

# **ITI Funds UCITS ETF SICAV**

Société d'Investissement à Capital Variable  
Annual Report and Audited Financial  
Statements for the period from August  
4, 2017 to  
December 31, 2018



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## DIRECTORS AND ADMINISTRATION

### REGISTERED OFFICE OF THE COMPANY

20, boulevard Emmanuel Servais  
L-2535 Luxembourg  
Grand Duchy of Luxembourg

### BOARD OF DIRECTORS OF THE COMPANY

Vincent Decalf  
Chairman of the Board, Luxembourg

Gleb Yakovlev  
Director, Moscow

Denis Albert (until March 7, 2018)  
Director, United Kingdom

Nikolay Dontsov (since March 7, 2018)  
Director, United Kingdom

### MANAGEMENT COMPANY

**Fuchs Asset Management S.A.**  
49, Boulevard Prince Henri  
L-1724 Luxembourg  
Grand Duchy of Luxembourg

#### *Board of the directors of the Management Company*

Jean Fuchs  
Chairman of the board of directors, Luxembourg

Timothé Fuchs  
Director, Luxembourg

Christophe Pessault  
Director, Luxembourg

#### *Conducting Persons of the Management Company*

Timothé Fuchs

Bertrand Barthel (until June 30, 2018)

Gilles Gabriel (since July 1, 2018)

Enrico Mela (since July 1, 2018)

### INVESTMENT MANAGER

Da Vinci Capital Management Limited  
Old Bank Chambers  
La Grande Rue  
St Martin's, Guernsey  
Channel Islands GY4 6RT

### DEPOSITARY BANK AND DOMICILIARY AGENT IN LUXEMBOURG

Edmond de Rothschild (Europe)  
20, Boulevard Emmanuel Servais  
L-2535 Luxembourg  
Grand Duchy of Luxembourg

### ADMINISTRATOR AND TRANSFER AGENT

Edmond de Rothschild Asset Management (Luxembourg)  
20, Boulevard Emmanuel Servais  
L-2535 Luxembourg  
Grand Duchy of Luxembourg

### AUDITOR

KPMG Luxembourg, Société cooperative  
39, Avenue John F. Kennedy  
L-1855 Luxembourg  
Grand Duchy of Luxembourg

### LEGAL ADVISER AS TO LUXEMBOURG LAW

Dechert (Luxembourg) LLP  
1, Allée Scheffer  
L-2520 Luxembourg  
Grand Duchy of Luxembourg

### LEGAL ADVISER AS TO IRISH LAW

Dechert LLP  
3 George's Dock  
IFSC  
Dublin 2  
Ireland

### IRISH STOCK EXCHANGE LISTING AGENT

Davy  
49 Dawson Street  
Dublin 2  
Ireland

## INFORMATION TO THE SHAREHOLDERS

Notices concerning ITI Funds UCITS ETF (the “Company”) are published in newspapers designated by the Board of Directors of the Company and, if prescribed by law, are published in the Mémorial, the official gazette of Luxembourg, and are lodged with the Registrar of the Luxembourg District Court.

The current Articles of Incorporation of the Company are lodged with the Registrar of the Luxembourg District Court, from whom copies may be obtained.

The issue price and the redemption price of the Company shares are made public at the Registered Office of the

Company, where prospectus, KIIDs, Articles of Incorporation and financial reports may be obtained.

Subscriptions cannot be received on the basis of financial reports. Subscriptions are valid only if made on the basis of the current prospectus, supplemented by the last annual report and the most recent semi-annual report if published thereafter.

During the period under review, only Audit services are provided by KPMG Luxembourg.

## NET ASSET VALUE PER SHARE

The Net Asset Value per Share is calculated on the Business Day following the relevant Valuation Day and be determined by dividing the Net Asset Value of the respective Sub-Fund/Class by the number of such Shares which are in issue on such Valuation Day in the relevant Sub-Fund and/or Class (including Shares in relation to which a Shareholder has requested redemption on such Valuation Day).

The Net Asset Value per Share will in principle be calculated with four decimal places and may be rounded up or down to the nearest whole unit of the currency in which the Net Asset Value of the relevant Shares are calculated.

For all Sub-funds, a non-tradable Net Asset Value was calculated on December 31, 2018 for the purpose of these financial statements. These non-tradable Net Assets Values were based on the latest available market prices of the investments as at December 29, 2018.

## RISK MANAGEMENT (UNAUDITED)

### **Tracking Errors**

ITI Funds Russia Focused USD Eurobond UCITS ETF as at 28/12/2018: 0.868445049.

Under normal market conditions, the Investment Manager anticipates a level of Tracking Error of up to 5.0 % on the annual basis.

The level of Tracking Error has been caused by different evaluation of bonds in the portfolio and in the index, and cash position which was not reinvested due to bond market limitations. If reinvested the level of Tracking Error would have been lower than the one achieved, but still Tracking Error remains within the declared limits.

ITI Funds RTS Equity UCITS ETF as at 28/12/2018: 4.668525165.

Under normal market conditions, the Investment Manager anticipates a level of Tracking Error of up to 2.0 % on the annual basis

The high level of Tracking Error of ITI Funds RTS Equity UCITS ETF has been caused by dividends of holdings paid in and fund dividend paid out in accordance with dividend policy (accumulated net dividends minus fund costs, part reinvested into the benchmark), while the benchmark doesn't consider any dividends for its members.

### **Global Exposure**

The Sub-Funds use the commitment approach to monitor their global exposure.

## **REPORT ON THE ACTIVITIES**

### **Sub-fund - ITI Funds RTS Equity UCITS ETF SICAV**

The sub-fund inception date is 30th of January 2018 with USD 25 initial NAV per share. The sub-fund is denominated in USD and tracks index of most liquid Russian stocks on the initial investment plus accumulates dividends which are paid by underlying stocks. Accumulated stock dividends minus costs are distributed annually. In financial year 2018 the sub-fund dividend amount is USD 0.76 per share.

