuses	Current value in EUR	% of fund assets *)
<b>I. Assets</b>	<b>66.677.972,10</b>	<b>100,35</b>
1. Shares	64.057.846,08	96,41
2. Bank deposits	2.620.126,02	3,94
<b>II. Liabilities</b>	<b>-234.418,23</b>	<b>-0,35</b>
<b>III. Fund assets</b>	<b>66.443.553,87</b>	<b>100,00</b>

\*) Minor rounding differences may arise due to rounding of the share percentages during calculation.

## FPM Funds Stockpicker Germany All Cap

### Statement of assets as at 31/12/2018

Name	ISIN	Quantity or Units or % of 1,000	holding 31.12.2018	Currency	Rate	Market value in EUR	% of fund assets *)
<b>Portfolio positions</b>				<b>EUR</b>		<b>64.057.846,08</b>	<b>96,41</b>
<b>Exchange-traded securities</b>				<b>EUR</b>		<b>63.007.846,08</b>	<b>94,83</b>
<b>Shares</b>				<b>EUR</b>		<b>63.007.846,08</b>	<b>94,83</b>
Allianz SE vink.Namens-Aktien o.N.	DE0008404005	QTY	20.000	EUR	175,140	3.502.800,00	5,27
Bauer AG (Schrobenhausen) Inhaber-Aktien o.N.	DE0005168108	QTY	82.489	EUR	12,160	1.003.066,24	1,51
Bayer AG Namens-Aktien o.N.	DE000BAY0017	QTY	48.914	EUR	60,560	2.962.231,84	4,46
Bayerische Motoren Werke AG Stammaktien EO 1	DE0005190003	QTY	45.000	EUR	70,700	3.181.500,00	4,79
Commerzbank AG Inhaber-Aktien o.N.	DE000CBK1001	QTY	320.000	EUR	5,783	1.850.560,00	2,79
Covestro AG Inhaber-Aktien o.N.	DE0006062144	QTY	7.100	EUR	43,180	306.578,00	0,46
Daimler AG Namens-Aktien o.N.	DE0007100000	QTY	58.000	EUR	45,910	2.662.780,00	4,01
Deutsche Bank AG Namens-Aktien o.N.	DE0005140008	QTY	300.000	EUR	6,967	2.090.100,00	3,15
Deutsche Lufthansa AG vink.Namens-Aktien o.N.	DE0008232125	QTY	155.000	EUR	19,700	3.053.500,00	4,60
Drägerwerk AG & Co. KGaA Inhaber-Stammaktien o.N.	DE0005550602	QTY	5.400	EUR	41,200	222.480,00	0,33
elumeo SE Inhaber-Aktien o.N.	DE000A11Q059	QTY	330.000	EUR	1,680	554.400,00	0,83
Evonik Industries AG Namens-Aktien o.N.	DE000EVNK013	QTY	24.000	EUR	21,800	523.200,00	0,79
freenet AG Namens-Aktien o.N.	DE000A0Z2ZZ5	QTY	150.000	EUR	16,945	2.541.750,00	3,83
Fresenius Medical Care KGaA Inhaber-Aktien o.N.	DE0005785802	QTY	30.000	EUR	56,640	1.699.200,00	2,56
Heidelberger Druckmaschinen AG Inhaber-Aktien o.N.	DE0007314007	QTY	2.000.000	EUR	1,591	3.182.000,00	4,79
HelloFresh SE Inhaber-Aktien o.N.	DE000A161408	QTY	170.000	EUR	6,110	1.038.700,00	1,56
LEONI AG Namens-Aktien o.N.	DE0005408884	QTY	90.000	EUR	30,280	2.725.200,00	4,10
Merck KGaA Inhaber-Aktien o.N.	DE0006599905	QTY	35.000	EUR	89,980	3.149.300,00	4,74
METRO AG Inhaber-Stammaktien o.N.	DE000BFB0019	QTY	160.000	EUR	13,395	2.143.200,00	3,23
NFON AG Inhaber-Aktien o.N.	DE000A0N4N52	QTY	30.000	EUR	8,970	269.100,00	0,41
Rocket Internet SE Inhaber-Aktien o.N.	DE000A12UKK6	QTY	40.000	EUR	20,180	807.200,00	1,21
SAP SE Inhaber-Aktien o.N.	DE0007164600	QTY	50.000	EUR	86,930	4.346.500,00	6,54
Siemens AG Namens-Aktien o.N.	DE0007236101	QTY	30.000	EUR	97,380	2.921.400,00	4,40
Sixt SE Inhaber-Vorzugsakt. o.St.o.N.	DE0007231334	QTY	73.000	EUR	48,000	3.504.000,00	5,27
Talanx AG Namens-Aktien o.N.	DE000TLX1005	QTY	60.000	EUR	29,800	1.788.000,00	2,69
TUI AG Namens-Aktien o.N.	DE000TUAG000	QTY	100.000	EUR	12,300	1.230.000,00	1,85
Volkswagen AG Vorzugsaktien o.St. o.N.	DE0007664039	QTY	40.000	EUR	138,920	5.556.800,00	8,36
Wacker Chemie AG Inhaber-Aktien o.N.	DE000WCH8881	QTY	53.000	EUR	79,100	4.192.300,00	6,31

