

DIADEMA INTERNATIONAL FUNDS

**ANNUAL REPORT
AND AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
31 DECEMBER 2018**

Diadema International Funds

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GENERAL INFORMATION

TRUSTEE

RBC Investor Services Bank S.A.,
Dublin Branch,
4th Floor,
One George's Quay Plaza,
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Dublin 2,
Ireland.

INDEPENDENT AUDITORS

Deloitte Ireland LLP,
Chartered Accountants and Statutory Audit Firm
Deloitte & Touche House,
Earlsfort Terrace,
Dublin 2,
Ireland.

LEGAL ADVISERS

Dillon Eustace,
33 Sir John Rogerson's Quay,
Dublin 2,
Ireland.

DIRECTORS (OF THE MANAGER)

Julian Alworth (USA and Italy)
Cormac Byrne (Irish)* - Chairman
David Costin (USA and British)
Michele Calzolari (Italian)*
Fergal O'Leary (Irish)*
* Non - Executive Directors

ADVISER

European and Global Advisers LLP
37 Dartmouth Road,
London, NW2 4ET,
United Kingdom.

MANAGER

European and Global Investments Limited,
Pembroke House,
28 – 32 Upper Pembroke Street,
Dublin 2,
Ireland.

ADMINISTRATOR, REGISTRAR AND TRANSFER AGENT

RBC Investor Services Ireland Limited,
4th Floor,
One George's Quay Plaza,
George's Quay,
Dublin 2,
Ireland.

GLOBAL DISTRIBUTOR

European and Global Investments Limited,
Pembroke House,
28 – 32 Upper Pembroke Street
Dublin 2,
Ireland.

PORTFOLIO MANAGERS

Consultinvest Asset Management SGR S.P.A
Piazza Grande, 33
Modena, 41121
Italy

Diadema International Funds

GENERAL INFORMATION (continued)

Establishment and Organisation

The following information is derived from and should be read in conjunction with the full text and definitions section of the Prospectus dated 7 June 2017.

Diadema International Funds (the 'Fund') was constituted on 30 November 2009 as an open-ended umbrella unit trust and is authorised as a UCITS pursuant to the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (the "UCITS Regulation 2011").

At 31 December 2018, three separate active investment portfolios ('Sub-Funds') were approved by the Central Bank of Ireland. These Sub-Funds are:

Diadema Capital Plus Fund	launched 15 February 2010
Diadema International Equity Selection Fund	launched 6 August 2014
Diadema Global Selection Fund	launched 17 June 2015

Additional Sub-Funds may, with the prior consent of the Central Bank of Ireland and approval of the Trustee, be added by the Manager.

Investment Objectives

The investment objective of the Diadema Capital Plus Fund is to achieve income and capital appreciation by investing primarily in debt and debt-related securities, equity and equity-related securities and collective investment schemes, as further described below.

The investment objective of the Diadema International Equity Selection Fund is to achieve long-term capital growth.

The investment objective of the Diadema Global Selection Fund is to provide capital appreciation.

Units

Fund	Class	Currency
Diadema Capital Plus Fund	"I" Institutional Unit Class	EUR
	"P" Premium Unit Class (active)	EUR
	"R" Retail Unit Class	EUR
Diadema International Equity Selection Fund	"I" Institutional Unit Class	EUR
	"R" Retail (Non-Distributing) Unit Class (active)	EUR
	"R" Retail (Distributing) Unit Class	EUR
Diadema Global Selection Fund	"I" Institutional Unit Class	EUR
	"R" Retail (Non-Distributing) Unit Class (active)	EUR

As at 31 December 2018, the Class "R" (Retail) and Class "P" (Premium) unit classes are the only active unit classes. Units of each Sub-Fund are non-distributing Units and, accordingly, the Manager does not intend to make distributions in respect of such Units.

STATEMENT OF MANAGER'S RESPONSIBILITIES

The Manager is required to prepare financial statements for each year, which give a true and fair view of the state of affairs of the Fund and of the profit or loss of each Sub-Fund for that year. In preparing those financial statements, the Manager is required to:

- select suitable accounting policies and then apply them consistently;
- make estimates and judgments that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Fund will continue in business.

The Manager is responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the Fund and which enable them to ensure that the financial statements are prepared in accordance with accounting standards generally accepted in Ireland and the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 (the "UCITS Regulation 2011") and the Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015 (the "Central Bank UCITS Regulations 2015"). In this respect the Manager has engaged RBC Investor Services Ireland Limited ("the Administrator"). The Manager is also responsible for safeguarding the assets of the Fund and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

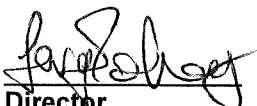
Connected Persons


In accordance with the requirements of Regulation 41(1) of the Central Bank UCITS Regulations 2015, any transaction between the Fund and a Connected Person must be conducted at arm's length and in the best interests of the Unitholders where a "Connected Person" means "the Manager, the Trustee / Depositary, their delegates or sub-delegates and any associated or group company of such parties or their delegates or sub-delegates. The Manager is satisfied that there are arrangements in place, evidenced by written procedures, to ensure that the obligations set out in the Central Bank UCITS Regulations 2015 are applied to all transactions with connected persons and that transactions with connected persons entered into during the year complied with the obligations set out in the Central Bank UCITS Regulations 2015.

Corporate Governance Code

The Board of the Manager (the "Board") has adopted the voluntary Irish Funds Corporate Governance Code for Collective Investment Schemes and Management Companies (the "Code"). The Board has reviewed and assessed the measures included in the Code and considers its corporate governance practices and procedures since its adoption of the Code as consistent therewith.

On behalf of the Manager


Director
Fergal O'Leary


Director
Cormac Byrne

23 April 2019



**Report of the Trustee to the Unitholders
For the year ended 31 December 2018**

As required by the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations 2011 (as amended) ("the Regulations") and solely within the context of our oversight duties as depositary, we are pleased to present our report as follows.

In our opinion, Diadema International Funds has been managed for the year ended 31 December 2018:

- (i) In accordance with the limitations imposed on the investment and borrowing powers of the Manager by the Trust Deed and the Regulations; and
- (ii) Otherwise in accordance with the provisions of the Trust Deed and the Regulations.



**RBC INVESTOR SERVICES BANK S.A.
DUBLIN BRANCH**

Date: 09 April 2019

MANAGER'S REPORT

Market Commentary

After two years of steady growth in asset prices and low volatility, 2018 proved more of a challenge for investors, particularly in the last quarter. Massive spikes in volatility emerged from time to time over the year, causing deep depreciation in all the asset classes. The main drivers of volatility were concerns on US policy risks, including a sustained commitment to monetary tightening by the Federal Reserve (Fed), massive fiscal deficits, increasing debates about tariffs and trade wars, regulatory concerns around large technology companies and EU instability.

The turbulence eased towards the end of the first quarter and the equity indices rebounded from the lows reached between January and February, closing the first half of 2018 mixed. The volatility surged again in the last quarter, bringing all the main indices into bear territory. The S&P500 ended the year 6.2% lower, while the NASDAQ slid 3.9%. US president Donald Trump's tax cuts had provided an added boost for investors heading into 2018, and US GDP growth accelerated to 4.2% on an annualised quarterly basis in Q2. However, economic growth elsewhere, notably in the eurozone, decelerated and global growth became less synchronized. The improving outlook for growth and inflation pushed the Federal Reserve (Fed) to raise the base rate, for the fourth time in a year, to 2.5% and reaffirmed its outlook for further gradual hikes into 2019.

Unfortunately, the recent weakness in the euro has not benefited European equities. A sharp increase in Italian government borrowing costs during the year, in reaction to the potential risk of fiscal largesse from the new government, has left Italian equities as a notable underperformer in second and third quarters. The dollar has not just rallied against the euro but against most currencies, and this has had important implications for equity markets. Eurozone equities delivered negative returns in the year. The German DAX and the Italian FTSEMIB slid 18.2% and 16.2% respectively, while the French CAC40 ended the period 11% lower. Worries about the path of US interest rates and the fear for a global trade war led to declines in the period overall. The policy makers kept supporting the markets with the European Central Bank's chairman Mario Draghi reiterating that interest rates would not rise until well past the end of the quantitative easing programme. On the economic front, forward-looking activity indicators continued to point towards expansion, although economic growth is slowing-down.

UK equities fell 12.48% over the year. UK economic growth remained sluggish, however, data continued to surpass low expectations with a bounce back in retail sales, combined with the lowest unemployment since 1975. There was no progress with Brexit negotiations with an initial agreement struck on the terms of a transition period for after the UK formally exits the EU.

The story of government bonds through 2018 has largely been a story of strengthening economic growth and rising rates in the US versus country specific, often political factors, elsewhere. US 10-year Treasuries reflected the increase in the benchmark yield, which rose from 2.41% to 3.01%, 10-year Bund yields falling from 0.42% to 0.31%, while the Italian 10-year bond yields rose from 2.00% to 3.21% when the coalition government announced a proposed budget which led to friction with the EU. The UK gilt yields rose from 1.19% to 1.37%.

After a strong start to the year, Japanese equities followed a similar pattern to other global markets, closing the year 12% lower.

Asia ex Japan equities saw a rise in volatility linked to global trade concerns and finished in negative territory with the MSCI Asia ex Japan Index plunging 15.45%.

MANAGERS' REPORTS (continued)

Table 1: World stock market returns 31st December 2018 (Local currency)

EQUITIES	
MSCI AC World	-9.42%
MSCI Europe Ex UK	-10.57%
Eurostoxx600	-13.24%
Germany DAX	-18.26%
Italian FTSEMIB	-16.15%
French CAC40	-10.95%
UK FTSE 100	-12.48%
US S&P500	-6.24%
Japan Nikkei	-12.08%
MSCI Asia Ex Japan USD	-15.45%
BONDS	
Bloomberg Barclays US Aggregate Bond Index	0.01%
Bloomberg Barclays US Corporate Bond Index	-2.51%
Bloomberg Barclays US Corporate High Yield Bond Index	-2.08%
Bloomberg Barclays Euro Aggregate Bond Index	0.41%
Bloomberg Barclays Euro Corporates bond index	-1.25%
Bloomberg Barclays Euro High Yield Index	-3.82%
J.P. Morgan EMBI Global Total Return Index	-4.61%
COMMODITIES	
OIL Price	-24.84%
GOLD Price	-1.56%
CURRENCIES	
EURUSD	-4.74%
EURCHF	-3.82%
USDJPY	-2.66%
GBPUSD	-5.62%

PORTFOLIO MANAGERS' REPORTS

Diadema Capital Plus Fund

The objective of Diadema Capital Plus Fund is to give investors a balanced exposure to equity (mostly Europe and USA) and bond (Europe) markets with a flexible approach.

For the first part of the year the fund was allocated mostly in convertible funds, while over the summer the allocation was changed to mostly securities (bonds and equities).

At the beginning of the year the allocation was 76% in convertible funds, 12% in equities and equities funds, 3.5% in liquidity and the rest in bond and absolute return funds.

At the end of the year, the allocation was 43% in bonds (subordinates, corporates, government, emerging markets), 31% in equities (mostly Europe and USA) and 25.5% in convertible funds. In terms of regions, the bond exposure was 32% to the Euro area, 7.5% to Japan and emerging markets, and 3.5% to a flexible bond fund. The equity exposure was 20% to Europe and 10.5% to USA. The convertible funds were 20% global and 5% European.