To keep the sub-fund performance being similar to tracking index performance some part of accumulated dividends is reinvested into the index composition in the case of low index levels. Such an investment has given us additional income during 2018 financial year which was included into sub-fund dividend.

The sub-fund recorded negative performance -15.25% since the inception and -11.94% over the 4th quarter 2018 considering the dividend.

The improvement of Russian sovereign rating by S&P allowed Russian equities to rise at the beginning of the year, but in February emerging market equities have come under pressure because of signals from FED on rate hikes and beginning of trade and sanction wars. In March FED had increased rates on 0.25%. The pressure on Russian equity market have strengthen in April when US applied sanctions to some of Russian business including En+ and Rusal. As the result RTS index has fallen 13.56% and recovered half of the gap at the end of April on high oil prices and softening of sanction rhetoric.

The following quarter Russian equity market remained quite volatile on investors' perceptions for Putin-Trump meeting, its results and Congress declarations, but has kept its positions on high oil prices. In August Russian equities have fallen on declared sanctions development for alleged Russian interference to US elections in the context of no positive progress in Russia-US relations (RTS index has fallen 11%). The other negative factor was high USD/RUS rate during this period. The market has fully recovered only at the end of September.

Despite the softening of sanction rhetoric in October, Russian equities came under pressure of lowering oil prices and negative dynamics on emerging market equities area (caused by growing concern of global investors in trade wars escalation).

According to index March rebalance changes FIVE equity was included into the composition. As the result of US personal and sectoral sanctions in April to meet investment policies the Board of Directors decided to exclude RUAL from the fund composition. To reduce tracking issues the RUAL part was reinvested according to weights of other index members. As the result In August RTS index committee made an out of schedule decision to exclude MFON equity (due to large buy-back amount). In accordance to December index rebalance the UWGN equity was excluded from the portfolio, while LNTA equity was included. As of 31 December 2018, the only equity which is included into the benchmark index and not included into the portfolio is RUAL. The low weight of the equity allows to keep the commitment of that situation to sub-fund performance relatively low.

### **Sub-fund - ITI Funds Russia-focused USD Eurobond UCITS ETF SICAV**

The fund inception date is 30th of January 2018 with USD 25 initial NAV. The fund is denominated in USD and tracks total-return index of most rated Russian USD denominated eurobonds. Accumulated coupons are applied reinvesting.

The sub-fund recorded negative performance -1.52% since the inception and positive 0.96% over the 4th quarter 2018.

Since the beginning of the year Russian eurobonds have shown positive dynamics on improvement of Russian sovereign S&P rating. However, in March 2018 FED decision to increase key rates caused negative dynamics in USD nominated bonds area. In April new sanctions have been applied to Russian companies, causing the fall of the index (-4.63%). Also, long-term US bond yields have reached psychological value of 3.00%, causing yields growth for USD nominated bonds.

The index has fully recovered the April gap at the mid of July, but the declaration of new measures against Russian sovereign debt and possible refusal on USD transactions for quasi-sovereign banks caused another index fall in August (-2.88%). FED politics on rates increasing, which pressures on all USD nominated bonds, became the other negative factor for Russian top-rated Eurobonds during this period.

In October the index has restored the major part of August gap on softening of sanction rhetoric. The index has grown at the end of the year because of expected Moody's rating raise for Russia. The 3rd quarter 2018 also has shown a positive dynamic of non-residents' share in Russian USD nominated sovereign eurobonds.

According to index rebalance changes in March 2018 the Gazprombank Eurobond (GPBRU 4.96 09/05/19) has been excluded from the portfolio, while VTB (VTB 6.551 10/13/20), POLYUS (PGILLN 5.25 02/07/23) and ALFA (ALFARU 7.75 04/28/21) have been included. In September the Fund has participated in the buy-back program and sold POLYUS from the portfolio. The decision was based on the relatively high possibility of exclusion of POLYUS from the tracking index (due to outstanding amount restriction). In correspondence with December index rebalance the sovereign bond (RUSSIA 04/29/20) was excluded from the portfolio.

ITI Funds UCITS ETF SICAV

March 11th, 2019

The information contained in this report is historical and is not necessarily an indication of future performance

To the Shareholders of ITI FUNDS UCITS ETF SICAV  
20, boulevard Emmanuel Servais  
L-2535 Luxembourg  
Grand duchy of Luxembourg

## REPORT OF THE REVISEUR D'ENTREPRISES AGREE

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

#### *Opinion*

We have audited the accompanying financial statements of ITI FUNDS UCITS ETF SICAV ("the Fund") and each of its sub-funds, which comprise the statement of net assets and the statement of investments in securities and other net assets as at 31 December 2018 and the statement of operations and the statement of changes in net assets for the period from 4 August 2017 (date of incorporation) to 31 December 2018, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of ITI FUNDS UCITS ETF SICAV and each of its sub-funds as at 31 December 2018, and of the results of their operations and changes in their net assets for the period from 4 August 2017 to 31 December 2018 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 EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession ("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 EU Regulation N° 537/2014, the Law of 23 July 2016 and ISAs are further described in the « Responsibilities of "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 Ethics Standards Board for Accountants' Code of Ethics for Professional 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.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of the audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



**Valuation of investments in securities (Refer to note summary of significant accounting policies, c) valuation of assets)**

*Why the matter was considered to be one of the most significant in the audit?*

Investments in securities represent 99.07% of total net assets (by value) for ITI Funds RTS Equity UCITS ETF SICAV and 85.89% of total net assets for ITI Funds Russia- Focused USD Eurobond UCITS ETF SICAV, as at 31 December 2018 and are considered to be the key driver of the Fund's performance. The market value of the majority of the Fund's investments in securities is based on quoted prices in active markets. Accordingly, the valuation of investments in securities is considered to be a key audit matter due to the significance of the balance to the financial statements as a whole.