## FPM Funds Stockpicker Germany All Cap

### Statement of assets as at 31/12/2018

Name	ISIN	Quantity or Units or % of 1,000	holding 31.12.2018	Currency	Rate	Market value in EUR	% of fund assets *)
<b>Securities permitted on or included in organised markets</b>				<b>EUR</b>		<b>1.050.000,00</b>	<b>1,58</b>
<b>Shares</b>				<b>EUR</b>		<b>1.050.000,00</b>	<b>1,58</b>
HelloFresh SE Inhaber-Aktien o.N.	DE000A0STSQ8	QTY	70.000	EUR	15,000	1.050.000,00	1,58
<b>Total securities</b>				<b>EUR</b>		<b>64.057.846,08</b>	<b>96,41</b>
<b>Bank deposits, non-securitised money market instruments and money market funds</b>				<b>EUR</b>		<b>2.620.126,02</b>	<b>3,94</b>
<b>Bank deposits</b>				<b>EUR</b>		<b>2.620.126,02</b>	<b>3,94</b>
Assets with Joh. Berenberg, Gossler & Co. KG, Luxembourg branch							
Deposits in the fund currency							
			2.620.126,02	EUR		2.620.126,02	3,94
<b>Liabilities</b>				<b>EUR</b>		<b>-234.418,23</b>	<b>-0,35</b>
Management fee							
			-169.205,78	EUR		-169.205,78	-0,25
Depositary fee							
			-12.669,29	EUR		-12.669,29	-0,02
Auditing costs							
			-10.441,67	EUR		-10.441,67	-0,02
Taxe d'abonnement							
			-7.954,10	EUR		-7.954,10	-0,01
Other liabilities							
			-34.147,39	EUR		-34.147,39	-0,05
<b>Fund assets</b>				<b>EUR</b>		<b>66.443.553,87</b>	<b>100,00</b>
<b>FPM Funds Stockpicker Germany All Cap (C)</b>							
Share value				EUR		289,95	
Issuing price				EUR		298,65	
Redemption price				EUR		289,95	
Number of shares				QTY		134.715,640	
<b>FPM Funds Stockpicker Germany All Cap (I)</b>							
Share value				EUR		14.642,21	
Issuing price				EUR		14.642,21	
Redemption price				EUR		14.642,21	
Number of shares				QTY		1.870,087	

\*) Minor rounding differences may arise due to rounding of the share percentages during calculation.

## FPM Funds Stockpicker Germany All Cap

### Income and expenditure statement (including income equalisation) for the period from 01/01/2018 to 31/12/2018

			Total
<b>I. Income</b>			
- Dividends	EUR		2.132.749,53
- Interest from liquid investments *)	EUR		-18.474,04
- Other income	EUR		230.794,05
<b>Total revenues</b>	<b>EUR</b>		<b>2.345.069,54</b>
<b>II. Expenditure</b>			
- Interest on short-term loans	EUR		-678,35
- Management fee	EUR		-877.773,66
- Depositary fee	EUR		-65.583,10
- Custody fees	EUR		-5.375,73
- Auditing and publication costs	EUR		-18.825,50
- <i>Taxe d'abonnement</i>	EUR		-40.939,29
- Foreign withholding tax	EUR		-294.326,95
- Expenditure equalisation	EUR		93.202,15
- Other expenditure	EUR		-57.026,86
<b>Total expenditure</b>	<b>EUR</b>		<b>-1.267.327,29</b>
<b>III. Ordinary net profit</b>	<b>EUR</b>		<b>1.077.742,25</b>
<b>IV. Sale transactions</b>			
1. Realised profits from			
- Securities transactions	EUR	6.245.258,85	EUR 6.245.258,85
2. Realised losses from			
- Securities transactions	EUR	-1.099.021,85	EUR -1.099.021,85
<b>Realised profit/loss</b>			<b>EUR 5.146.237,00</b>
<b>V. Net change in unrealised gains/losses</b>			
- Net change in unrealised gains	EUR	-26.966.997,79	
- Net change in unrealised losses	EUR	-12.089.575,33	
<b>Net change in unrealised profit</b>	<b>EUR</b>		<b>-39.056.573,12</b>
<b>VI. Result for the reporting period</b>	<b>EUR</b>		<b>-32.832.593,87</b>

\*) "Interest from liquid investments" includes negative credit interest of EUR 18,474.04.

## FPM Funds Stockpicker Germany All Cap

Performance of fund assets				2018
<b>I. Value of fund assets at the beginning of the reporting period</b>				<b>EUR 129.170.789,74</b>
1. Distribution for the previous year			EUR	-624.792,35
2. Interim distributions			EUR	0,00
3. Inflow/outflow of funds (net)			EUR	-29.879.888,43
(a) Inflows from sale of shares	EUR	16.649.243,97		
(b) Outflows from redemption of shares	EUR	-46.529.132,40		
4. Income equalisation/expenditure equalisation			EUR	610.038,78
5. Result for the reporting period			EUR	-32.832.593,87
<b>II. Value of fund assets at the end of the reporting period</b>				<b>EUR 66.443.553,87</b>