In 2018 the performance was negative, mostly because of the equity and the subordinate exposure. The shift from convertible funds to equities and bonds was done over the summer and this contributed negatively because of the correction at the end of the year (but it was a major beneficiary in January 2019).

Diadema International Equity Selection Fund

The objective of Diadema International Equity Selection Fund is to give investors exposure to international equity markets with a flexible and concentrated approach. The investment process is driven by a stock scoring system on a global universe. The output is not constrained by geographic or sector weights.

The scoring system is based on a quantitative scoring process, both technical and fundamental, and a qualitative assessment by the portfolio manager. Therefore the turnover could be relevant. Even though usually most industry sectors are represented, at times there could be significant differences in exposures relative to market weights.

Over the year, the average exposure to the USA and Canada was 59%, to Europe 24%, to Japan 5%, and to emerging markets 2%. Liquidity averaged 9% over the year.

In terms of sector exposures, the largest average allocations were to technology (21%), consumer discretionary (20%), consumer staples (14%), industrials (13%) and healthcare (11%). Energy (1%) and financials (4%) averaged well below market weights.

In 2018 exposure to USA, Canada, Japan, UK and Asia Pacific provided a positive contribution to performance, while China, Euro area and Europe detracted from performance. Currency hedging and liquidity in Dollars and Hong Kong Dollars were also positive. In terms of sector exposure, technology, healthcare, consumer discretionary and consumer staples provided a positive contribution to performance, while materials, financials and industrials detracted.

PORTFOLIO MANAGERS' REPORTS (continued)

Diadema Global Selection Fund

The objective of Diadema Global Selection Fund is to give investors a balanced exposure to equity (mostly Europe and USA) and bond (Europe) markets with a flexible approach. The equity exposure is implemented with single stocks and ETFs or funds with strategies that try to exploit different risk factors (size, quality, value, momentum, minimum volatility etc.).

Over the year, the average exposure to equities was 60.5%, to bonds 23.5%, with the rest in liquidity (16%).

In terms of regions, the equity exposure was mostly in Europe (29%) and USA (27.5%), with the rest in emerging markets. In Europe there was exposure to funds specialised in small cap, quality, value, momentum, minimum volatility and financials. There was also an ETF with a dynamic allocation to the different risk factors. In USA there was exposure to value, financials, and to the companies with the highest buyback plans. In emerging market the exposure was to a minimum volatility ETF. In the first part of the year the equity exposure was mostly in funds, while over the summer there was an increase in the number of stocks held in the portfolio.

The bond exposure was in Italian, Portuguese and Spanish bonds, both nominal and inflation linked, while most of the liquidity (10%) was in Dollars.

In 2018 the performance was negative due to the equity exposure and the widening of the spread in bonds, while the liquidity in Dollar provided a positive contribution and some decorrelation.

Consultinvest Asset Management SGR S.P.A

Date: 11 February 2019

INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF DIADEMA INTERNATIONAL FUNDS

Report on the audit of the financial statements

Opinion on the financial statements of Diadema International Funds (the 'Fund')

In our opinion the Fund's financial statements:

- give a true and fair view of the assets, liabilities and financial position of the Fund as at 31 December 2018 and of the loss for the financial year then ended; and
- have been properly prepared in accordance with the relevant financial reporting framework, the applicable Regulations and the provisions of the Trust Deed

The financial statements we have audited comprise:

- the Statement of Comprehensive Income;
- the Statement of Financial Position;
- the Statement of Changes in Net Assets Attributable to Unitholders;
- the Statement of Cash Flows; and
- the related notes 1 to 20, including a summary of significant accounting policies as set out in note 1.

The relevant financial reporting framework that has been applied in their preparation is International Financial Reporting Standards (IFRS) as adopted by the European Union ("the relevant financial reporting framework").

The applicable regulations that have been applied in their preparation is the European Communities (Undertakings for Collective Investment in Transferable Securities) Regulations, 2011 and Central Bank (Supervision and Enforcement) Act 2013 (Section 48(1)) (Undertakings for Collective Investment in Transferable Securities) Regulations, 2015 (as amended) ("the UCITS Regulations") and the Unit Trusts Act, 1990 and ("the applicable Regulations").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (Ireland) (ISAs (Ireland)) and applicable law. Our responsibilities under those standards are described below in the "Auditor's responsibilities for the audit of the financial statements" section of our report.

We are independent of the Fund in accordance with the ethical requirements that are relevant to our audit of the financial statements in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which ISAs (Ireland) require us to report to you where:

- the Manager's use of the going concern basis of accounting in preparation of the financial statements is not appropriate; or
- the Manager has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Fund's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Manager is responsible for the other information. The other information comprises the information included in the Annual Report and Audited Financial Statements, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF DIADEMA INTERNATIONAL FUNDS

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 we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 that fact.

We have nothing to report in this regard.

Responsibilities of the Manager for the financial statements

The Manager is responsible for the preparation and fair presentation of the financial statements in accordance with the relevant financial reporting framework, and for such internal control as the Manager 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 Manager 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 Manager either intends to liquidate the Fund or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

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INDEPENDENT AUDITOR'S REPORT TO THE UNITHOLDERS OF DIADEMA INTERNATIONAL FUNDS

- 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 the auditor identifies during the audit.

This report is made solely to the Fund's unitholders, as a body, in accordance with the applicable Regulations and the provisions of the Trust Deed. Our audit work has been undertaken so that we might state to the Fund's unitholders those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Fund and the Fund's unitholders as a body, for our audit work, for this report, or for the opinions we have formed.

Report on other legal and regulatory requirements

Opinion on other matters prescribed by the applicable Regulations

Based solely on the work undertaken in the course of the audit, we report that:

- We have obtained all the information and explanations which we consider necessary for the purposes of our audit.
- In our opinion the accounting records of the Fund were sufficient to permit the financial statements to be readily and properly audited.
- The financial statements are in agreement with the accounting records.



Christian MacManus

For and on behalf of Deloitte Ireland LLP
Chartered Accountants and Statutory Audit Firm
Deloitte House & Touche House, Earlsfort Terrace, Dublin 2

Date: 29 April 2019

Diadema International Funds

STATEMENT OF FINANCIAL POSITION as at 31 December 2018

	Note	Diadema Capital Plus Fund		Diadema International Equity Selection Fund		Diadema Global Selection Fund	
		31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
		€	€	€	€	€	€
ASSETS							
Financial Assets at Fair Value through Profit or Loss	6,7,15	5,455,817	6,539,026	4,536,457	6,198,032	979,697	1,239,978
Cash and Cash Equivalents	10	34,385	232,679	554,026	235,950	106,929	132,504
Dividends and Interest Receivable		33,677	119	2,258	8,679	1,060	639
Receivable from Subscriptions		-	4,910	-	-	-	-
Receivable on Sales of Securities		7,945	-	-	-	-	14,247
Other Assets		20	10	556	9	28	2
TOTAL ASSETS		5,531,844	6,776,744	5,093,297	6,442,670	1,087,714	1,387,370
LIABILITIES							
Payable on Securities Purchased		13,746	-	-	-	3,927	-
Management and Advisory Fees Payable	3	6,263	6,853	5,724	6,684	1,108	1,423
Administration and Transfer Agency Fee Payable	3	6,016	5,819	6,016	5,819	5,721	5,721
Other Payables		43,545	40,549	37,874	32,629	20,916	11,060
TOTAL LIABILITIES (Excluding Net Assets Attributable to Unitholders)		69,570	53,221	49,614	45,132	31,672	18,204
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		5,462,274	6,723,523	5,043,683	6,397,538	1,056,042	1,369,166
		Diadema Capital Plus Fund		Diadema International Equity Selection Fund		Diadema Global Selection Fund	
		31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
		Class P	Class P	Class R	Class R	Class R	Class R
Units in Issue		67,820.770	73,680.847	74,931.592	88,399.549	14,179.100	15,653.320
Net Asset Value Per Unit		€ 80.540	€ 91.252	€ 67.311	€ 72.371	€ 74.479	€ 87.764

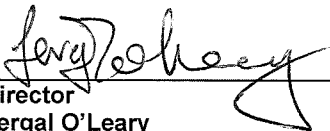
The accompanying notes form an integral part of the financial statements.

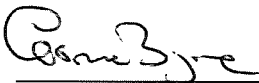
Diadema International Funds

STATEMENT OF FINANCIAL POSITION as at 31 December 2018 (continued)

	Note	Cross Investment		Total	
		31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
		€	€	€	€
ASSETS					
Financial Assets at Fair Value through Profit or Loss	6,7,15	-	(181,910)	10,971,971	13,795,126
Cash and Cash Equivalents	10	-	-	695,340	601,133
Dividends and Interest Receivable		-	-	36,995	9,437
Receivable from Subscriptions		-	-	-	4,910
Receivable on Sales of Securities		-	-	7,945	14,247
Other Assets		-	-	604	21
TOTAL ASSETS		-	(181,910)	11,712,855	14,424,874
LIABILITIES					
Payable on Securities Purchased		-	-	17,673	-
Management and Advisory Fees Payable	3	-	-	13,095	14,960
Administration and Transfer Agency Fee Payable	3	-	-	17,753	17,359
Other Payables		-	-	102,335	84,238
TOTAL LIABILITIES (Excluding Net Assets Attributable to Unitholders)		-	-	150,856	116,557
NET ASSETS ATTRIBUTABLE TO UNITHOLDERS		-	-	11,561,999	14,308,317

On behalf of the Manager on:


 Director
 Fergal O'Leary


 Director
 Cormac Byrne

23 April 2019

Diadema International Funds

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2018

	Note	Diadema Capital Plus Fund		Diadema International Equity Selection Fund	
		31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
		€	€	€	€
INCOME					
Dividends		10,367	27,562	92,879	125,989
Bank Interest		735	1,043	1,695	661
Bond Interest		26,291	4,885	-	-
Other Income		7,333	23,097	5,887	7,372
Net (Loss)/Gain on Financial Assets at Fair Value through Profit or Loss	11	(482,256)	234,836	(113,020)	776,648
TOTAL INVESTMENT (LOSS)INCOME		(437,530)	291,423	(12,559)	910,670
EXPENSES					
Audit Fees	3	9,225	9,225	9,225	9,225
Management Fees	3	37,706	41,283	35,416	37,075
Advisory Fees	3	44,759	47,713	41,319	43,361
Administration Fees	3	20,143	18,917	20,143	18,917
Trustee Fees	3	15,334	11,910	12,923	10,427
Transaction Costs		1,961	2,514	46,168	32,165
Transfer and Domiciliary Agency Fees	3	10,495	11,514	10,635	11,004
Distribution Fees	3	92,986	83,088	70,832	74,332
Bank Charges		683	5,138	2,097	3,379
Service Fees	3	19,183	20,772	17,603	18,583
Other Charges		45,253	93,739	54,981	60,361
Total Operating Expenses		297,728	345,813	321,342	318,829
(Loss)/Profit Before Tax		(735,258)	(54,390)	(333,901)	591,841
Withholding Tax on Dividends and Interest		(744)	(3,155)	(19,509)	(25,744)
(Decrease)/Increase in Net Assets from Operations Attributable to Unitholders		(736,002)	(57,545)	(353,410)	566,097

There are no other gains or losses other than those included in the Statement of Comprehensive Income. All income arises from continuing operations.