*How the matter was addressed in our audit*

Our procedures over the valuation of investments in securities included, but were not limited to:

- comparing the valuation of investments in securities in the portfolio as at the year-end to the valuation recalculated using externally sourced prices; and
- agreeing holdings in the investment portfolio as at 31 December 2018 to independently received depositary confirmations.

***Other information***

The Board of Directors of the Fund is responsible for the other information. The other information comprises the information stated in the annual report but does not include the financial statements and our report of "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 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***

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of "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 EU Regulation N° 537/2014, 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 EU Regulation N° 537/2014, 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 and each of its sub-funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "Réviseur d'Entreprises agréé" to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of 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.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

***Report on other legal and regulatory requirements***

We have been appointed as “Réviseur d’Entreprises agréé” by the General Meeting of the shareholders on 4 August 2017 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is 1 year.

We confirm that the prohibited non-audit services referred to in the EU Regulation No 537/2014 were not provided and that we remained independent of the Fund in conducting the audit.

Luxembourg, 29 March 2019

KPMG Luxembourg  
Société coopérative  
Cabinet de révision agréé



L. Aktan  
Partner

## COMBINED STATEMENT OF NET ASSETS

December 31, 2018  
(in EUR)

### ASSETS

Portfolio:	(see notes)	
- Cost		10,168,874.02
- Net unrealised result		(1,058,768.41)
		<b>9,110,105.61</b>
Cash:		
- Cash at sight		605,074.39
Other assets:		
- Interest receivable		50,220.64
- Dividend receivable		20,885.16
		<b>9,786,285.80</b>

### LIABILITIES

Bank overdraft:		
- Cash at sight		2,037.81
Other liabilities:		
- Taxes and expenses payable		4,942.53
		<b>6,980.34</b>

<b>NET ASSETS</b>		<b>9,779,305.46</b>
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**COMBINED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

Period from August 4, 2017 to December 31, 2018  
(in EUR)

<b>NET ASSETS AT THE BEGINNING OF THE PERIOD</b>	<b>0.00</b>
<b>INCOME</b>	
Income from investments:	
- Dividends, net (see notes)	263,395.15
- Bond interest, net	208,290.59
Other income	5,070.55
	<b>476,756.29</b>
<b>EXPENSES</b>	
Bank interest, net	63.27
Fees:	
- Global fee (see notes)	53,407.48
Other expenses:	
- Transaction fees (see notes)	9,613.37
	<b>63,084.12</b>
<b>NET OPERATING RESULT</b>	<b>413,672.17</b>
Net realised result on:	
- Sales of investments	(16,852,831.54)
- Foreign exchange	16,739,877.65
<b>NET REALISED RESULT</b>	<b>300,718.28</b>
Change in net unrealised appreciation/(depreciation) on:	
- Investments	(1,058,768.41)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	<b>(758,050.13)</b>
<b>MOVEMENTS IN CAPITAL</b>	
Subscriptions of shares	10,730,156.18
	<b>10,730,156.18</b>
<b>DIVIDEND PAID</b> (see notes)	<b>(192,800.59)</b>
<b>NET ASSETS AT THE END OF THE PERIOD</b>	<b>9,779,305.46</b>

**STATEMENT OF NET ASSETS**

December 31, 2018

(in USD)

**ASSETS**

Portfolio:	(see notes)	
- Cost		7,047,698.85
- Net unrealised result		(942,189.16)
		<b>6,105,509.69</b>

Cash:		
- Cash at sight		38,718.20

Other assets:		
- Dividend receivable		23,874.87
		<b>6,168,102.76</b>

**LIABILITIES**

Bank overdraft:		
- Cash at sight		1,818.47

Other liabilities:		
- Taxes and expenses payable		3,530.24
		<b>5,348.71</b>

<b>NET ASSETS</b>		<b>6,162,754.05</b>
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**Class A (USD)**

<b>Net asset value per share</b>	<b>21.1884</b>
<b>Shares outstanding</b>	<b>290,000.0000</b>

**Class P (USD)**

<b>Net asset value per share</b>	<b>97.9022</b>
<b>Shares outstanding</b>	<b>185.0000</b>



**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

Period from January 30, 2018 to December 31, 2018  
(in USD)

<b>NET ASSETS AT THE BEGINNING OF THE PERIOD</b>		<b>0.00</b>
<b>INCOME</b>		
Income from investments:		
- Dividends, net	(see notes)	301,100.18
Other income		3,236.40
		<b>304,336.58</b>
<b>EXPENSES</b>		
Bank interest, net		72.33
Fees:		
- Global fee	(see notes)	38,096.06
Other expenses:		
- Transaction fees	(see notes)	9,797.25
		<b>47,965.64</b>
<b>NET OPERATING RESULT</b>		<b>256,370.94</b>
Net realised result on:		
- Sales of investments		(19,242,644.39)
- Foreign exchange		19,136,171.53
<b>NET REALISED RESULT</b>		<b>149,898.08</b>
Change in net unrealised appreciation/(depreciation) on:		
- Investments		(942,189.16)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>		<b>(792,291.08)</b>
<b>MOVEMENTS IN CAPITAL</b>		
Subscriptions of shares		7,175,445.13
		<b>7,175,445.13</b>
<b>DIVIDEND PAID</b>	(see notes)	<b>(220,400.00)</b>
<b>NET ASSETS AT THE END OF THE PERIOD</b>		<b>6,162,754.05</b>

**STATISTICAL INFORMATION**

Period from January 30, 2018 to December 31, 2018

**SHARES**

	<b>Class A (USD)</b>	<b>Class P (USD)</b>
Shares outstanding at the beginning of the period	0.0000	0.0000
Subscriptions of shares	290,000.0000	185.0000
Redemptions of shares	(0.0000)	(0.0000)
<b>Shares outstanding at the end of the period</b>	<b>290,000.0000</b>	<b>185.0000</b>

**NET ASSET VALUE PER SHARE**

	<b>USD</b>	<b>USD</b>
Highest	25.8800 26/02/2018	98.6922 20/12/2018
Lowest	20.7657 27/12/2018	95.9491 27/12/2018
<b>At the end of the period</b>	<b>21.1884</b>	<b>97.9022</b>