## FPM Funds Stockpicker Germany All Cap

### FPM Funds Stockpicker Germany All Cap (C) Comparative overview of the previous three financial years

Financial year	Shares outstanding as at end of the financial year		Fund assets as at end of the financial year		Share value as at the end of the financial year	
2015	Quantity	243.771,772	EUR	80.669.389,76	EUR	330,92
2016	Quantity	158.004,436	EUR	52.764.778,77	EUR	333,94
2017	Quantity	214.046,852	EUR	91.263.507,93	EUR	426,37
2018	Quantity	134.715,640	EUR	39.061.343,47	EUR	289,95

#### Performance of shares outstanding during the reporting period

	Quantity
Shares outstanding at the start of the reporting period	214.046,852
Shares issued	29.640,738
Shares redeemed	-108.971,950
<b>Shares outstanding at the end of the reporting period</b>	<b>134.715,640</b>



## FPM Funds Stockpicker Germany All Cap

### FPM Funds Stockpicker Germany All Cap (I) Comparative overview of the previous three financial years

Financial year	Shares outstanding as at end of the financial year		Fund assets as at end of the financial year		Share value as at the end of the financial year	
2015	Quantity	3.394,000	EUR	55.080.484,23	EUR	16.228,78
2016	Quantity	2.452,012	EUR	40.212.945,13	EUR	16.399,98
2017	Quantity	1.776,087	EUR	37.907.281,81	EUR	21.343,14
2018	Quantity	1.870,087	EUR	27.382.210,40	EUR	14.642,21

#### Performance of shares outstanding during the reporting period

	Quantity
Shares outstanding at the start of the reporting period	1.776,087
Shares issued	255,000
Shares redeemed	-161,000
<b>Shares outstanding at the end of the reporting period</b>	<b>1.870,087</b>

## FPM Funds Stockpicker Germany Small/Mid Cap

### Balance sheet as at 31/12/2018

Investment focuses	Current value in EUR	% of fund assets *)
<b>I. Assets</b>	<b>64.975.258,47</b>	<b>100,48</b>
1. Shares	63.251.760,80	97,82
2. Bank deposits	1.723.497,67	2,67
<b>II. Liabilities</b>	<b>-310.657,25</b>	<b>-0,48</b>
<b>III. Fund assets</b>	<b>64.664.601,22</b>	<b>100,00</b>

\*) Minor rounding differences may arise due to rounding of the share percentages during calculation.

## FPM Funds Stockpicker Germany Small/Mid Cap

### Statement of assets as at 31/12/2018

Name	ISIN	Quantity or Units or % of 1,000	holding 31.12.2018	Currency	Rate	Market value in EUR	% of fund assets *)
<b>Portfolio positions</b>				<b>EUR</b>		<b>63.251.760,80</b>	<b>97,82</b>
<b>Exchange-traded securities</b>				<b>EUR</b>		<b>61.185.120,92</b>	<b>94,62</b>
<b>Shares</b>				<b>EUR</b>		<b>61.185.120,92</b>	<b>94,62</b>
Aurubis AG Inhaber-Aktien o.N.	DE0006766504	QTY	50.000	EUR	43,220	2.161.000,00	3,34
Bauer AG (Schrobenhausen) Inhaber-Aktien o.N.	DE0005168108	QTY	160.000	EUR	12,160	1.945.600,00	3,01
CECONOMY AG Inhaber-Stammaktien o.N.	DE0007257503	QTY	1.600.000	EUR	3,146	5.033.600,00	7,78
Centrotec Sustainable AG Inhaber-Aktien o.N.	DE0005407506	QTY	169.000	EUR	11,440	1.933.360,00	2,99
Commerzbank AG Inhaber-Aktien o.N.	DE000CBK1001	QTY	560.000	EUR	5,783	3.238.480,00	5,01
Deutsche Lufthansa AG vink.Namens-Aktien o.N.	DE0008232125	QTY	170.000	EUR	19,700	3.349.000,00	5,18
ElringKlinger AG Namens-Aktien o.N.	DE0007856023	QTY	200.000	EUR	6,800	1.360.000,00	2,10
elumeo SE Inhaber-Aktien o.N.	DE000A11Q059	QTY	175.000	EUR	1,680	294.000,00	0,45
Heidelberger Druckmaschinen AG Inhaber-Aktien o.N.	DE0007314007	QTY	3.600.000	EUR	1,591	5.727.600,00	8,86
HelloFresh SE Inhaber-Aktien o.N.	DE000A161408	QTY	800.000	EUR	6,110	4.888.000,00	7,56
JOST Werke AG Inhaber-Aktien o.N.	DE000JST4000	QTY	94.000	EUR	26,400	2.481.600,00	3,84
K+S Aktiengesellschaft Namens-Aktien o.N.	DE000KSAG888	QTY	150.000	EUR	15,720	2.358.000,00	3,65
LEONI AG Namens-Aktien o.N.	DE0005408884	QTY	100.000	EUR	30,280	3.028.000,00	4,68
Manz AG Inhaber-Aktien o.N.	DE000A0JQ5U3	QTY	35.000	EUR	20,750	726.250,00	1,12
METRO AG Inhaber-Stammaktien o.N.	DE000BFB0019	QTY	200.000	EUR	13,395	2.679.000,00	4,14
NFON AG Inhaber-Aktien o.N.	DE000A0N4N52	QTY	150.000	EUR	8,970	1.345.500,00	2,08
OSRAM Licht AG Namens-Aktien o.N.	DE000LED4000	QTY	60.000	EUR	37,920	2.275.200,00	3,52
SAF HOLLAND S.A. Actions au Porteur EO-,01	LU0307018795	QTY	280.000	EUR	11,200	3.136.000,00	4,85
Schaeffler AG Inhaber-Vorzugsakt.o.St. o.N.	DE000SHA0159	QTY	300.000	EUR	7,458	2.237.400,00	3,46
Singulus Technologies AG Inhaber-Aktien EO 1	DE000A1681X5	QTY	200.000	EUR	9,150	1.830.000,00	2,83
SÜSS MicroTec SE Namens-Aktien o.N.	DE000A1K0235	QTY	353.521	EUR	8,700	3.075.632,70	4,76
TAKKT AG Inhaber-Aktien o.N.	DE0007446007	QTY	63.128	EUR	13,640	861.065,92	1,33
Vapiano SE Inhaber-Aktien o.N.	DE000A0WMNK9	QTY	378.638	EUR	5,850	2.215.032,30	3,43
Wacker Chemie AG Inhaber-Aktien o.N.	DE000WCH8881	QTY	38.000	EUR	79,100	3.005.800,00	4,65
<b>Securities permitted on or included in organised markets</b>				<b>EUR</b>		<b>2.066.639,88</b>	<b>3,20</b>
<b>Shares</b>				<b>EUR</b>		<b>2.066.639,88</b>	<b>3,20</b>
MPC Münchmeyer Peters.Cap.AG Inhaber-Aktien o.N.	DE000A1TNWJ4	QTY	567.956	EUR	2,730	1.550.519,88	2,40
PANTAFLIX AG Inhaber-Aktien o.N.	DE000A12UPJ7	QTY	374.000	EUR	1,380	516.120,00	0,80
<b>Total securities</b>				<b>EUR</b>		<b>63.251.760,80</b>	<b>97,82</b>