Diadema International Funds

STATEMENT OF COMPREHENSIVE INCOME for the year ended 31 December 2018 (continued)

	Note	Diadema Global Selection Fund		Total	
		31 Dec 2018 €	31 Dec 2017 €	31 Dec 2018 €	31 Dec 2017 €
INCOME					
Dividends		3,793	9,849	107,039	163,400
Bank Interest		1,598	573	4,028	2,277
Bond Interest		3,065	8,415	29,356	13,300
Other Income		-	131	13,220	30,600
Net (Loss)/Gain on Financial Assets at Fair Value through Profit or Loss	11	(76,149)	147,792	(677,587)	1,143,941
TOTAL INVESTMENT (LOSS)/INCOME		(67,693)	166,760	(523,944)	1,353,518
EXPENSES					
Audit Fees	3	9,225	9,225	27,675	27,675
Management Fees	3	7,299	9,548	80,421	87,906
Advisory Fees	3	8,604	11,139	94,682	102,213
Administration Fees	3	20,000	18,917	60,286	56,751
Trustee Fees	3	18,123	14,536	46,380	36,873
Transaction Costs		210	1,380	48,339	36,059
Transfer and Domiciliary Agency Fees	3	10,520	11,197	31,650	33,715
Distribution Fees	3	17,302	22,279	181,120	179,699
Bank Charges		287	4,860	3,067	13,377
Service Fees	3	3,602	4,774	40,388	44,129
Other Charges		21,453	21,566	121,687	175,666
Total Operating Expenses		116,625	129,421	735,695	794,063
(Loss)/Profit Before Tax		(184,318)	37,339	(1,259,639)	559,455
Withholding Tax on Dividends and Interest		(279)	(1,032)	(20,532)	(29,931)
(Decrease)/Increase in Net Assets from Operations Attributable to Unitholders		(184,597)	36,307	(1,280,171)	529,524

There are no other gains or losses other than those included in the Statement of Comprehensive Income. All income arises from continuing operations.

Diadema International Funds

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS for the year ended 31 December 2018

	Diadema Capital Plus Fund		Diadema International Equity Selection Fund	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
	€	€	€	€
Net Assets Attributable to Unitholders at Beginning of the year	6,723,523	7,240,563	6,397,538	5,755,962
(Decrease)/Increase in Net Assets from Operations Attributable to Unitholders	(736,002)	(57,545)	(353,410)	566,097
<u>Capital Transactions</u>				
Proceeds from Issuance of Units	419,325	49,835	449,787	693,055
Payments on Redemption of Units	(944,572)	(509,330)	(1,450,232)	(617,576)
Net Assets Attributable to Unitholders at End of the year	5,462,274	6,723,523	5,043,683	6,397,538
Units in Issue at Beginning of the year	73,681	78,696	88,400	87,235
Class P Units Issued During the year	4,695	543	-	-
Class P Units Redeemed During the year	(10,555)	(5,558)	-	-
Class R Units Issued During the year	-	-	6,109	9,981
Class R Units Redeemed During the year	-	-	(19,577)	(8,816)
Units in Issue at End of the year	67,821	73,681	74,932	88,400

The accompanying notes form an integral part of the financial statements.

Diadema International Funds

STATEMENT OF CHANGES IN NET ASSETS ATTRIBUTABLE TO UNITHOLDERS for the year ended 31 December 2018 (continued)

	Diadema Global Selection Fund		Total	
	31 Dec 2018 €	31 Dec 2017 €	31 Dec 2018 €	31 Dec 2017 €
Net Assets Attributable to Unitholders at Beginning of the year	1,369,166	1,749,314	14,308,317	14,579,264
(Decrease)/Increase in Net Assets from Operations Attributable to Unitholders	(184,597)	36,307	(1,280,171)	529,524
<u>Capital Transactions</u>				
Proceeds from Issuance of Units	12,048	18,508	881,160	761,398
Payments on Redemption of Units	(140,575)	(434,963)	(2,347,307)	(1,561,869)
Net Assets Attributable to Unitholders at End of the year	1,056,042	1,369,166	11,561,999	14,308,317
Units in Issue at Beginning of the year	15,653	20,373		
Class P Units Issued During the year		-		
Class P Units Redeemed During the year		-		
Class R Units Issued During the year	143	203		
Class R Units Redeemed During the year	(1,617)	(4,923)		
Units in Issue at End of the year	14,179	15,653		

The accompanying notes form an integral part of the financial statements.

Diadema International Funds

STATEMENT OF CASH FLOWS for the year ended 31 December 2018

	Diadema Capital Plus Fund		Diadema International Equity Selection Fund		Diadema Global Selection Fund	
	31 Dec 2018 €	31 Dec 2017 €	31 Dec 2018 €	31 Dec 2017 €	31 Dec 2018 €	31 Dec 2017 €
Cash Flows From Operating activities						
(Decrease)/Increase in Net Assets from Operations Attributable to Unitholders	(736,002)	(57,545)	(353,410)	566,097	(184,597)	36,307
Adjustments to reconcile (decrease)/increase attributable to Unitholders to cash provided by/(used in) by operating activities						
Dividend Income	(10,367)	(27,562)	(92,879)	(125,989)	(3,793)	(9,849)
Bank Interest Income	(735)	(1,043)	(1,695)	(661)	(1,598)	(573)
Bond Interest Income	(26,291)	(4,885)	-	-	(3,065)	(8,415)
Tax Expense	744	3,155	19,509	25,744	279	1,032
Operating (Loss)/Profit before Working Capital Changes	(772,651)	(87,880)	(428,475)	465,191	(192,774)	18,502
Changes in Operating Assets and Liabilities						
Decrease/(Increase) in Financial Assets at Fair Value through Profit or Loss	1,083,209	(3,699)	1,661,575	(518,708)	260,281	374,819
(Increase)/Decrease in Receivable on Sales of Securities	(7,945)	21,815	-	-	14,247	(14,247)
Increase in Other Assets	(135)	(10)	(547)	(9)	(26)	(2)
Increase in payable on Securities Purchased	13,746	-	-	-	3,927	-
(Decrease)/Increase in Management and Advisory Fees Payable	(590)	(730)	(960)	311	(315)	(416)
Increase/(Decrease) in Administration and Transfer Agency Fees Payable	197	(5,169)	197	(5,460)	-	(5,834)
Increase/(Decrease) in Other Payables	3,121	(55,427)	5,245	(44,746)	9,856	(13,299)
Cash provided by/(used in) Operating Activities	318,952	(131,100)	1,237,035	(103,421)	95,196	359,523
Dividend Received	9,679	29,194	99,259	118,565	3,661	9,895
Interest Received	854	979	1,736	603	1,558	500
Bond Interest	(6,698)	11,488	-	-	2,816	7,849
Taxation	(744)	(3,155)	(19,509)	(25,744)	(279)	(1,032)
Net Cash provided by/(used in) by Operating Activities	322,043	(92,594)	1,318,521	(9,997)	102,952	376,735

The accompanying notes form an integral part of the financial statements.

Diadema International Funds

STATEMENT OF CASH FLOWS for the year ended 31 December 2018 (continued)

	Diadema Capital Plus Fund		Diadema International Equity Selection Fund		Diadema Global Selection Fund	
	31 Dec 2018 €	31 Dec 2017 €	31 Dec 2018 €	31 Dec 2017 €	31 Dec 2018 €	31 Dec 2017 €
Financing Activities						
Proceeds from Issuance of Units	424,235	44,925	449,787	693,055	12,048	18,508
Payments on Redemption of Units	(944,572)	(509,330)	(1,450,232)	(617,576)	(140,575)	(434,963)
Net Cash Flows (used in)/provided by Financing Activities	(520,337)	(464,405)	(1,000,445)	75,479	(128,527)	(416,455)
Net (Decrease)/Increase in Cash and Cash Equivalents	(198,294)	(556,999)	318,076	65,482	(25,575)	(39,720)
Cash at Bank at the Beginning of the Year	232,679	789,678	235,950	170,468	132,504	172,224
Cash at Bank at the End of the Year	34,385	232,679	554,026	235,950	106,929	132,504

The accompanying notes form an integral part of the financial statements.

Diadema International Funds

STATEMENT OF CASH FLOWS for the year ended 31 December 2018 (continued)

	Total	
	31 Dec 2018	31 Dec 2017
	€	€
Cash Flows from Operating Activities		
(Decrease)/Increase in Net Assets from Operations Attributable to Unitholders	(1,280,171)	529,524
Adjustments to reconcile (decrease)/increase attributable to Unitholders to cash provided by operating activities		
Dividend Income	(107,039)	(163,400)
Bank Interest Income	(4,028)	(2,277)
Bond Interest Income	(29,356)	(13,300)
Tax Expense	20,532	29,931
Operating (Loss)/Profit before Working Capital Changes	(1,400,062)	380,478
Changes in Operating Assets and Liabilities		
Decrease/(Increase) in Financial Assets at Fair Value through Profit or Loss	2,823,155	(132,253)
Decrease in Receivable on Sales of Securities	6,302	7,568
Increase in Other Assets	(708)	(21)
Increase in payable on Securities Purchased	17,673	-
Decrease in Management and Advisory Fees Payable	(1,865)	(835)
Increase/(Decrease) in Administration and Transfer Agency Fees Payable	394	(16,463)
Increase/(Decrease) in Other Payables	18,222	(113,472)
Cash provided by Operating Activities	1,463,111	125,002
Dividend Received	112,599	157,654
Interest Received	4,148	2,082
Bond Interest	(3,882)	19,337
Taxation	(20,532)	(29,931)
Net Cash provided by Operating Activities	1,555,444	274,144
Financing Activities		
Proceeds from Issuance of Units	886,070	756,488
Payments on Redemption of Units	(2,347,307)	(1,561,869)
Net Cash flows used in Financing Activities	(1,461,237)	(805,381)
Net Increase/(Decrease) in Cash and Cash Equivalents	94,207	(531,237)
Cash and Cash Equivalents at Beginning of the Year	601,133	1,132,370
Cash and Cash Equivalents at the End of the Year	695,340	601,133

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018

1. Principal Accounting Policies

The significant accounting policies followed by the Fund are as follows:

a) Basis of Accounting

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB") and interpretations issued by the International Financial Reporting Interpretations Committee of the IASB and adopted by the European Union.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions which affect the application of policies and the reported amounts of assets and liabilities, income and expense. The estimates and associated assumptions are based on historical experience and various other factors which are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities which are not readily apparent from other sources. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimates are revised and in any future years affected.

The financial statements are prepared on a going concern basis.

b) New standards and interpretations adopted

IFRS 9 "Financial Instruments" ("IFRS 9") became effective for periods beginning on or after 1 January 2018. IFRS 9 replaces the provisions of IAS 39 that relate to the recognition, classification and measurement of financial instruments, including derecognition and impairment of such financial instruments. As outlined in Note 1 c) "Financial instruments" the Fund has classified financial assets at FVTPL. Therefore financial instrument classification remains consistent with the most recent annual audited financial statements.