**CHANGES IN THE NUMBER OF SHARES,  
IN NET ASSETS AND  
IN NET ASSET VALUE PER SHARE**

Date	Share Class	Number of shares outstanding	Net Assets	Ccy	Net asset value per share
* 20/12/2018	Class P (USD)	185.0000	18,258.05	USD	98.6922
* 30/01/2018	Class A (USD)	14,500.0000	362,500.00	USD	25.0000
31/12/2018	Class P (USD)	185.0000	18,111.90	USD	97.9022
	Class A (USD)	290,000.0000	6,144,642.15	USD	21.1884

\* first valuation



# STATEMENT OF INVESTMENTS IN SECURITIES AND OTHER NET ASSETS

December 31, 2018

(in USD)

Quantity	Description	Ccy	Cost	Value per security	Market value (see notes)	% of net assets
<b>TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET</b>						
<b>EQUITIES</b>						
<b>BRITISH VIRGIN ISLANDS</b>						
6,152.00	LENTA GDR REPR 1/5 SHS REG-S	RUB	18,933.88	214.00	18,977.67	0.31
	<b>TOTAL BRITISH VIRGIN ISLANDS</b>		<b>18,933.88</b>		<b>18,977.67</b>	<b>0.31</b>
<b>JERSEY</b>						
7,538.00	POLYMETAL INTERNATIONAL PLC	RUB	76,720.94	731.20	79,452.05	1.29
	<b>TOTAL JERSEY</b>		<b>76,720.94</b>		<b>79,452.05</b>	<b>1.29</b>
<b>RUSSIA</b>						
21,700.00	AEROFLOT	RUB	53,180.19	101.18	31,649.52	0.51
108,800.00	ALROSA CJSC	RUB	169,761.12	98.62	154,670.21	2.51
30,100.00	AO TATNEFT	RUB	320,432.14	737.90	320,167.16	5.20
212,100.00	CREDIT BANK MOS - REGISTERED SHS	RUB	17,539.78	5.17	15,806.80	0.26
10,930.00	DETSKY MIR PJSC	RUB	17,564.67	90.44	14,249.30	0.23
2,090.00	EUROPLAN	RUB	23,795.84	580.20	17,479.81	0.28
9,980,000.00	FEDERAL GRID	RUB	29,929.29	0.15	21,308.70	0.35
351,040.00	GAZPROM	RUB	877,643.10	153.50	776,743.75	12.60
5,170.00	GK PIK RU	RUB	28,723.62	376.30	28,043.84	0.46
1,497,000.00	INTER RAO UES	RUB	95,683.04	3.88	83,716.36	1.36
151,200.00	JSFC SISTEMA	RUB	30,235.97	8.00	17,434.13	0.28
13,210.00	LUKOIL HOLDING	RUB	888,311.59	4,997.00	951,535.40	15.43
2,500.00	M VIDEO COMPANY JSC	RUB	17,498.10	410.00	14,775.31	0.24
3,149.00	MAGNIT JSC	RUB	252,647.16	3,511.50	159,396.26	2.59
77,700.00	MAGNITOGORSK IRON	RUB	62,389.03	43.04	48,206.55	0.78
9,057.00	MECHEL OJSC	RUB	20,930.17	73.47	9,591.96	0.16
1,938.00	MMC NORILSK NIC	RUB	377,770.04	13,039.00	364,259.46	5.91
39,130.00	MOBILE TELESYSTEMS	RUB	203,336.09	238.00	134,245.45	2.18
57,350.00	MOSCOW EXCHANGE	RUB	111,285.01	81.00	66,962.43	1.09
23,490.00	NOVATEK	RUB	309,758.09	1,132.00	383,303.01	6.22
41,650.00	NOVOLIPETSK STEEL	RUB	107,044.95	157.42	94,512.16	1.53
1,406.00	PHOSAGRO - REGISTERED SHS	RUB	58,051.69	2,546.00	51,600.81	0.84
928.00	POLYUS GOLD CO ZAO	RUB	72,626.80	5,399.00	72,222.76	1.17
50,640.00	ROSNEFT OIL COMPANY OJSC	RUB	295,385.10	432.50	315,713.09	5.12
35,790.00	ROSTELECOM	RUB	41,396.63	73.07	37,697.59	0.61
3,524,000.00	RUSHYDRO	RUB	44,612.19	0.49	24,677.79	0.40
2,560.00	RUSSNEFT - REGISTERED SHS	RUB	26,202.54	528.80	19,513.91	0.32
307,520.00	SBERBANK	RUB	1,210,309.94	186.30	825,845.87	13.39
29,680.00	SBERBANK PREF.	RUB	98,671.65	166.18	71,097.68	1.15
7,280.00	SEVERSTAL JSC CHEREPOVETS METAL FACTORY	RUB	115,771.76	942.90	98,948.63	1.61
388,000.00	SURGUTNEFTEGAZ	RUB	192,283.26	26.88	150,339.73	2.44
244,200.00	SURGUTNEFTEGAZ	RUB	129,312.67	39.40	138,675.44	2.25
6,370.00	TATNEFT PREF.SHS	RUB	46,488.24	522.00	47,931.69	0.78
13,490.00	TMK	RUB	18,175.62	53.65	10,432.65	0.17
22.00	TRANSNEFT PREF.SHS	RUB	67,007.93	171,000.00	54,229.00	0.88
439,000.00	UNIPRO	RUB	20,637.29	2.60	16,453.21	0.27
151,130,000.00	VTB BANK	RUB	138,030.48	0.03	73,743.23	1.20
	<b>TOTAL RUSSIA</b>		<b>6,590,422.78</b>		<b>5,717,180.65</b>	<b>92.77</b>

The notes are an integral part of these financial statements.