## FPM Funds Stockpicker Germany Small/Mid Cap

### Statement of assets as at 31/12/2018

Name	ISIN	Quantity or Units or % of 1,000	holding 31.12.2018	Currency	Rate	Market value in EUR	% of fund assets *)
<b>Bank deposits, non-securitised money market instruments and money market funds</b>				<b>EUR</b>		<b>1.723.497,67</b>	<b>2,67</b>
<b>Bank deposits</b>				<b>EUR</b>		<b>1.723.497,67</b>	<b>2,67</b>
Assets with Joh. Berenberg, Gossler & Co. KG, Luxembourg branch							
Deposits in the fund currency				1.723.497,67	EUR	1.723.497,67	2,67
<b>Liabilities</b>				<b>EUR</b>		<b>-310.657,25</b>	<b>-0,48</b>
Management fee				-253.928,38	EUR	-253.928,38	-0,39
Depositary fee				-13.901,97	EUR	-13.901,97	-0,02
Auditing costs				-9.447,22	EUR	-9.447,22	-0,01
Taxe d'abonnement				-7.774,22	EUR	-7.774,22	-0,01
Other liabilities				-25.605,46	EUR	-25.605,46	-0,04
<b>Fund assets</b>				<b>EUR</b>		<b>64.664.601,22</b>	<b>100,00</b>
<b>FPM Funds Stockpicker Germany Small/Mid Cap (C)</b>							
Share value				EUR		261,37	
Issuing price				EUR		269,21	
Redemption price				EUR		261,37	
Number of shares				QTY		185.523,998	
<b>FPM Funds Stockpicker Germany Small/Mid Cap (I)</b>							
Share value				EUR		1.154,79	
Issuing price				EUR		1.154,79	
Redemption price				EUR		1.154,79	
Number of shares				QTY		14.005,523	

\*) Minor rounding differences may arise due to rounding of the share percentages during calculation.

## FPM Funds Stockpicker Germany Small/Mid Cap

### Income and expenditure statement (including income equalisation) for the period from 01/01/2018 to 31/12/2018

			Total
<b>I. Income</b>			
- Dividends	EUR		1.337.402,91
- Interest from liquid investments *)	EUR		-29.991,25
<b>Total revenues</b>	<b>EUR</b>		<b>1.307.411,66</b>
<b>II. Expenditure</b>			
- Interest on short-term loans	EUR		-2.785,93
- Management fee	EUR		-1.809.988,65
- Depositary fee	EUR		-99.373,20
- Custody fees	EUR		-7.529,91
- Auditing and publication costs	EUR		-20.415,94
- <i>Taxe d'abonnement</i>	EUR		-56.890,33
- Foreign withholding tax	EUR		-200.077,09
- Expenditure equalisation	EUR		588.480,68
- Other expenditure	EUR		-37.638,05
<b>Total expenditure</b>	<b>EUR</b>		<b>-1.646.218,42</b>
<b>III. Ordinary net profit</b>	<b>EUR</b>		<b>-338.806,76</b>
<b>IV. Sale transactions</b>			
1. Realised profits from			
- Securities transactions	EUR	16.773.487,54	EUR 16.773.487,54
2. Realised losses from			
- Securities transactions	EUR	-4.264.684,64	EUR -4.264.684,64
<b>Realised profit/loss</b>	<b>EUR</b>		<b>12.508.802,90</b>
<b>V. Net change in unrealised gains/losses</b>			
- Net change in unrealised gains	EUR	-44.662.266,35	
- Net change in unrealised losses	EUR	-37.419.537,07	
<b>Net change in unrealised profit</b>	<b>EUR</b>		<b>-82.081.803,42</b>
<b>VI. Result for the reporting period</b>	<b>EUR</b>		<b>-69.911.807,28</b>

\*) "Interest from liquid investments" includes negative credit interest of EUR 29,991.25.