The classification of financial liabilities under IFRS 9 remains broadly the same as under IAS 39. A financial liability is measured at FVPL if it meets the definition of held for trading.

The other financial liabilities continue to be measured at amortised cost under IFRS 9.

The new impairment model applies to all of the loans and receivables classified as financial assets measured at amortised cost and requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as it was the case under IAS 39.

The Manager consider the probability of default to be close to zero as these instruments are short-term and their counterparties have a strong capacity to meet their contractual obligations in the near term. As a result, no loss allowance has been recognised based on 12-month expected credit losses as any such impairment would be wholly insignificant to the Company.

For financial liabilities, the standard retains most of the IAS 39 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

c) Financial Instruments

(i) Classification

Under IFRS 9, a financial asset is classified as measured at: amortised cost; Fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL").

The classification of financial assets under IFRS 9 is based on the business model in which a financial asset is managed and on its contractual cash flow characteristics.

In evaluating the classification of financial assets the Fund has determined the following:

- Based on how performance is evaluated, how risks are managed and how compensation is paid, the business model for financial assets is to manage on a fair value basis.
- The contractual cash flows of the financial assets are not solely payments of principal and interest.

Based on the above evaluation, the Fund's financial assets are classified at FVTPL.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

1. Principal Accounting Policies (continued)

c) Financial Instruments (continued)

(i) Classification (continued)

The Fund's financial liabilities are classified at FVTPL.

(ii) Initial Measurement

Purchases and sales of financial instruments are accounted for at trade date. Realised gains and losses on disposals of financial instruments are calculated using average cost.

Financial instruments categorised at fair value through profit or loss are measured initially at fair value, with transaction costs for such instruments being recognised directly in the Statement of Comprehensive Income.

(iii) Subsequent measurement

After initial measurement, the Fund measures financial instruments, which are classified as at fair value through profit or loss: held for trading, at their fair values. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value of financial instruments traded in active markets is based on their quoted market prices on a recognised exchange or sourced from a reputable broker/counterparty in the case of non-exchange traded instruments, at the year end, without any deduction for estimated future selling costs.

Listed securities – any asset listed and regularly traded on a Recognised Exchange and for which market quotations are readily available is valued at the official closing price on 31 December 2018.

Collective investment schemes - units in other collective investment schemes not valued pursuant to the paragraph above are valued by reference to the latest available Net Asset Value of the units of the relevant collective investment scheme which may be unaudited.

Unlisted securities - assets not listed, or traded on any stock exchange or over-the-counter market are valued at their probable realisation value as determined on the basis of broker quotes by counterparties in consultation with the relevant Portfolio Manager.

Derivative instruments – exchange traded derivative instruments are valued at the settlement price for such instruments on relevant markets. Off-exchange derivative instruments are valued at the close of business on the Valuation Day at the settlement price as provided by the counterparty and the counterparty values these instruments daily. Realised and unrealised gains and losses on derivatives are accounted for in the Statement of Comprehensive Income. Forward foreign exchange contracts, credit default swaps, contracts for difference, and options may be exchange traded or over-the-counter in accordance with the limitations and requirements of the Irish Central Bank.

When fair values of listed equity and debt securities, as well as publicly traded derivatives at the reporting date, are based on quoted market prices or binding dealer price quotations (official closing prices), without any deduction for transaction costs, the instruments are included within level 1 of the hierarchy. When the Fund has assets and liabilities with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the off-setting risk positions and applies the official closing prices to the net open position as appropriate. The different level of assets and liabilities are disclosed in Note 7.

(iv) Derecognition

The Fund derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire or the Fund has transferred substantially all the risk and rewards of ownership. The Fund derecognises a financial liability when the obligation specified in the contract is discharged, cancelled or expires.

d) Net Asset Value

The Net Asset Value of a Sub-Fund is calculated on each dealing day by ascertaining the value of the assets of the Sub-Fund and deducting from such value the liabilities of the Sub-Fund on such dealing day. The NAV per unit of a class of the Sub-Fund is calculated by dividing the NAV, attributable to the class, by the number of units in issue at the year end. Please see Note 14 for details of Net Asset Values.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

1. Principal Accounting Policies (continued)

e) Interest Income and Interest Expense

Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant year. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter year. Income is recognised on an effective interest basis for debt instruments other than those financial assets designated as at fair value through profit or loss.

f) Operating Expenses

The Fund pays out of the assets of each Sub-Fund all normal operating expenses including Management fees, Performance fees, Investment Advisory fees, Marketing fees, Service fees, Trustee fees, Administration fees, NAV publication and circulation fees, Audit and other professional fees, and stamp duties and charges incurred on the acquisition and realisation of investments. Such costs are generally expensed in the year to which they relate. Operating expenses are recognised on an accruals basis.

g) Dividend Income

Dividends are credited to the Statement of Comprehensive Income on the dates on which the relevant securities are listed as "ex-dividend". Income is shown gross of any non-recoverable withholding taxes, which is disclosed separately in the Statement of Comprehensive Income, and net of any tax credits.

h) Functional and Presentation Currency

The functional currency of the Fund is based on the primary economic environment in which the Fund operates. It is determined by the currency in which funds from financing activities are generated.

The financial statements are presented in Euro, the functional currency of the Fund. Assets and liabilities in all other currencies different from the functional currency are translated into Euro based on the exchange rates in effect at the year end. As at 31 December 2018 all Sub-Funds are presented in Euro, the functional currency of the Fund.

Income and expenses denominated in all other currencies different from the functional currency are translated based on the exchange rates in effect at the date of the transaction. Foreign currency translation gains or losses are credited or charged to the Statement of Comprehensive Income.

The Fund does not isolate that portion of the results of operations resulting from changes in foreign exchange rates on investments from the portion resulting from changes in market prices. Such fluctuations are included in the net realised and unrealised gains or losses on investments.

i) Classification of Units

The Fund provides its Unitholders with the right to redeem their interest in the Fund at any dealing date for cash equal to their proportionate share of the net asset value of the relevant Sub-Fund. Under IFRS 9, this right represents in substance a liability of the Fund to Unitholders. The liability to Unitholders is presented in the Statement of Financial Position as "Net Assets Attributable to Unitholders" and is determined based on the net assets of the Sub-Fund after deducting all other liabilities.

j) Transaction Costs

Transaction costs are incremental costs that are directly attributable to the acquisition, issue or disposal of a financial asset or financial liability. An incremental cost is one that would not have been incurred if the entity had not acquired, issued or disposed of the financial instrument. When a financial asset or financial liability is recognised initially, an entity shall measure it at its fair value through profit or loss with transaction costs for such instruments being recognised directly in the Statement of Comprehensive Income. Transaction costs charged by the Trustee on the settlement of purchases and sales of investments are included within trustee fees in the Statement of Comprehensive Income for each Sub-Fund.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

1. Principal Accounting Policies (continued)

k) Cash

Cash balances comprise current deposits with banks and bank overdraft.

2. Taxation

Under current Irish law and practice, on the basis that the Fund qualifies as an investment undertaking as defined in Section 739B of the Taxes Consolidation Act, 1997, it is not chargeable to Irish tax on its relevant income or relevant gains. However, tax can arise on the happening of a chargeable event in the Fund. A chargeable event includes any distribution or dividend payments to Unitholders, disposals, redemptions, cancellations, encashment or assignment of units in the Fund. No tax will arise on the Fund in respect of chargeable events in respect of a Unitholder who is neither Irish resident or Irish ordinarily resident at the time of the chargeable event provided that a relevant declaration in the form authorised by the Irish tax authorities is in place. In the absence of a relevant declaration, there is a presumption that the investor is Irish resident or Irish ordinarily resident.

Dividends, interest and capital gains (if any) which the Fund receive with respect to its investments (other than securities of Irish issuers) may be subject to taxes, including withholding taxes, in the countries in which the issuers of investments are located.

3. Fees

Management and Performance Fees

Pursuant to the Trust Deed, European and Global Investments Limited have been appointed Manager to the Fund. The Manager is responsible for the general management and administration of the Fund's affairs. The Manager is entitled to receive a management fee, as set out below, out of that proportion of the Net Asset Value of a Sub-Fund attributable to the relevant Class, accrued daily and payable monthly in arrears at the following annual rates (plus VAT, if any);

Diadema Capital Plus Fund	
"I" Institutional Unit Class	0.60%
"P" Premium Unit Class	0.60%
"R" Retail Unit Class	0.60%
Diadema International Equity Selection Fund	
"I" Institutional Unit Class	0.60%
"R" Retail (Non-Distributing) Unit Class	0.60%
"R" Retail (Distributing) Unit Class	0.60%
Diadema Global Selection Fund	
"I" Institutional Unit Class	0.60%
"R" Retail (Non-Distributing) Unit Class	0.60%

The Manager shall be entitled to a performance fee (plus VAT, if any), accrued daily and payable out of the assets of the Sub-Fund attributable to the relevant Class at a rate of 20% of the increase of the Net Asset Value of the relevant Class calculated in the manner set out in the Prospectus (apart from Diadema Capital Plus Fund).

The Manager of Diadema Capital Plus Fund shall be entitled to a performance fee (plus VAT, if any), accrued daily and payable out of the assets of the Sub-Fund attributable to the relevant Class at a rate of 10% of the increase of the Net Asset Value of the relevant Class calculated in the manner set out in the Prospectus.

The Manager pays the fees of the Portfolio Managers out of its own fees.

The Manager is also entitled to be repaid out of the assets of the relevant Sub-Fund all of its administration and operational expenses. European and Global Investments Limited received management fees of €80,421 (31 December 2017: €87,906) for the year 31 December 2018 of which an amount of €5,932 (31 December 2017: €6,857) was outstanding at the year end.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

3. Fees (continued)

Management and Performance Fees (continued)

No performance fee was earned during the year 2018 and 2017.

The Manager shall pay out of the assets of the Fund an annual advisory fee not to exceed 0.75% per annum of the Net Asset Value of the Fund, accrued daily and payable monthly in arrears (plus VAT, if any). Advisor Fees for the year amounted to € 94,682 (31 December 2017: €102,213) of which an amount of €7,163 (31 December 2017: €8,103) were outstanding at the year end.

The Manager in its capacity as Global Distributor shall be paid out of that proportion of the assets of a Sub-Fund attributable to the relevant class an annual rate of 0.30% service / maintenance fee. Service / Maintenance Fees for the year amounted to €40,388 (31 December 2017: €44,129) of which an amount of €3,153 (31 December 2017: €3,473) were outstanding at the year end.

Trustee's Fees

Pursuant to the Trust Deed, RBC Investor Services Bank S.A., Dublin Branch acts as Trustee to the Fund. The Trustee shall be entitled to an annual trustee fee not to exceed 0.02% of the NAV of the Sub-Fund (plus VAT, if any), accrued daily and payable monthly in arrears, subject to a minimum annual trustee fee of €10,000 in respect of each Sub-Fund.

Trustee fees for the year amounted to €46,380 (31 December 2017: €36,873) of which an amount of €4,932 (31 December 2017: €4,822) was outstanding at the year end.