Quantity	Description	Ccy	Cost	Value per security	Market value (see notes)	% of net assets
	<b>THE NETHERLANDS</b>					
4,837.00	X5 RETAIL GROUP GDR REPR SHS REG-S	RUB	144,041.42	1,725.00	120,275.72	1.95
	<b>TOTAL THE NETHERLANDS</b>		<b>144,041.42</b>		<b>120,275.72</b>	<b>1.95</b>
	<b>TOTAL EQUITIES</b>		<b>6,830,119.02</b>		<b>5,935,886.09</b>	<b>96.32</b>
	<b>TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET</b>		<b>6,830,119.02</b>		<b>5,935,886.09</b>	<b>96.32</b>
	<b>OTHER TRANSFERABLE SECURITIES</b>					
	<b>EQUITIES</b>					
	<b>THE NETHERLANDS</b>					
6,097.00	YANDEX N.V.	RUB	217,579.83	1,930.00	169,623.60	2.75
	<b>TOTAL THE NETHERLANDS</b>		<b>217,579.83</b>		<b>169,623.60</b>	<b>2.75</b>
	<b>TOTAL EQUITIES</b>		<b>217,579.83</b>		<b>169,623.60</b>	<b>2.75</b>
	<b>TOTAL OTHER TRANSFERABLE SECURITIES</b>		<b>217,579.83</b>		<b>169,623.60</b>	<b>2.75</b>
	<b>TOTAL INVESTMENTS IN SECURITIES</b>		<b>7,047,698.85</b>		<b>6,105,509.69</b>	<b>99.07</b>
	Cash/(bank overdraft)				36,899.73	0.60
	Other assets and liabilities				20,344.63	0.33
	<b>TOTAL NET ASSETS</b>				<b>6,162,754.05</b>	<b>100.00</b>

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**GEOGRAPHICAL CLASSIFICATION  
OF THE INVESTMENTS IN SECURITIES**  
December 31, 2018  
(in %)

<b>COUNTRIES</b>	<b>% of net assets</b>
Russia	92.77
The Netherlands	4.70
Jersey	1.29
British Virgin Islands	0.31
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>99.07</b>
Other assets/(liabilities) and liquid assets	0.93
<b>NET ASSETS</b>	<b>100.00</b>

**ECONOMIC CLASSIFICATION  
OF THE INVESTMENTS IN SECURITIES**  
December 31, 2018  
(in %)

<b>ECONOMIC SECTORS</b>	<b>% of net assets</b>
Oil	44.14
Banks and other credit institutions	15.74
Holding and finance companies	8.03
Non-ferrous metals	7.20
Mining industry	4.08
Chemicals	3.35
Data transmission	3.07
Internet and software services	2.75
Foodstuffs and non-alcoholic drinks	2.59
Energy and water supply	2.38
Retail trade	2.19
Transportation	1.39
Precious stones and metals	1.17
Miscellaneous services	0.59
Miscellaneous consumer goods	0.23
Mechanical engineering and industrial equipment	0.17
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>99.07</b>
Other assets/(liabilities) and liquid assets	0.93
<b>NET ASSETS</b>	<b>100.00</b>

**STATEMENT OF NET ASSETS**December 31, 2018  
(in USD)**ASSETS**

Portfolio:	(see notes)	
- Cost		4,576,850.00
- Net unrealised result		(268,142.00)
		<b>4,308,708.00</b>
Cash:		
- Cash at sight		652,972.62
Other assets:		
- Interest receivable		57,409.73
		<b>5,019,090.35</b>

**LIABILITIES**

Bank overdraft:		
- Cash at sight		511.05
Other liabilities:		
- Taxes and expenses payable		2,119.82
		<b>2,630.87</b>

<b>NET ASSETS</b>	<b>5,016,459.48</b>
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**Class P (USD)**

<b>Net asset value per share</b>	<b>100.1401</b>
<b>Shares outstanding</b>	<b>185.0000</b>

**Class A (USD)**

<b>Net asset value per share</b>	<b>24.6204</b>
<b>Shares outstanding</b>	<b>203,000.0000</b>

**STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS**

Period from January 30, 2018 to December 31, 2018  
(in USD)

<b>NET ASSETS AT THE BEGINNING OF THE PERIOD</b>	<b>0.00</b>
<b>INCOME</b>	
Income from investments:	
- Bond interest, net	238,107.40
Other income	2,560.00
	<b>240,667.40</b>
<b>EXPENSES</b>	
Fees:	
- Global fee (see notes)	22,956.71
Other expenses:	
- Transaction fees (see notes)	1,192.27
	<b>24,148.98</b>
<b>NET OPERATING RESULT</b>	<b>216,518.42</b>
Net realised result on:	
- Sales of investments	(22,670.83)
- Foreign exchange	20.45
<b>NET REALISED RESULT</b>	<b>193,868.04</b>
Change in net unrealised appreciation/(depreciation) on:	
- Investments	(268,142.00)
<b>NET INCREASE/(DECREASE) IN NET ASSETS AS A RESULT OF OPERATIONS</b>	<b>(74,273.96)</b>
<b>MOVEMENTS IN CAPITAL</b>	
Subscriptions of shares	5,090,733.44
	<b>5,090,733.44</b>
<b>NET ASSETS AT THE END OF THE PERIOD</b>	<b>5,016,459.48</b>

**STATISTICAL INFORMATION**

Period from January 30, 2018 to December 31, 2018

**SHARES**

	<b>Class P (USD)</b>	<b>Class A (USD)</b>
Shares outstanding at the beginning of the period	0.0000	0.0000
Subscriptions of shares	185.0000	203,000.0000
Redemptions of shares	(0.0000)	(0.0000)
<b>Shares outstanding at the end of the period</b>	<b>185.0000</b>	<b>203,000.0000</b>

**NET ASSET VALUE PER SHARE**

	<b>USD</b>	<b>USD</b>
Highest	100.1782 28/12/2018	25.0000 30/01/2018
Lowest	100.0907 21/12/2018	23.6280 10/04/2018
<b>At the end of the period</b>	<b>100.1401</b>	<b>24.6204</b>