## FPM Funds Stockpicker Germany Small/Mid Cap

Performance of fund assets				2018
<b>I. Value of fund assets at the beginning of the reporting period</b>				<b>EUR 198.460.352,72</b>
1. Distribution for the previous year			EUR	-1.068.317,30
2. Interim distributions			EUR	0,00
3. Inflow/outflow of funds (net)			EUR	-70.842.018,22
(a) Inflows from sale of shares	EUR	82.697.219,04		
(b) Outflows from redemption of shares	EUR	-153.539.237,26		
4. Income equalisation/expenditure equalisation			EUR	8.026.391,30
5. Result for the reporting period			EUR	-69.911.807,28
<b>II. Value of fund assets at the end of the reporting period</b>				<b>EUR 64.664.601,22</b>

## FPM Funds Stockpicker Germany Small/Mid Cap

### FPM Funds Stockpicker Germany Small/Mid Cap (C) Comparative overview of the previous three financial years

Financial year	Shares outstanding as at end of the financial year		Fund assets as at end of the financial year		Share value as at the end of the financial year	
2015	Quantity	150.580,503	EUR	42.944.895,62	EUR	285,20
2016	Quantity	139.096,563	EUR	42.157.485,97	EUR	303,08
2017	Quantity	307.207,971	EUR	142.025.726,12	EUR	462,31
2018	Quantity	185.523,998	EUR	48.491.146,07	EUR	261,37

#### Performance of shares outstanding during the reporting period

	Quantity
Shares outstanding at the start of the reporting period	307.207,971
Shares issued	149.566,773
Shares redeemed	-271.250,746
<b>Shares outstanding at the end of the reporting period</b>	<b>185.523,998</b>

## FPM Funds Stockpicker Germany Small/Mid Cap

### FPM Funds Stockpicker Germany Small/Mid Cap (I) Comparative overview of the previous three financial years

Financial year	Shares outstanding as at end of the financial year		Fund assets as at end of the financial year		Share value as at the end of the financial year	
2015	Quantity	9.435,000	EUR	11.142.307,11	EUR	1.180,95
2016	Quantity	9.724,168	EUR	12.513.489,21	EUR	1.286,84
2017	Quantity	27.769,938	EUR	56.434.626,60	EUR	2.032,22
2018	Quantity	14.005,523	EUR	16.173.455,15	EUR	1.154,79

#### Performance of shares outstanding during the reporting period

	Quantity
Shares outstanding at the start of the reporting period	27.769,938
Shares issued	9.204,355
Shares redeemed	-22.968,770
<b>Shares outstanding at the end of the reporting period</b>	<b>14.005,523</b>



## FPM Funds Ladon - European Value

### Balance sheet as at 31/12/2018

Investment focuses	Current value in EUR	% of fund assets *)
<b>I. Assets</b>	<b>7.926.105,56</b>	<b>101,12</b>
1. Shares	7.406.066,70	94,49
2. Derivatives	1.475,27	0,02
3. Bank deposits	518.563,59	6,62
<b>II. Liabilities</b>	<b>-87.823,38</b>	<b>-1,12</b>
<b>III. Fund assets</b>	<b>7.838.282,18</b>	<b>100,00</b>

\*) Minor rounding differences may arise due to rounding of the share percentages during calculation.