The Trustee shall also be entitled to a custody fee, accrued daily and payable monthly in arrears based on the location of the assets under custody (which fee is inclusive of sub-custody fees) and will vary from 0.055% per annum of the value of the assets under custody and €18 per transaction (in certain countries such as the United States or Canada) up to 0.80% per annum of the value of the assets under custody (in certain countries such as Zimbabwe) and up to €300 per transaction (in certain countries such as Ukraine).

Audit Fees

Audit fees for the year amounted to €27,675 inclusive of VAT (31 December 2017: €27,675).

Administrator's Fees

Pursuant to the Administrative Agreement, RBC Investor Services Ireland Limited acts as Administrator to the Fund. The Manager pays to the Administrator out of the assets of the Fund an annual administration fee not to exceed 0.045% of the Net Asset Value of the Fund, accrued daily and payable monthly in arrears (plus VAT, if any), subject to a minimum of €26,000 per annum in respect of each Sub-Fund.

Where a Sub-Fund has more than one Portfolio Manager, the Manager pays to the Administrator out of the assets of the Fund an additional minimum fee of €2,000 per annum (plus VAT, if any) in respect of each additional Portfolio Manager in excess of one.

The Administrator shall be entitled to an annual registrar and transfer agency fee of €10,000 in respect of each Sub-Fund, subject to certain additional fees depending on the number of Unitholder transactions, Unitholder accounts, Unit Classes, Distributors and website users. A transaction fee of €20 per manual transaction will also be charged. The registrar and transfer agency fees are subject to annual review and may be increased or decreased accordingly. Any such increase will be notified in advance to Unitholders.

Administrator's Fees for the year amounted to €60,286 (31 December 2017: €56,751) of which an amount of €12,823 (31 December 2017: €12,537) was outstanding at the year end.

Transfer Agency Fees for the year amounted to €31,650 (31 December 2017: €33,715) of which an amount of €4,932 (31 December 2017: €4,822) was outstanding at the year end.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

3. Fees (continued)

Distribution Fee

The Manager in its capacity as Global Distributor is entitled to a distribution fee (plus VAT, if any), accrued daily and payable monthly out of the assets of the relevant Sub-Fund attributable to the relevant Class at the annual rates shown in the table below. The Global Distributor may in turn pay part or the entire distribution fee to Distributors, intermediaries, investors or groups of investors.

Diadema Capital Plus Fund	
“I” Institutional Unit Class	0.00%
“P” Premium Unit Class	1.20%
“R” Retail (Non-Distributing) Unit Class	1.20%
Diadema International Equity Selection Fund	
“I” Institutional Unit Class	0.00%
“R” Retail (Non-Distributing) Unit Class	1.20%
“R” Retail (Distributing) Unit Class	1.20%
Diadema Global Selection Fund	
“I” Institutional Unit Class	0.00%
“R” Retail (Non-Distributing) Unit Class	1.40%

Distribution fees for the year amounted to €181,120 (31 December 2017: €179,699) of which an amount of €12,224 (31 December 2017: €14,111) was outstanding at the year end.

4. Related Parties

IAS 24 ‘Related Party Transactions’ requires the disclosure of information relating to material transactions with parties who are deemed to be related to the reporting entity.

The Fund and European Investment Consulting are considered related parties by virtue of Julian Alworth’s role as a Director of EGI and his employment by European Investment Consulting, a provider of consulting services to the Fund. Fees charged directly to the Fund for the year amounted to €24,276 (31 December 2017: €13,348).

European and Global Advisers LLP (“EGA LLP”), an Adviser of the Fund, is considered a related party as David Costin and Julian Alworth are Directors of EGI and partners in EGA LLP. No direct fees were paid to EGA LLP during the year.

The Manager receives a fee from the Sub-Funds for activities relating to securities lending. The Manager administers the security lending scheme on behalf of the participating Sub-Funds, and receives a fee to cover expenses and time incurred in the process. Please see Note 15 for details.

5. Efficient Portfolio Management

Where considered appropriate, a Sub-Fund may utilise financial derivative techniques and instruments for efficient portfolio management and/or to protect against foreign exchange risks, subject to the conditions and within the limits laid down by the Central Bank of Ireland. These techniques and instruments include, but are not limited to futures, options, swaps and forward foreign exchange contracts, details of which are disclosed in Note 11. Please see Note 10 for details of cash held as collateral. Details of securities lending are provided in Note 15.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

6. Financial Instruments and Associated Risks

The principal risks arising from the Sub-Funds financial instruments are set out as follows:

Market risk

Some of the recognised exchanges on which the Sub-Funds may invest may prove to be illiquid or highly volatile from time to time and this may affect the price at which the Sub-Funds may liquidate positions to meet repurchase requests or other funding requirements. The trading and settlement practices on some of the recognised exchanges on which the Sub-Funds may invest may not be the same as those in more developed markets, which may increase settlement risk and/or result in delays in realising investments made by the Sub-Funds.

Where the Sub-Funds acquire or value securities on the over-the-counter market there is no guarantee that the Sub-Funds will be able to realize such securities at that valuation price due to the nature of the over-the-counter market.

Market risk embodies the potential for both loss and gains and includes currency risk, interest rate risk and price risk.

Each Sub-Fund's market risk is assessed as part of VAR (more detailed analysis - please refer to page 40 and 41).

The Sub-Funds' market risk is managed on a daily basis by the Portfolio Manager in accordance with a number of policies and procedures which are in place. Daily monitoring of portfolio positions is carried out with in-house software that is linked to Bloomberg. Daily position data on individual portfolio positions are downloaded from the fund administrator and uploaded onto specific risk monitoring systems.

These data uploads are then used to carry out daily risk assessment calculations. Details on the market risk analysis are provided further in this document.

Details of the nature of the Sub-Funds' investment portfolios at the year end are disclosed in the Schedule of Investments. Currency risk, interest rate risk and price risk for the Sub-Funds are discussed further in sections below. The majority of the Sub-Funds' financial instruments are quoted on one or more recognised exchanges and market prices are readily available.

Currency risk

The Portfolio Manager manages the currency risk. Details of each Sub-Funds' currency risk and how the risk is managed are outlined below.

The Sub-Funds may invest in financial instruments and enter into transactions denominated in currencies other than its functional currency (Euro). Consequently, the Sub-Funds are exposed to risks that the exchange rate of its currency relative to other foreign currencies may change in a manner that has an adverse effect on the value of that portion of the Funds' assets or liabilities denominated in currencies other than the Euro.

The Sub-Funds' currency risk is managed on a daily basis by the Portfolio Manager in accordance with policies and procedures which are in place. The Sub-Funds' overall currency positions and exposures are monitored on a daily basis by the Manager.

Diadema International Funds

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

6. Financial Instruments and Associated Risks (continued)

Currency risk (continued)

i) Diadema Capital Plus Fund

The following tables present an analysis of the net amount of assets and liabilities held by the Sub-Fund at the balance sheet date denominated in currencies other than the respective functional currency.

As at 31 December 2018

	Gross exposure	Forward contracts	Net exposure	1% Sensitivity
	€	€	€	€
Diadema Capital Plus Fund				
CHF	23,185	-	23,185	232
GBP	70,398	-	70,398	704
HKD	36,570	-	36,570	366
NOK	17,471	-	17,471	175
SEK	28,988	-	28,988	290
USD	565,167	-	565,167	5,651
Total	741,779	-	741,779	7,418

As at 31 December 2017

	Gross exposure	Forward contracts	Net exposure	5% Sensitivity
	€	€	€	€
Diadema Capital Plus Fund				
AUD	29	-	29	-
CHF	505	-	505	5
USD	255,417	-	255,417	2,554
ZAR	50	-	50	1
Total	256,001	-	256,001	2,560

(ii) Diadema International Equity Selection Fund

The following tables present an analysis of the net amount of assets and liabilities held by the Sub-Fund at the balance sheet date denominated in currencies other than the respective functional currency.

As at 31 December 2018

	Gross exposure	Forward contracts	Net exposure	1% Sensitivity
	€	€	€	€
Diadema International Equity Selection Fund				
CAD	145,796	-	145,796	1,458
CHF	5,670	-	5,670	57
DKK	180,366	-	180,366	1,804
GBP	57,845	-	57,845	578
HKD	351,346	-	351,346	3,513
JPY	318,271	-	318,271	3,183
NOK	171,470	-	171,470	1,715
SEK	53,648	-	53,648	536
USD	3,082,390	-	3,082,390	30,824
ZAR	43	-	43	-
Total	4,366,845	-	4,366,845	43,668

Diadema International Funds

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

6. Financial Instruments and Associated Risks (continued)

Currency risk (continued)

(ii) Diadema International Equity Selection Fund (continued)

As at 31 December 2017

	Gross exposure €	Forward contracts €	Net exposure €	5% Sensitivity €
Diadema International Equity Selection Fund				
CAD	759,239	-	759,239	7,592
DKK	168	-	168	2
GBP	999,770	-	999,770	9,998
HKD	167,257	-	167,257	1,673
JPY	84,820	-	84,820	848
SEK	2,904	-	2,904	29
USD	2,975,242	-	2,975,242	29,752
ZAR	45	-	45	-
Total	4,989,445	-	4,989,445	49,894

(iii) Diadema Global Selection Fund

The following tables present an analysis of the net amount of assets and liabilities held by the Sub-Fund at the balance sheet date denominated in currencies other than the respective functional currency.

As at 31 December 2018

	Gross exposure €	Forward contracts €	Net exposure €	1% Sensitivity €
Diadema Global Selection Fund				
GBP	15,502	-	15,502	155
NOK	9,335	-	9,335	93
SEK	9,634	-	9,634	96
USD	338,208	-	338,208	3,382
Total	372,679	-	372,679	3,726

As at 31 December 2017

	Gross exposure €	Forward contracts €	Net exposure €	5% Sensitivity €
Diadema Global Selection Fund				
USD	454,100	-	454,100	4,541
Total	454,100	-	454,100	4,541

As at 31 December 2018, had the Euro strengthened by 1% in relation to all currencies, with all other variables held constant, Net Assets Attributable to Unitholders and the change in Net Assets Attributable to Unitholders would have increased by €7,419 (31 December 2017: €2,560) for Diadema Capital Plus Fund, €43,668 (31 December 2017: €49,894) for Diadema International Equity Selection Fund, and €3,726 (31 December 2017: €4,541) for Diadema Global Selection Fund. A 1% weakening of the Euro would have resulted in an equal but opposite effect on the above financial statement amounts to the amounts shown above on the basis that all other variables remain constant.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

6. Financial Instruments and Associated Risks (continued)

Currency risk (continued)

Political and/or Regulatory risks

The value of a Sub-Fund's assets may be affected by uncertainties such as international political developments, changes in government policies, changes in taxation, restrictions on foreign investment and currency repatriation, currency fluctuations and other developments in the laws and regulations of countries in which investment may be made. Furthermore, the legal infrastructure and accounting, auditing and reporting standards in certain countries in which investment may be made may not provide the same degree of investor protection or information to investors as would generally apply in major securities markets. As some of the Sub-Funds may invest in markets where the custodial and/or settlement systems are not fully developed, the assets of the Sub-Fund which are traded in such markets and which have been entrusted to sub-custodians, in circumstances where the use of such sub-custodians is necessary, may be exposed to risk in circumstances whereby the Trustee will have no liability. The Sub-Fund may be exposed to risks of expropriation, nationalisation and confiscation of assets and changes in legislation relating to the permitted level of foreign ownership. None of these events have occurred or affected the positions held by the Sub-Funds.