**CHANGES IN THE NUMBER OF SHARES,  
IN NET ASSETS AND  
IN NET ASSET VALUE PER SHARE**

Date	Share Class	Number of shares outstanding	Net Assets	Ccy	Net asset value per share
* 30/01/2018	Class A (USD)	192,600.0000	4,815,000.00	USD	25.0000
* 20/12/2018	Class P (USD)	185.0000	18,521.31	USD	100.1152
31/12/2018	Class A (USD)	203,000.0000	4,997,933.56	USD	24.6204
	Class P (USD)	185.0000	18,525.92	USD	100.1401

\* first valuation

**STATEMENT OF INVESTMENTS IN SECURITIES  
AND OTHER NET ASSETS**  
December 31, 2018  
(in USD)

Quantity	Description	Ccy	Cost	Value per security	Market value (see notes)	% of net assets
<b>TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET</b>						
<b>BONDS</b>						
<b>IRELAND</b>						
200,000.00	ALFA BOND 7.75 11-21 28/04S	USD	220,500.00	105.52	211,046.00	4.20
200,000.00	MMC FINANCE REGS 5.55 13-20 28/10S	USD	212,100.00	101.76	203,512.00	4.06
200,000.00	MMC NORILSK 6.625 15-22 14/10S	USD	223,900.00	104.95	209,904.00	4.18
200,000.00	NOVATEK FIN REGS 4.422 12-22 13/12S	USD	204,900.00	98.05	196,106.00	3.91
200,000.00	ROSNEFT INTL REGS 4.199 12-22 06/03S	USD	201,400.00	97.23	194,462.00	3.88
200,000.00	RZD CAPITAL 5.70 12-22 05/04S	USD	214,700.00	102.03	204,068.00	4.07
200,000.00	VEB FINANCE REG S 6.902 10-20 09/07S	USD	215,700.00	102.10	204,190.00	4.07
200,000.00	VEB FINANCE REGS 5.942 13-23 21/11S	USD	219,000.00	100.22	200,444.00	4.00
<b>TOTAL IRELAND</b>			<b>1,712,200.00</b>		<b>1,623,732.00</b>	<b>32.37</b>
<b>LUXEMBOURG</b>						
200,000.00	ALROA FINANCE REG S 7.75 10-20 03/11S	USD	222,000.00	105.41	210,826.00	4.20
200,000.00	GAZ CAPITAL 6.51 07-22 07/03S	USD	221,300.00	104.47	208,936.00	4.17
200,000.00	GAZPROM REGS 7.288 07-37 16/08S	USD	252,500.00	111.37	222,742.00	4.44
200,000.00	GPN CAPITAL REGS 6.00 13-23 27/11S	USD	219,900.00	103.28	206,560.00	4.12
200,000.00	GPN CAPITAL SA 4.375 12-22 19/09S	USD	203,900.00	97.93	195,866.00	3.90
200,000.00	SBERBANK NOTE 5.717 11-21 16/06S	USD	214,200.00	101.42	202,840.00	4.04
200,000.00	SBERBANK REGS 6.125 12-22 07/02S	USD	217,900.00	102.56	205,120.00	4.09
200,000.00	VTB CAPITAL SA 6.551 10-20 13/10S	USD	215,050.00	102.72	205,446.00	4.10
<b>TOTAL LUXEMBOURG</b>			<b>1,766,750.00</b>		<b>1,658,336.00</b>	<b>33.06</b>
<b>RUSSIA</b>						
200,000.00	MIN. OF FIN. OF THE RUSSIAN FED. 4.50 12-22 04/04S	USD	210,800.00	101.08	202,166.00	4.03
200,000.00	MIN. OF FIN. OF THE RUSSIAN FED. 4.875 13-23 16/09A	USD	214,700.00	101.74	203,470.00	4.06
200,000.00	MIN. OF FIN. OF THE RUSSIAN FED. 5.625 12-42 04/04S	USD	225,000.00	102.27	204,534.00	4.08
200,000.00	MIN. OF FIN. OF THE RUSSIAN FED. 5.875 13-43 16/09S	USD	232,500.00	105.28	210,568.00	4.19
<b>TOTAL RUSSIA</b>			<b>883,000.00</b>		<b>820,738.00</b>	<b>16.36</b>
<b>THE NETHERLANDS</b>						
200,000.00	LUKOIL INT REG S 6.125 10-20 09/11S	USD	214,900.00	102.95	205,902.00	4.10
<b>TOTAL THE NETHERLANDS</b>			<b>214,900.00</b>		<b>205,902.00</b>	<b>4.10</b>
<b>TOTAL BONDS</b>			<b>4,576,850.00</b>		<b>4,308,708.00</b>	<b>85.89</b>
<b>TOTAL TRANSFERABLE SECURITIES AND MONEY MARKET INSTRUMENTS ADMITTED TO AN OFFICIAL STOCK EXCHANGE OR DEALT IN ON ANOTHER REGULATED MARKET</b>			<b>4,576,850.00</b>		<b>4,308,708.00</b>	<b>85.89</b>
<b>TOTAL INVESTMENTS IN SECURITIES</b>			<b>4,576,850.00</b>		<b>4,308,708.00</b>	<b>85.89</b>
Cash/(bank overdraft)					652,461.57	13.01
Other assets and liabilities					55,289.91	1.10
<b>TOTAL NET ASSETS</b>					<b>5,016,459.48</b>	<b>100.00</b>

The notes are an integral part of these financial statements.