## FPM Funds Ladon - European Value

### Statement of assets as at 31/12/2018

Name	ISIN	Quantity or Units or % of 1,000	holding 31.12.2018	Currency	Rate	Market value in EUR	% of fund assets *)
<b>Portfolio positions</b>				<b>EUR</b>		<b>7.406.066,70</b>	<b>94,49</b>
<b>Exchange-traded securities</b>				<b>EUR</b>		<b>6.419.263,32</b>	<b>81,90</b>
<b>Shares</b>				<b>EUR</b>		<b>6.419.263,32</b>	<b>81,90</b>
Bayer AG Namens-Aktien o.N.	DE000BAY0017	QTY	6.522	EUR	60,560	394.972,32	5,04
Bayerische Motoren Werke AG Stammaktien EO 1	DE0005190003	QTY	2.900	EUR	70,700	205.030,00	2,62
CECONOMY AG Inhaber-Stammaktien o.N.	DE0007257503	QTY	130.000	EUR	3,146	408.980,00	5,22
Commerzbank AG Inhaber-Aktien o.N.	DE000CBK1001	QTY	55.000	EUR	5,783	318.065,00	4,06
Daimler AG Namens-Aktien o.N.	DE0007100000	QTY	8.000	EUR	45,910	367.280,00	4,69
Deutsche Lufthansa AG vink.Namens-Aktien o.N.	DE0008232125	QTY	18.000	EUR	19,700	354.600,00	4,52
elumio SE Inhaber-Aktien o.N.	DE000A11Q059	QTY	20.000	EUR	1,680	33.600,00	0,43
Heidelberger Druckmaschinen AG Inhaber-Aktien o.N.	DE0007314007	QTY	370.000	EUR	1,591	588.670,00	7,51
HelloFresh SE Inhaber-Aktien o.N.	DE000A161408	QTY	100.000	EUR	6,110	611.000,00	7,80
K+S Aktiengesellschaft Namens-Aktien o.N.	DE000KSAG888	QTY	20.000	EUR	15,720	314.400,00	4,01
LEONI AG Namens-Aktien o.N.	DE0005408884	QTY	12.000	EUR	30,280	363.360,00	4,64
Manz AG Inhaber-Aktien o.N.	DE000A0JQ5U3	QTY	8.000	EUR	20,750	166.000,00	2,12
METRO AG Inhaber-Stammaktien o.N.	DE000BFB0019	QTY	28.000	EUR	13,395	375.060,00	4,78
OSRAM Licht AG Namens-Aktien o.N.	DE000LED4000	QTY	8.000	EUR	37,920	303.360,00	3,87
SAF HOLLAND S.A. Actions au Porteur EO-,01	LU0307018795	QTY	17.000	EUR	11,200	190.400,00	2,43
Schaeffler AG Inhaber-Vorzugsakt.o.St. o.N.	DE000SHA0159	QTY	35.000	EUR	7,458	261.030,00	3,33
SÜSS MicroTec SE Namens-Aktien o.N.	DE000A1K0235	QTY	35.000	EUR	8,700	304.500,00	3,88
Vapiano SE Inhaber-Aktien o.N.	DE000A0WMNK9	QTY	50.000	EUR	5,850	292.500,00	3,73
Volkswagen AG Vorzugsaktien o.St. o.N.	DE0007664039	QTY	1.800	EUR	138,920	250.056,00	3,19
Wacker Chemie AG Inhaber-Aktien o.N.	DE000WCH8881	QTY	4.000	EUR	79,100	316.400,00	4,04
<b>Securities permitted on or included in organised markets</b>				<b>EUR</b>		<b>986.803,38</b>	<b>12,59</b>
<b>Shares</b>				<b>EUR</b>		<b>986.803,38</b>	<b>12,59</b>
MPC Münchmeyer Peters.Cap.AG Inhaber-Aktien o.N.	DE000A1TNWJ4	QTY	60.000	EUR	2,730	163.800,00	2,09
PANTAFLIX AG Inhaber-Aktien o.N.	DE000A12UPJ7	QTY	33.000	EUR	1,380	45.540,00	0,58
BowlLeven PLC Registered Shares LS -.10	GB00B04PYL99	QTY	2.700.000	GBP	0,260	777.463,38	9,92
<b>Total securities</b>				<b>EUR</b>		<b>7.406.066,70</b>	<b>94,49</b>
<b>Derivatives</b>				<b>EUR</b>		<b>1.475,27</b>	<b>0,02</b>

## FPM Funds Ladon - European Value

### Statement of assets as at 31/12/2018

Name	ISIN	Quantity or Units or % of 1,000	holding 31.12.2018	Currency	Rate	Market value in EUR	% of fund assets *)
<b>Bank deposits, non-securitised money market instruments and money market funds</b>				<b>EUR</b>		<b>518.563,59</b>	<b>6,62</b>
<b>Bank deposits</b>				<b>EUR</b>		<b>518.563,59</b>	<b>6,62</b>
Assets with Joh. Berenberg, Gossler & Co. KG, Luxembourg branch							
Deposits in the fund currency							
			443.285,67	EUR		443.285,67	5,66
Deposits in currencies outside EU/EEA							
			62.570,43	USD		54.727,92	0,70
Assets with Joh. Berenberg, Gossler & Co. KG, Luxembourg branch							
Deposits in the fund currency (variation margin)							
			20.550,00	EUR		20.550,00	0,26
<b>Liabilities from loans</b>				<b>EUR</b>		<b>-22.025,28</b>	<b>-0,28</b>
Loans with Joh. Berenberg, Gossler & Co. KG, Luxembourg branch							
Loans in non-EU/EEA currencies (variation margin)							
			-25.181,50	USD		-22.025,28	-0,28
<b>Liabilities</b>				<b>EUR</b>		<b>-65.798,10</b>	<b>-0,84</b>
Management fee							
			-31.356,99	EUR		-31.356,99	-0,40
Depositary fee							
			-2.480,37	EUR		-2.480,37	-0,03
Auditing costs							
			-7.458,33	EUR		-7.458,33	-0,10
Taxe d'abonnement							
			-944,75	EUR		-944,75	-0,01
Other liabilities							
			-23.557,66	EUR		-23.557,66	-0,30
<b>Fund assets</b>				<b>EUR</b>		<b>7.838.282,18</b>	<b>100,00</b>
<b>FPM Funds Ladon - European Value</b>							
Share value				EUR		167,85	
Issuing price				EUR		172,89	
Redemption price				EUR		167,85	
Number of shares				QTY		46.699,004	

\*) Minor rounding differences may arise due to rounding of the share percentages during calculation.