Interest rate risk

The Sub-Fund may invest in interest bearing securities. Any change to the interest rates relevant for the particular securities may result in the relevant Portfolio Manager being unable to secure positive returns on the expiry of contract or the sale of securities. In addition, changes to prevailing rates or changes in expectations of future rates may result in an increase or decrease in the value of the securities held. In general, if interest rates rise, the value of the fixed interest securities will decline (along with certain expenses calculated by reference to the assets of the Sub-Fund). A decline in interest rates will in general have the opposite effect.

(i) Diadema Capital Plus Fund

As of 31 December 2018 roughly 63% (31 December 2017: 96%) of the Sub-Fund's financial assets were held in non-interest-bearing assets. Interest-bearing financial assets are debt securities listed in regulated markets. As a result, the Sub-Fund is subject to exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates. The duration of interest bearing securities having a residual maturity in excess of one month amounted to 3.49 years as of 31 December 2018. There were no debt instruments as at 31 December 2018 (31 December 2017: nil) in Diadema Capital Plus Fund.

Sub-Fund exposure to interest rate risk (in Euro, at 31 December 2018).

Assets	Up to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
	€	€	€	€	€
Collective Investment Schemes	-	-	-	2,045,662	2,045,662
Equities	-	-	-	1,377,550	1,377,550
Debt Instruments	-	-	2,032,605	-	2,032,605
Cash and cash equivalents	34,385	-	-	-	34,385
Other assets	-	-	-	41,642	41,642
Total Assets	34,385	-	2,032,605	3,464,854	5,531,844
Liabilities	Up to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
	€	€	€	€	€
Other liabilities	-	-	-	69,570	69,570
Total Liabilities	-	-	-	69,570	69,570

Diadema International Funds

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

6. Financial Instruments and Associated Risks (continued)

Interest rate risk (continued)

(i) Diadema Capital Plus Fund (continued)

Sub-Fund exposure to interest rate risk (in Euro, at 31 December 2017).

Assets	Up to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
	€	€	€	€	€
Collective Investment Schemes	-	-	-	6,539,026	6,539,026
Cash and cash equivalents	232,679	-	-	-	232,679
Other assets	-	-	-	5,039	5,039
Total Assets	232,679	-	-	6,544,065	6,776,744
Liabilities	Up to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
	€	€	€	€	€
Other liabilities	-	-	-	53,221	53,221
Total Liabilities	-	-	-	53,221	53,221

(ii) Diadema International Equity Selection Fund

As of 31 December 2018 the 100% (31 December 2017: 100%) of the Sub-Fund's financial assets were held in non-interest-bearing assets. Interest-bearing financial assets are debt securities listed in regulated markets. As a result, the Sub-Fund is not subject to a significant exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates.

Sub-Fund exposure to interest rate risk (in Euro, at 31 December 2018).

Assets	Up to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
	€	€	€	€	€
Equities	-	-	-	4,536,457	4,536,457
Cash and cash equivalents	554,026	-	-	-	554,026
Other assets	-	-	-	2,814	2,814
Total Assets	554,026	-	-	4,539,271	5,093,297
Liabilities	Up to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
	€	€	€	€	€
Other liabilities	-	-	-	49,614	49,614
Total Liabilities	-	-	-	49,614	49,614

Sub-Fund exposure to interest rate risk (in Euro, at 31 December 2017).

Assets	Up to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
	€	€	€	€	€
Equities	-	-	-	6,198,032	6,198,032
Cash and cash equivalents	235,950	-	-	-	235,950
Other assets	-	-	-	8,688	8,688
Total Assets	235,950	-	-	6,206,720	6,442,670
Liabilities	Up to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
	€	€	€	€	€
Other liabilities	-	-	-	45,132	45,132
Total Liabilities	-	-	-	45,132	45,132

Diadema International Funds

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

6. Financial Instruments and Associated Risks (continued)

Interest rate risk (continued)

(iii) Diadema Global Selection Fund

As of 31 December 2018 approximately 77% (31 December 2017: 74%) of the Sub-Fund's financial assets were held in non-interest-bearing assets. Interest-bearing financial assets are debt securities listed in regulated markets. As a result, the Sub-Fund is subject to exposure to fair value interest rate risk due to fluctuations in the prevailing levels of market interest rates. The duration of interesting bearing securities having a residual maturity in excess of one month amounted to 0.96 years as of 31 December 2018 (31 December 2017: 5.46 years).

Sub-Fund exposure to interest rate risk (in Euro, at 31 December 2018).

Assets	Up to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
	€	€	€	€	€
Collective Investment Schemes	-	-	-	563,608	563,608
Equities	-	-	-	174,765	174,765
Debt Instruments	-	140,672	100,652	-	241,324
Cash and cash equivalents	106,929	-	-	-	106,929
Other assets	-	-	-	1,088	1,088
Total Assets	106,929	140,672	100,652	739,461	1,087,714
Liabilities	Up to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
	€	€	€	€	€
Other liabilities	-	-	-	31,672	31,672
Total Liabilities	-	-	-	31,672	31,672

Sub-Fund exposure to interest rate risk (in Euro, at 31 December 2017).

Assets	Up to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
	€	€	€	€	€
Collective Investment Schemes	-	-	-	810,617	810,617
Equities	-	-	-	73,517	73,517
Debt Instruments	-	25,645	330,199	-	355,844
Cash and cash equivalents	132,504	-	-	-	132,504
Other assets	-	-	-	14,888	14,888
Total Assets	132,504	25,645	330,199	899,022	1,387,370
Liabilities	Up to 1 year	1 to 5 years	Over 5 years	Non-interest bearing	Total
	€	€	€	€	€
Other liabilities	-	-	-	18,204	18,204
Total Liabilities	-	-	-	18,204	18,204

As at 31 December 2018, a 1% change in interest rates would have an impact on Net Assets Attributable to Unitholders of redeemable shares and cause an increase/decrease in Net Assets Attributable to Unitholders of €20,326 (31 December 2017: €nil) for Diadema Capital Plus Fund, €nil (31 December 2017: €nil) for Diadema International Equity Selection Fund, and €2,413 (31 December 2017: €3,558) for Diadema Global Selection Fund. The interest rate sensitivity provided above represents a hypothetical outcome and is not intended to be predictive. Market conditions, and therefore future interest rates, could vary significantly from that suggested.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

6. Financial Instruments and Associated Risks (continued)

Other Price risk

Other Price risk is the risk that the value of the instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market. As the majority of the Sub-Funds' financial instruments are carried at fair value with fair value changes recognised in the Statement of Comprehensive Income, all changes in market conditions will directly affect net investment income.

Each Sub-Fund's other price risk is assessed as part of VAR. (refer to pages 40 and 41).

Credit risk

Credit risk is the risk that counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Sub-Fund. Credit risk also encompasses credit exposure to the Trustee.

The carrying amounts of financial assets as disclosed in the Portfolio of Investments best represent the maximum credit risk exposure at the year end. This relates also to financial assets carried at amortised cost, as they have a short-term to maturity.

The duties of the Trustee are to provide safekeeping, oversight and asset verification services in respect of the assets of the Trust and each Sub-Fund in accordance with the provisions of the UCITS Regulations. The Trustee will also provide cash monitoring services in respect of each Sub-Funds cash flows and subscriptions.

The Trustee will be liable to the relevant Sub-Fund and its Unitholders for loss of a financial instrument held in custody (i.e. those assets which are required to be held in custody pursuant to the UCITS Regulations) or in the custody of any sub-custodian appointed by the Trustee. However the Trustee shall not be liable for the loss of a financial instrument held in custody by the Trustee or any sub-custodian if it can prove that loss has arisen as a result of an external event beyond its reasonable control, the consequences of which would have been unavoidable despite all reasonable efforts to the contrary. The Trustee shall also be liable to the relevant Sub-Fund and its Unitholders for all other losses suffered by them as a result of the Trustee's negligent or intentional failure to properly fulfil its obligations under the UCITS Regulations.

Substantially all of the assets of the Sub-Funds are held by the Trustee. Bankruptcy or insolvency of the Trustee may cause the Sub-Funds' rights with respect to securities and cash held by the Trustee to be delayed or limited. The Trustee is under a duty to take into custody and to hold the property of each Sub-Fund on behalf of its Unitholders. The Central Bank of Ireland requires the Trustee to hold legally separately the non-cash assets of each Sub-Fund and to maintain sufficient records to clearly identify the nature and amount of all assets that it holds the ownership of each asset and where the documents of title to such assets are physically located. As at 31 December 2018 RBC Investor Services Bank S.A., Dublin Branch has a credit rating of AA- with S&P (as at 31 December 2017: AA- for S&P).

The total credit risk for each Sub-Fund arising from recognised financial instruments is limited to the value of each Sub-Fund's investments shown on the Statements of Financial Position on pages 14 to 15.

To the extent that the Sub-Funds hold debt securities, these are subject to the usual associated credit risks.

At 31 December 2018, the average credit rating of the debt instruments held by Diadema Capital Plus Fund and Diadema Global Selection Fund was:

Sub-Funds	31 December 2018 Standard and Poor's	31 December 2017 Standard and Poor's
Diadema Capital Plus Fund	BBB-	AAA
Diadema Global Selection Fund	AAA	AAA

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

6. Financial Instruments and Associated Risks (continued)

Credit risk (continued)

The Sub-Funds engage in securities lending with RBC Global Securities Lending & Finance, as part of Efficient Portfolio Management. As at 31 December 2018 the credit rating for RBC Investor Services (the Parent Company of RBC Global Securities Lending & Finance) is AA- with S&P (as at 31 December 2017: AA- for S&P).

Certain Sub-Funds may engage in securities lending activities. As with any extensions of credit, there are risks of delay and recovery. Should the borrower of securities fail financially or default in any of its obligations under any securities lending transaction, the collateral will be called upon. The value of the collateral will be maintained to exceed the value of the securities transferred. In the event of a sudden market movement there is a risk that the value of the collateral may fall below the value of the securities transferred. For details on securities lending please see Note 15.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in realising assets or otherwise raising funds to meet commitments associated with financial instruments. Generally the Sub-Funds' assets are composed of actively traded and liquid securities. The liquidity risks associated with the need to satisfy Unitholders' requests for redemptions are mitigated by maintaining a level of cash to satisfy the usual level of demand.

Not all securities or instruments invested in by the Sub-Funds will be listed or rated and consequently liquidity may be low. Moreover, the accumulation and disposal of holdings in some investments may be time consuming and may need to be conducted at unfavourable prices. The Sub-Funds may also encounter difficulties in disposing of assets at their fair price due to adverse market conditions leading to limited liquidity.

If the value of units of any of the Sub-Funds due to be redeemed on any dealing day is equal to 10% or more of the Net Asset Value of that Sub-Fund on such dealing day, then the Manager may in its discretion refuse to redeem any units in excess of 10% of the Net Asset Value of that Sub-Fund as aforesaid and, if the Manager so refuses, the requests for redemption on such dealing day shall be reduced rateably and the units to which each request relates which are not redeemed by reason of such refusal shall be treated as if a request for redemption had been made in respect of each subsequent dealing day until all the units to which the original request related have been redeemed. Requests for redemption which have been carried forward from an earlier dealing day shall (subject always to the foregoing limits) be complied with in priority to later requests.