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**GEOGRAPHICAL CLASSIFICATION  
OF THE INVESTMENTS IN SECURITIES**  
December 31, 2018  
(in %)

<b>COUNTRIES</b>	<b>% of net assets</b>
Luxembourg	33.06
Ireland	32.37
Russia	16.36
The Netherlands	4.10
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>85.89</b>
Other assets/(liabilities) and liquid assets	14.11
<b>NET ASSETS</b>	<b>100.00</b>

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**ECONOMIC CLASSIFICATION  
OF THE INVESTMENTS IN SECURITIES**  
December 31, 2018  
(in %)

<b>ECONOMIC SECTORS</b>	<b>% of net assets</b>
Holding and finance companies	61.36
Countries and central governments	16.36
Banks and other credit institutions	4.10
Transportation	4.07
<b>TOTAL INVESTMENTS IN SECURITIES</b>	<b>85.89</b>
Other assets/(liabilities) and liquid assets	14.11
<b>NET ASSETS</b>	<b>100.00</b>

## NOTES TO THE FINANCIAL STATEMENTS

December 31, 2018

### GENERAL

ITI Funds UCITS ETF SICAV (the “Company”), is an open-ended investment company organised under the laws of Luxembourg as a *société d’investissement à capital variable* (SICAV), under the form of a public limited liability company (*société anonyme*) and authorised under part I of the 2010 Act.

The Company was incorporated in Luxembourg on August 4, 2017 and is registered at the Register of Commerce and Companies of Luxembourg under number B 217005. The Articles of Incorporation have been published in the Mémorial, Recueil Spécial des Sociétés et Associations (the “Mémorial”) on August 11, 2017.

On December 31, 2018, the following Sub-Funds are available to investors:

- ITI Funds RTS Equity UCITS ETF SICAV (launched on January 30, 2018)
- ITI Funds Russia-focused USD Eurobond UCITS ETF SICAV (launched on January 30, 2018)

### SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### a) *Presentation of financial statements*

The financial statements are prepared in accordance with Luxembourg regulations relating to undertakings for collective investment. This annual report is prepared on the basis of the technical net asset value as at December 31, 2018 calculated for financial statements purpose.

#### b) *Combined financial statements*

The accounts of the Sub-Funds are kept in the reference currency of the Sub-Fund. The combined statements are the sum of the statement of net assets and the statement of operations and changes in net assets of each Sub-Fund converted with the exchange rate prevailing at the period-end. The combination currency is the Euro.

#### c) *Valuation of assets*

The value of any cash in hand or on deposit, notes and bills payable on demand and accounts receivable, prepaid expenses and cash dividends declared and interest accrued but not yet collected, shall be deemed the nominal value of these assets unless it is improbable that it can be paid and collected in full; in which case, the value will be arrived at after deducting such amounts as the Company or the Management Company may consider appropriate to reflect the true value of these assets.

The Securities and Money Market Instruments listed on an official stock exchange or dealt on any other Regulated Market will be valued at their last available price in Luxembourg as of the Valuation Day and, if the security or Money Market Instrument is traded on several markets, on the basis of the last known price on the main market of this security. If the last known price is not representative, valuation will be based on the fair value at which it is expected it can be sold, as determined with prudence and in good faith by the Company or the Management Company.

Unlisted securities and securities or Money Market Instruments not traded on a stock exchange or any other Regulated Market as well as listed securities and securities or Money Market Instruments listed on a Regulated Market for which no price is available, or securities or Money Market Instruments whose quoted price is, in the opinion of the Company or the Management Company, not representative of actual market value, will be valued at their last known price in Luxembourg or, in the absence of such price, on the basis of their probable realisation value, as determined with prudence and in good faith by the Company or the Management Company.

Securities or Money Market Instruments denominated in a currency other than the relevant Sub-Fund's or Class' valuation currency will be converted at the spot exchange rate (T+0 or T+1) of the currency concerned applicable on the Valuation Day.

The valuation of investments reaching maturity within a maximum period of 90 days may include straight-line daily amortisation of the difference between the principal 91 days before maturity and the value at maturity.

UCIs are valued on the basis of their last available net asset value in Luxembourg. As indicated below, this net asset value may be adjusted by applying a recognised index so as to reflect market changes since the last valuation.

## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Swaps are valued at their fair value, based on the last closing price known for the underlying security.

Any other securities and assets are valued in accordance with the procedures put in place by the Company or the Management Company and, where necessary and appropriate, with the support of valuers who will be instructed to carry out valuations.

Liquid assets and Money Market Instruments are valued at their nominal value plus accrued interest, or on the basis of amortised costs.

The liquidation value of futures, spot, forward or options contracts that are not traded on stock exchanges or other Regulated Markets will be equal to their net liquidation value determined in accordance with the policies established by the Company or the Management Company on a basis consistently applied to each type of contract. The liquidation value of futures, spot, forward or options contracts traded on stock exchanges or other Regulated Markets will be based on the latest available price for these contracts on the stock exchanges and Regulated Markets on which these options, spot, forward or futures contracts are traded, provided that if an option or future contract cannot be liquidated on the date on which the net assets are valued, the basis for determining the liquidation value of said contract shall be determined by the Company or the Management Company in a fair and reasonable manner.

### EXCHANGE RATES AS AT JUNE 29, 2018

1	EUR	=	79.30315 RUB
1	EUR	=	1.14315 USD

### GLOBAL FEE

The Company pays out of the assets of Sub-Funds a fixed global fee, which is accrued on each Valuation Day and paid monthly in arrears to the Investment Manager.

The global fee rates effective at December 31, 2018 were as follows:

- ITI Funds RTS Equity UCITS ETF SICAV: 0.65%
- ITI Funds Russia-focused USD Eurobond UCITS ETF SICAV : 0.50%

The global fee is fixed in the sense that the Investment Manager will either bear any excess of the Company's actual operating expenses, as listed below, to the fixed global fee or be entitled to retain any amount of fixed global fee in excess of the Company's actual operating expenses, as listed below.