## FPM Funds Ladon - European Value

### Derivatives as at 31/12/2018

#### Financial futures contracts as at 31/12/2018

Contract description	Maturity	Number	CY	Cost price in currency	Market price in currency	Liability in EUR	Unrealised profit in EUR
FUTURE EURO-BUND 03.19 EUREX	07.03.2019	-25,00	EUR	162,6160	163,5400	4.088.500,00	-23.000,00
FUTURE LONG TERM EURO OAT 03.19 EUREX	07.03.2019	-35,00	EUR	150,8660	150,8000	5.278.000,00	2.450,00
FUTURE TESLA INC. 03.19 EUREX	15.03.2019	-5,00	USD	377,3609	327,0579	143.032,41	22.025,27
<b>Total financial futures</b>							<b>1.475,27</b>
<b>Total derivatives</b>							<b>1.475,27</b>

## FPM Funds Ladon - European Value

### Income and expenditure statement (including income equalisation) for the period from 01/01/2018 to 31/12/2018

				Total
<b>I. Income</b>				
- Dividends		EUR		153.043,00
- Interest from liquid investments *)		EUR		-1.793,70
<b>Total revenues</b>		<b>EUR</b>		<b>151.249,30</b>
<b>II. Expenditure</b>				
- Interest on short-term loans		EUR		-625,21
- Management fee		EUR		-183.225,74
- Depositary fee		EUR		-10.237,66
- Custody fees		EUR		-528,04
- Auditing and publication costs		EUR		-10.630,38
- <i>Taxe d'abonnement</i>		EUR		-6.154,80
- Foreign withholding tax		EUR		-22.084,21
- Expenditure equalisation		EUR		30.317,44
- Other expenditure		EUR		-47.502,29
<b>Total expenditure</b>		<b>EUR</b>		<b>-250.670,89</b>
<b>III. Ordinary net profit</b>		<b>EUR</b>		<b>-99.421,59</b>
<b>IV. Sale transactions</b>				
1. Realised profits from			EUR	3.731.133,03
- Securities transactions	EUR	1.125.291,00		
- Financial futures contracts	EUR	2.590.283,23		
- Currencies	EUR	15.558,80		
2. Realised losses from			EUR	-2.679.789,33
- Securities transactions	EUR	-496.929,86		
- Financial futures contracts	EUR	-2.174.240,34		
- Currencies	EUR	-8.619,13		
<b>Realised profit/loss</b>			<b>EUR</b>	<b>1.051.343,70</b>
<b>V. Net change in unrealised gains/losses</b>				
- Net change in unrealised gains	EUR	-2.025.675,76		
- Net change in unrealised losses	EUR	-3.877.078,95		
<b>Net change in unrealised profit</b>			<b>EUR</b>	<b>-5.902.754,71</b>
<b>VI. Result for the reporting period</b>			<b>EUR</b>	<b>-4.950.832,60</b>

\*) "Interest from liquid investments" includes negative credit interest of EUR 3,595.76.

## FPM Funds Ladon - European Value

### Performance of fund assets

2018

<b>I. Value of fund assets at the beginning of the reporting period</b>		<b>EUR</b>	<b>11.214.442,19</b>
1. Distribution for the previous year		EUR	-101.744,17
2. Interim distributions		EUR	0,00
3. Inflow/outflow of funds (net)		EUR	1.570.555,56
(a) Inflows from sale of shares	EUR	16.889.797,58	
(b) Outflows from redemption of shares	EUR	-15.319.242,02	
4. Income equalisation/expenditure equalisation		EUR	105.861,20
5. Result for the reporting period		EUR	-4.950.832,60
<b>II. Value of fund assets at the end of the reporting period</b>		<b>EUR</b>	<b>7.838.282,18</b>

## FPM Funds Ladon - European Value

### Comparative overview of the previous three financial years

Financial year	Shares outstanding as at end of the financial year		Fund assets as at end of the financial year		Share value as at the end of the financial year	
2015	Quantity	27.264,411	EUR	5.207.297,10	EUR	190,99
2016	Quantity	25.916,116	EUR	4.965.434,82	EUR	191,60
2017	Quantity	44.028,334	EUR	11.214.442,19	EUR	254,71
2018	Quantity	46.699,004	EUR	7.838.282,18	EUR	167,85

### Performance of shares outstanding during the reporting period

	Quantity
Shares outstanding at the start of the reporting period	44.028,334
Shares issued	70.572,332
Shares redeemed	-67.901,662
<b>Shares outstanding at the end of the reporting period</b>	<b>46.699,004</b>



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To the shareholders of FPM Funds

## **REPORT OF THE REVISEUR D'ENTREPRISES AGREE**

### **Report on the annual audit**

#### **Audit opinion**

We have audited the accompanying annual financial statements for the FPM Fund and its sub-funds ("the Funds"). These statements consist of the statement of assets as at 31 December 2018, the statement of income and expenditure, the performance of fund assets for the financial year ending on the above date, and the Annex containing an overview of important accounting methods.