The Prospectus provides for the daily creation and cancellation of units and it is therefore exposed to the liquidity risk of meeting Unitholder redemptions at any time.

The Sub-Funds' financial instruments include also investments in UCITS funds which allow for daily redemptions. The Sub-Funds' listed securities are considered to be readily realisable as they are all listed on major Global stock exchanges.

The Sub-Funds' liquidity risk is managed on a daily basis by the Portfolio Manager. The Sub-Funds' redemption policy allows for redemptions on each day of each month and Unitholders must provide at least one days' notice.

Diadema International Funds

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

6. Financial Instruments and Associated Risks (continued)

Liquidity risk (continued)

Diadema Capital Plus Fund

The Sub-Fund maintains short-term deposits. At the report date such investments amounted to €34,385 (31 December 2017: €232,679).

The following table is a maturity analysis of financial liabilities of the Sub-Fund at contractual undiscounted amounts:

	31 December 2018				31 December 2017			
	Less than 1 month €	1-3 month €	More than 3 month €	Total €	Less than 1 month €	1-3 month €	More than 3 month €	Total €
Diadema Capital Plus Fund								
Payable on Securities Purchased	13,746	-	-	13,746	-	-	-	-
Management and Advisory Fees Payable	-	6,263	-	6,263	-	6,853	-	6,853
Administration and Transfer Agency Fee Payable	-	6,016	-	6,016	-	5,819	-	5,819
Other Payables	-	43,545	-	43,545	-	40,549	-	40,549
TOTAL LIABILITIES (excluding Net Assets Attributable to Unitholders)	13,746	55,824	-	69,570	-	53,221	-	53,221

Diadema International Funds

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

6. Financial Instruments and Associated Risks (continued)

Liquidity risk (continued)

Diadema International Equity Selection Fund

The Sub-Fund maintains short-term deposits. At the report date such investments amounted to €554,026 (31 December 2017: €235,950).

The following table is a maturity analysis of financial liabilities of the Sub-Fund at contractual undiscounted amounts:

	31 December 2018				31 December 2017			
	Less than 1 month €	1-3 month €	More than 3 month €	Total €	Less than 1 month €	1-3 month €	More than 3 month €	Total €
Diadema International Equity Selection Fund								
Financial Liabilities at Fair Value through Profit or Loss:								
Investments in Financial Derivative Instruments	-	5,724	-	5,724	-	6,684	-	6,684
Management and Advisory Fees Payable	-	6,016	-	6,016	-	5,819	-	5,819
Administration and Transfer Agency Fee Payable	-	37,874	-	37,874	-	32,629	-	32,629
Other Payables	-		-		-		-	
TOTAL LIABILITIES (excluding Net Assets Attributable to Unitholders)	-	49,614	-	49,614	-	45,132	-	45,132

Diadema International Funds

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

6. Financial Instruments and Associated Risks (continued)

Liquidity risk (continued)

Diadema Global Selection Fund

The Sub-Fund maintains short-term deposits. At the report date such investments amounted to €106,929 (31 December 2017: €132,504).

The following table is a maturity analysis of financial liabilities of the Sub-Fund at contractual undiscounted amounts:

	31 December 2018				31 December 2017			
	Less than 1 month €	1-3 month €	More than 3 month €	Total €	Less than 1 month €	1-3 month €	More than 3 month €	Total €
Diadema Global Selection Fund								
Payable on Securities Purchased	3,927	-	-	3,927	-	-	-	-
Management, Directors and Advisory Fees Payable	-	1,108	-	1,108	-	1,423	-	1,423
Administration and Transfer Agency Fee Payable	-	5,721	-	5,721	-	5,721	-	5,721
Other Payables	-	20,916	-	20,916	-	11,060	-	11,060
TOTAL LIABILITIES (excluding Net Assets Attributable to Unitholders)	3,927	27,745	-	31,672	-	18,204	-	18,204

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

6. Financial Instruments and Associated Risks (continued)

Risk Analysis

The market risk of the Sub-Fund's financial asset and liability positions is monitored by the Portfolio Manager using value at risk (VaR) analysis. VaR analysis reflects the interdependence between risk variables, unlike a traditional sensitivity analysis. VaR represents the potential losses from adverse changes in market factors for a specified time period and confidence level. The Portfolio Manager estimates VaR using simulations of a large number of possible market scenarios. The overall market risk for any activity which the Sub-Fund can then engage in must be approved by a senior risk management committee of the portfolio manager through a VaR limit.

The VaR calculation is based on models that describe the potential changes in the factors affecting portfolio values. The factors that are considered as affecting portfolio values are changes in equity prices, foreign exchanges rates and interest rates.

Equity risk factors can be represented in terms of risk exposures of a security to its own time series of prices or alternatively mapped to an appropriate index. Derivatives linked to equity prices are also driven by the same underlying price series. In addition to equities there are a range of instruments whose risk factors are treated like equity in terms of risk exposures being related to the time series of prices or alternatively mapped to an appropriate index. For example, a number of fixed income securities can be mapped through their sensitivity to interest rate changes (i.e. duration) against broad or specific market indices (such as the JP Morgan Government Bond Indices).

Foreign exchange spot prices drive the currency risk of cash and derivative positions in foreign currencies. Forward currency prices are adjusted for interest rate differentials.

Fixed-income exposure is best expressed in terms of zero-coupon bond prices which are linked to interest rates. The price of a fixed income bond can be seen as the sum of its cash flows (coupon and principal payments) appropriately weighted by zero coupon bonds.

The calculation of VaR is based on a parametric approach which assumes that returns are linear in the risk factors. Factor returns are assumed to be distributed like a normal distribution. This has implications for the interpretation of results since VaR under this approach is simply a multiple of the estimated standard deviation of the portfolio.

The VaR calculated in this manner is based on the assumptions underlying the calculation of the variance-covariance matrix of returns. In order to update information on return volatility the variance covariance matrix is estimated through a Generalized Auto Regressive Conditional Heteroskedasticity (GARCH) approach which allows for time-variation in the variance and correlations of returns.

The Parametric approach allows the calculation of a number of risk measures (Marginal VaR of single securities, Contribution to VaR of single securities etc.). However, it suffers from several drawbacks: (i) the actual shape of the distribution of returns may not be normal; (ii) the VaR measure derived from a parametric approach does not provide an indication of the severity of potential losses ("fat tails"). In order to circumvent these drawbacks a historical analysis of returns on portfolios is carried out from time to time.

VaR (99%; 20 days)

	Diadema Capital Plus Fund		Diadema International Equity Selection Fund	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
UCITS Limit	20.00%	20.00%	20.00%	20.00%
Total AuM	5,462,274	€6,244,051	5,043,683	€6,723,523
Ex-ante Volatility	7.06%	7.53%	19.09%	3.07%
Portfolio VaR (%)	4.65%	4.96%	12.58%	2.02%
Portfolio VaR	253,996	309,705	634,495	135,815

Diadema International Funds

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

6. Financial Instruments and Associated Risks (continued)

Risk Analysis (continued)

	Diadema Global Selection Fund	
	31 December 2018	31 December 2017
UCITS Limit	20.00%	20.00%
Total AuM	1,056,042	€1,373,797
Ex-ante Volatility	9.01%	5.99%
Portfolio VaR (%)	5.94%	3.95%
Portfolio VaR	62,729	54,265

VaR analysis reflects the interdependence between risk variables, unlike a traditional sensitivity analysis. VaR represents the potential losses from adverse changes in market factors for a specified time period and confidence level. The Portfolio Manager estimates VaR using simulations of a large number of possible market scenarios.

VaR describes the probability of facing an extreme loss over a defined time horizon. It does not however quantify the loss suffered by the fund. To address this main shortcoming, VaR must be integrated with stress tests and scenario analysis. The VaR model is based on historical data and cannot take account of the fact that future market price movements, correlations between markets and levels of market liquidity in conditions of market stress may bear no relation to historical patterns.

As per EGI's Risk Management Statement, Absolute VaR has been used for all sub-funds.

For all sub-funds using Absolute VaR, the Portfolio VaR (over 20 days and with a confidence level of 99%) must not exceed 20%.

The Sub-Funds use VaR to calculate Global Exposure. The Leverage of the Sub-Funds as at 31 December 2018 and 31 December 2017 is displayed in the table below. There were no derivatives held on any of the sub-funds as at 31 December 2018 and therefore the leverage is zero.

Sub-Fund name	Leverage	
	31 December 2018	31 December 2017
Diadema Capital Plus Fund	0%	0%
Diadema International Equity Selection Fund	0%	0%
Diadema Global Selection Fund	0%	0%

Sub-Fund name	Value at Risk			Value at Risk		
	31 December 2018			31 December 2017		
	Min	Max	Average	Min	Max	Average
Diadema Capital Plus Fund	1.17%	4.74%	2.71%	1.12%	2.49%	1.62%
Diadema International Equity Selection Fund	4.35%	12.85%	7.80%	3.89%	10.74%	6.43%
Diadema Global Selection Fund	3.24%	6.12%	4.41%	3.87%	6.39%	5.11%

Sub-Fund name	Utilisation Value at Risk			Utilisation Value at Risk		
	31 December 2018			31 December 2017		
	Min	Max	Average	Min	Max	Average
Diadema Capital Plus Fund	5.87%	23.71%	13.57%	5.60%	12.46%	8.12%
Diadema International Equity Selection Fund	21.77%	64.27%	39.01%	19.43%	53.17%	32.14%
Diadema Global Selection Fund	16.18%	30.61%	22.03%	19.35%	31.93%	25.54%

The utilisation VaR calculation is based on the entire time series of the daily VaR during the year. This figure shows how close the Absolute VaR is to the 20% limit. At any point in time, a limit's utilisation is the actual amount of the available risk that is being utilised, as quantified by the risk measure. Any instance where utilisation VaR reaches 100% would result in a breach of the 20% limit.

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

7. Fair Value Measurements

IFRS 13, Fair Value Measurement, requires a fair value hierarchy for inputs used in measuring fair value that classify investments according to how observable the inputs are. Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Sub-Funds. Unobservable inputs reflect the Sub-Funds' assumptions, made in good faith, about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The fair value hierarchy is categorised into three levels based on the inputs as follows:

Level 1 - Valuations based on quoted prices in active markets for identical assets or liabilities (level 1);

Level 2 - Valuations based on quoted prices in markets that are not active or based on inputs other than quoted prices for which all significant inputs are observable, either directly (as prices) or indirectly (derived from prices) (level 2) and;

Level 3 - Valuations based on inputs that are unobservable and significant to the overall fair value measurement (level 3).

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement (lowest being Level 3). Observable inputs are those that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Sub-Funds. Unobservable inputs reflect the Portfolio Manager's assumptions, made in good faith, about the inputs market participants would use in pricing the asset or liability developed based on the best information available in the circumstances.

The determination of what constitutes "observable" requires significant judgment by the Portfolio Manager. The Portfolio Manager considers observable data to be that market data which is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

The categorisation of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to Sub-Funds' management's perceived risk of that instrument.