The fixed global fee covers expenses directly incurred by the Company including, without limitation, the following:

- formation expenses;
- fees and expenses payable to the Management Company and to the Investment Manager;
- fees and expenses payable to all other service providers of the Company (including the Auditors, accountants, the Depositary and its correspondents, the Administrator, the Distributor(s) and any pricing agencies);
- costs in relation to lease of premises in Luxembourg or elsewhere or any permanent representation in places of registration, as well as any other agent employed by the Company;
- the remuneration of the Directors and officers and their reasonable out-of-pocket expenses, insurance coverage, and reasonable travelling costs in connection with board meetings;
- fees and expenses for legal and auditing services consultants;
- any fees and expenses involved in registering and maintaining the registration of the Company or any Sub-Fund with any governmental agencies or stock exchanges in Luxembourg and in any other country;
- reporting and publishing expenses, including the costs of preparing, printing, advertising and distributing prospectuses, explanatory memoranda, periodical reports or registration statements;
- the costs of any reports to Shareholders;
- costs for the publication of the issue and redemption prices;
- costs to pay interests, bank charges, postage, telephone and telex.

The following is an illustration of the fees that can be charged by the various service providers of the Company. The percentages indicated are maximum fees.

#### a) Management Company Fee

The Management Company receives annual servicing fee in respect of each Sub-Fund. This fee is payable out of the fixed global fee at the end of each month by the Company in respect of each Sub-Fund and is accrued on each Valuation Day based on the applicable Net Asset Value. The fee is calculated by the agreed schedule to the Management Company Services Agreement and shall not exceed 0.10% per annum of the Net Asset Value of each Sub-Fund.

## GLOBAL FEE (continued)

### b) Investment Manager Fee

The Investment Manager receives out of the fixed global fee a Management Fee, equal to the difference between the fixed global fee and the actual operating expenses incurred by the Company.

### c) Depositary Fee

The Depositary receives annual safekeeping and servicing fees in respect of each Sub-Fund. The depositary fee is payable out of the fixed global fee at the end of each month by the Company in respect of each Sub-Fund and is accrued on each Valuation Day based on the previous day's Net Asset Value and the number of transactions processed during that month. The depositary fee is calculated in accordance with usual practice in the Grand Duchy of Luxembourg and shall not exceed 0.30% per annum of the Net Asset Value of each Sub-Fund.

### d) Administration Fee

The Administrator receives annual administrative fees in respect of each Sub-Fund. The administrative fee is payable out of the fixed global fee at the end of each month by the Company in respect of each Sub-Fund and is accrued on each Valuation Day based on the previous Valuation Day's Net Asset Value. The administrative fee is calculated in accordance with usual practice in the Grand Duchy of Luxembourg, subject to a minimum flat fee of EUR 30.000 per annum for the first year and EUR 50.000 after the first anniversary of the launch of the Company. In addition to the above-mentioned fees, the Administrator and the Depositary are entitled to any other fees for specific services and transactions as agreed from time to time between the Company and the Depositary (the Other Fees), disclosed in the agreements. They are further entitled to be reimbursed by the Company for their respective reasonable out-of-pocket expenses properly incurred in carrying out their duties as such and for the charges of any correspondents. Other Fees include for example set-up fees, listing fees, fees in relation to the organization of Board meetings, Shareholders meetings, financial statements, extraordinary NAV calculation, KIID preparation, etc.

### e) Annual Tax

Unless otherwise provided by the 2010 Act, the Company's assets are subject to a subscription tax (taxe d'abonnement) in Luxembourg of 0.05% p.a. on net assets (and 0.01% p.a. on total net assets in case of Sub-Funds or Classes reserved to Institutional Investors), payable quarterly.

## TRANSACTION FEES

The total amount of transaction fees is included in the changes in net assets of each Sub-Fund and consists of transaction fees paid to the Custodian and Sub-Custodian (taxes included) as well as Brokerage fees.

## SUBSCRIPTION AND REDEMPTION FEES

The price of subscription and redemption is the net asset value per share plus a maximum fee of 3.00%.

## DIVIDEND PAID

A dividend of USD 0.76 per Class A (USD) for the ITI Funds RTS Equity UCITS ETF SICAV sub-fund has been declared with a record date on December 10, 2018 and payment date on December 17, 2018.

## CHANGES IN THE INVESTMENT PORTFOLIO

A copy of the list of changes in the portfolio of each Sub-Fund may be obtained free of charge at the registered office of the Company for the period under review.

## SECURITIES FINANCING TRANSACTIONS AND OF REUSE REGULATION (“SFTR”) (UNAUDITED)

The Company does not use any instruments falling into the scope of SFTR.

## REMUNERATION POLICY (UNAUDITED)

The Management Company, Fuchs Asset Management, has elaborated a remuneration policy as required by the Law of 17 December 2010 (UCITS Law) and by the Law of 12 July 2013 (AIFM Law). Such policy aims at preventing excessive risk taking and at ensuring a proper and effective management of risks. Currently, the remuneration of all the employees of the Management

Company is fixed. The remuneration of the staff or management was not linked in any way to the performance of the Funds under management. Variable remuneration as defined in the remuneration policy is consistent with the risk management and governance processes. Fixed remuneration is mainly based on the experience, the level of responsibility and the complexity of the task performed. No significant change in the remuneration policy has been noted in 2018.

The article 22 of the AIFM directive (Directive 2011/ 61 / EC of 8 June 2011) and the article 69 (3) of the UCITS V directive (Directive 2014/91/EU of 23 July 2014) require to disclose in the annual report of the Fund the information on the total remuneration of the employees of the Management Company for the financial year. Such information is detailed in the below tables.

**Total amount of remuneration for the financial year 2018, split into fixed and variable remuneration, paid by Fuchs Asset Management to its staff, and number of**

**beneficiaries, and, where relevant, carried interest paid by the Fund:**

Fixed remuneration	Variable remuneration	Carried interest	Total remuneration	Average number of staff
EUR 1,193,324	EUR 86,737	-	EUR 1,280,061	15

**Aggregate amount of remuneration broken down by senior management and members of staff of Fuchs**

**Asset Management whose actions have a material impact on the risk profile of the Fund:**

Category	Total remuneration
Senior Management	EUR 366,694
Staff	EUR 913,367