It is our opinion that the accompanying annual accounts accurately reflect the assets and finances of the Fund and its sub-funds as at 31 December 2018 as well as its profits and performance of fund assets for the financial year ending on this date, in accordance with the statutory provisions and regulations applicable in Luxembourg with regard to the preparation and presentation of annual financial statements.

#### **Basis for the audit opinion**

We carried out our audit in compliance with the Law concerning the audit profession (Law of 23 July 2016) and in accordance with the international standards on auditing (ISAs) adopted for Luxembourg by the Commission de Surveillance du Secteur Financier (CSSF). Our remit under the aforementioned law and standards with regard to the annual audit is described in detail in the chapter entitled "Responsibility of the Réviseur d'Entreprises agréé". In accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) adopted for Luxembourg by the CSSF and the ethical standards we uphold in carrying out annual audits, we are not affiliated with the Fund in any way and have complied with all other professional requirements incumbent on us under these ethical standards. We feel that the audit evidence we requested is sufficient and appropriate to serve as a basis for our audit opinion.

#### **Other information**

The Board of Directors of the Fund is responsible for all other information. Other information includes information from the annual report but does not cover the annual financial statements or our Réviseur d'Entreprises agréé report on the annual financial statements.

Our audit opinion on the annual financial statements does not cover other information and we do not vouch in any way for the accuracy of this information.

Our responsibilities regarding the audit of the annual financial statement pertain to reading the other information and assessing if there are any major discrepancies between this information and the annual financial statement, if there are any major discrepancies between this information and the information revealed by the audit, or if the other information seems to contain major errors. If our work leads us to conclude that the other information contains major errors, we are obliged to report any such findings. We have nothing to report in this regard.





## **Responsibility of the Board of Directors of the Fund for the annual financial statements**

The Board of Directors of the Fund is responsible for preparing and appropriately presenting the annual financial statements as a whole in accordance with the statutory provisions and regulations applicable in Luxembourg as regards preparing the annual report, The Board of Directors is also responsible for all internal controls it deems necessary to prepare and present the annual financial statements without any material misstatements, whether intentional or otherwise.

In preparing the annual financial statements, the Board of Directors of the Fund is responsible for assessing the Fund's capacity as a going concern and for providing information on issues related to this where relevant. The Board is also responsible for using the assumption of a going concern as an accounting principle, unless the Board of Directors of the Fund intends to liquidate the Fund, suspend trading or has no realistic alternative than to do so.

## **Responsibility of the Réviseur d'Entreprises agréé for the annual financial statements**

The objective of our audit is to obtain reasonable assurance that the annual financial statements as a whole do not contain any material misstatements, whether intentional or otherwise, and to issue a report of the "Réviseur d'Entreprises agréé" containing our audit opinion. Reasonable assurance translates to a high degree of certainty, yet this does not guarantee that material misstatements are always discovered by an audit in accordance with the Law of 23 July 2016 and the ISAs adopted for Luxembourg by the CSSF. Misstatements may be the result of both irregularities and violations and are deemed material if there are reasonable grounds to assume that, whether individually or collectively, they will influence the financial decisions taken by the target audience on the basis of these annual financial statements.

While undertaking an audit in accordance with the Law of 23 July 2016 and the ISAs adopted for Luxembourg by the CSSF, we exercise our professional judgement and always adopt a critical approach. In addition:

- We identify and assess the risk posed by material misstatements in the annual financial statements resulting from irregularities or violations, we plan and implement audit procedures in response to these risks and request audit evidence that is sufficient and appropriate to form a basis for the audit opinion. Material misstatements resulting from violations are less likely to be uncovered than those resulting from irregularities, since violations may involve fraudulent cooperation, fabrications, the intentional omission of information, incorrect data or the removal of internal controls.
- We learn about the internal control system relevant to the audit in order to plan audit procedures that are appropriate in the circumstances; however, the aim of this is not to give an audit opinion on the effectiveness of the internal control system.
- We assess the adequacy of the balance sheet methods used by the Board of Directors of the Fund, the accounting-related estimations and the corresponding notes.
- Regarding the appropriateness of the continued use of the accounting policy by the Board of Directors of the Fund, and on the basis of the audit evidence obtained, we come to a conclusion as to whether there is material uncertainty surrounding events or circumstances that could raise significant doubts as to the Fund's ability to continue as a going concern. If this is our conclusion, we are obligated to refer to the corresponding notes to the annual financial statements in the report of the "Réviseur d'Entreprises agréé", or to modify the audit opinion if the information is inadequate. We base these conclusions on the evidence requested up to the date of the report of the "Réviseur d'Entreprises agréé". Nonetheless, future events or circumstances may result in the Fund's inability to continue as a going concern.
- We assess the overall presentation, structure and content of the annual financial statements, including the notes, and judge whether the statements accurately reflect the underlying business operations and events.

Among other things, we inform the persons responsible for monitoring of the intended scope and time frame of the audit, and of any significant audit findings, including any substantial flaws in the internal control system.

Luxembourg, 29 March 2019

KPMG Luxembourg, Société coopérative  
Cabinet de révision agréé

S. Kraiker