Fair value is a market-based measure considered from the perspective of a market participant rather than an entity-specific measure. Therefore, even when market assumptions are not readily available, the Portfolio Manager's own assumptions are set to reflect those that market participants would use in pricing the asset or liability at the measurement date. The Portfolio Manager uses prices and inputs that are current as of the measurement date, including the period of market dislocation. In the period of market dislocation, the observability of prices and inputs may be reduced for many securities. This condition could cause a security to be reclassified to a lower level within the fair value hierarchy.

Valuation Techniques

When fair values of listed equity and debt securities as well as publicly traded derivatives at the reporting date are based on quoted market prices or binding dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs, the instruments are included within Level 1 of the hierarchy. When a Sub-Fund has assets and liabilities with offsetting market risks, it uses mid-market prices as a basis for establishing fair values for the off-setting risk positions and applies the bid or ask price to the net open position as appropriate.

For all other financial instruments, fair value is determined using valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist, options pricing models and other relevant valuation models.

Diadema International Funds

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

7. Fair Value Measurements (continued)

Valuation Techniques (continued)

The Sub-Funds use widely recognised valuation models for determining fair values of over-the-counter derivatives. For these financial instruments, inputs into models are market observable and are therefore included within Level 2.

The fair values of currency exchange contracts (forwards) are calculated by reference to current exchange rates for contracts with similar maturity and risk profiles and are included within Level 2.

The fair values of any investments in any open ended collective investment schemes (CIS) are based on the net asset value calculated by the administrator of the underlying CIS. The net asset value of the underlying CIS is adjusted for any factors that indicate that the net asset value per share, as calculated by the administrator of the underlying CIS, may not be the fair value. Investments in CIS are categorised in Level 2, except for any ETF (Exchange Traded Funds), which may be classified as Level 1.

For the Sub-Fund's assets and liabilities not measured at fair value at 31 December 2018 Cash at Bank and Bank overdraft are classified to level 1 and the remaining Sub-Funds' assets and liabilities are classified to level 2.

The following tables present information about the Sub-Funds' assets and liabilities measured at fair value as at 31 December 2018 (in Euro):

Diadema Capital Plus Fund	Total Investments €	Quoted prices in active markets (Level 1) €	Significant other observable inputs (Level 2) €	Significant unobservable inputs (Level 3) €
	31 Dec 2018	31 Dec 2018	31 Dec 2018	31 Dec 2018
Financial assets at fair value through profit or loss				
- Shares	1,377,550	1,377,550	-	-
- Bonds	2,032,605	-	2,032,605	-
- Investment Fund	1,826,602	-	1,826,602	-
- Exchange Traded Fund	219,060	219,060	-	-
Total	5,455,817	1,596,610	3,859,207	-
Diadema International Equity Selection Fund				
	Total Investments €	Quoted prices in active markets (Level 1) €	Significant other observable inputs (Level 2) €	Significant unobservable inputs (Level 3) €
	31 Dec 2018	31 Dec 2018	31 Dec 2018	31 Dec 2018
Financial assets at fair value through profit or loss				
- Shares	4,536,457	4,536,457	-	-
Total	4,536,457	4,536,457	-	-

Diadema International Funds

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

7. Fair Value Measurements (continued)

Diadema Global Selection Fund		Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Total Investments	€	€	€	€
	31 Dec 2018	31 Dec 2018	31 Dec 2018	31 Dec 2018
Financial assets at fair value through profit or loss				
- Shares	174,765	174,765	-	-
- Bonds	241,324	-	241,324	-
- Exchange Traded Fund	563,608	563,608	-	-
Total	979,697	738,373	241,324	-

There were no significant movements between level 1 and 2 during the year.

As at 31 December 2018, there were no level 3 assets held in Diadema International Equity Selection Fund (31 December 2017: None).

The following tables present information about the Sub-Funds assets and liabilities measured at fair value as at 31 December 2017 (in Euro):

Diadema Capital Plus Fund		Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Total Investments	€	€	€	€
	31 Dec 2017	31 Dec 2017	31 Dec 2017	31 Dec 2017
Financial assets at fair value through profit or loss				
- Investment Fund	6,262,442	-	6,262,442	-
- Exchange Traded Fund	276,584	276,584	-	-
Total	6,539,026	276,584	6,262,442	-

Diadema International Equity Selection Fund		Quoted prices in active markets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Total Investments	€	€	€	€
	31 Dec 2017	31 Dec 2017	31 Dec 2017	31 Dec 2017
Financial assets at fair value through profit or loss				
- Shares	6,198,032	6,198,032	-	-
Total	6,198,032	6,198,032	-	-

Diadema International Funds

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

7. Fair Value Measurements (continued)

Diadema Global Selection Fund	Total Investments €	Quoted prices in active markets (Level 1) €	Significant other observable inputs (Level 2) €	Significant unobservable inputs (Level 3) €
	31 Dec 2017	31 Dec 2017	31 Dec 2017	31 Dec 2017
Financial assets at fair value through profit or loss				
- Shares	73,517	73,517	-	-
- Bonds	355,844	-	355,844	-
- Investment Fund	74,211	-	74,211	-
- Exchange Traded Fund	736,406	736,406	-	-
Total	1,239,978	809,923	430,055	-

8. Foreign Exchange Translation

The exchange rates as at 31 December 2018, which were used to convert assets and liabilities denominated in foreign currencies back to EUR were as follows:

Currency	31 December 2018	31 December 2017
AUD	-	1.535255
CAD	1.561313	1.504543
CHF	1.126917	1.170180
DKK	7.462448	7.445437
HKD	8.950088	9.387044
JPY	125.420757	135.270163
GBP	0.897573	0.887673
NOK	9.898688	-
SEK	10.135027	9.831583
USD	1.143150	1.200800
ZAR	16.444179	14.865986

9. Soft Commissions

The Manager or any of its delegates may effect transactions by or through the agency of another person with whom the Manager or an entity affiliated to the Manager or any of its delegates has arrangements under which that person will, from time to time, provide to or procure for the Manager, its delegates and/or an affiliated party goods, services or other benefits such as research and advisory services, specialised computer hardware or software or research measures and performance measures etc. the nature of which is such that their provision can reasonably be expected to benefit the Sub-Fund and may contribute to an improvement in the performance of the Sub-Fund and of the Manager, or any entity related to the Manager or any of its delegates in providing services to the Sub-Fund and for which no direct payment is made but instead the Manager and any entity related to the Manager or any of its delegates undertakes to place business with that party ("Soft Commission Arrangements").

For the avoidance of doubt, such goods and services do not include travel, accommodation, entertainment, general administrative goods or services, general office equipment or premises, membership fees, employees' salaries or direct money payments. Where the Manager or any of its delegates enters into Soft Commission Arrangements it must ensure that:

- (i) The broker or counterparty to the arrangement has agreed to provide best execution to the Sub-Fund;
- (ii) Benefits provided under the arrangement must be those which assist in the provision of investment services to
- (iii) There is adequate disclosure in the periodic reports issued by the Fund.

Diadema International Funds

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

9. Soft Commissions (continued)

There were no soft commission arrangements affecting any of the Sub-Funds during the year ended 31 December 2018 or during the year ended 31 December 2017.

10. Cash and Cash Equivalents

Cash balances are held by RBC Investor Services Bank S.A. As at 31 December 2018 and 31 December 2017, the following are the cash held at bank and cash held as collateral:

	Diadema Capital Plus Fund		Diadema International Equity Selection Fund	
	31 December 2018	31 December 2017	31 December 2018	31 December 2017
Cash held as collateral	€	€	€	€
Societe Generale	6,993	-	-	-
Cash at bank	27,392	232,679	554,026	235,950
Total	34,385	232,679	554,026	235,950

	Diadema Global Selection Fund	
	31 December 2018	31 December 2017
Cash held as collateral	€	€
Societe Generale	9,928	-
Cash at bank	97,001	132,504
Total	106,929	132,504

11. Net Gains/(Losses) on Financial Assets and Liabilities at Fair Value through Profit or Loss

	Diadema Capital Plus Fund		Diadema International Equity Selection Fund	
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
	€	€	€	€
Net Realised (Losses)/Gains on Sale of Investments	(91,536)	131,527	243,403	1,174,737
Net Currency Gains/(Losses)	2,123	(20,465)	(21,974)	(54,115)
Net Change in Unrealised Losses on Investments	(392,843)	123,774	(334,449)	(343,974)
Net (Losses)/Gains on Financial Assets at Fair Value through Profit or Loss	(482,256)	234,836	(113,020)	776,648
	Diadema Global Selection Fund		Total	Total
	31 Dec 2018	31 Dec 2017	31 Dec 2018	31 Dec 2017
	€	€	€	€
Net Realised Gains on Sale of Investments	6,671	275,430	216,188	1,581,694
Net Currency Gains/(Losses)	7,328	(16,122)	(12,523)	(90,702)
Net Change in Unrealised (Losses)/Gains on Investments	(90,148)	(111,516)	(881,252)	(347,051)
Net (Losses)/Gains on Financial Assets at Fair Value through Profit or Loss	(76,149)	147,792	(677,587)	1,143,941

Diadema International Funds

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

12. Statement of Net Assets

	Diadema Capital Plus Fund		
	31 December 2018	31 December 2017	31 December 2016
	€	€	€
Net Asset	5,462,274	6,723,523	7,240,563
Net Asset Value per Unit:			
Class P	80.540	91.252	92.006

	Diadema International Equity Selection Fund		
	31 December 2018	31 December 2017	31 December 2016
	€	€	€
Net Asset	5,043,683	6,397,538	5,755,962
Net Asset Value per Unit:			
Class R	67.311	72.371	65.983

	Diadema Global Selection Fund		
	31 December 2018	31 December 2017	31 December 2016
	€	€	€
Net Asset	1,056,042	1,369,166	1,749,314
Net Asset Value per Unit:			
Class R	74.479	87.764	86.322

13. Net Assets Value

The net assets value in the financial statements as at 31 December 2017 differs from that included in the published valuations as at 31 December 2017. This is due to the difference in accounting treatment for organisation costs as prescribed by IFRS, and the methodology indicated in the most recent Prospectus. This does not have any effect on the published or dealing Net Asset Values of any of the Sub-Funds.

	Diadema Capital Plus Fund	
	31 December 2018	31 December 2017
	€	€
Total Net Assets for financial statement purposes	5,462,274	6,723,523
Adjustment for unamortised organisation costs	-	-
Total Net Assets for Unitholder dealing/prospectus	5,462,274	6,723,523

	Diadema International Equity Selection Fund	
	31 December 2018	31 December 2017
	€	€
Total Net Assets for financial statement purposes	5,043,683	6,397,538
Adjustment for unamortised organisation costs	-	-
Total Net Assets for Unitholder dealing/prospectus	5,043,683	6,397,538

	Diadema Global Selection Fund	
	31 December 2018	31 December 2017
	€	€
Total Net Assets for financial statement purposes	1,056,042	1,369,166
Adjustment for unamortised organisation costs	-	4,632
Total Net Assets for Unitholder dealing/prospectus	1,056,042	1,373,798

Diadema International Funds

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

14. Securities Lending

The Sub-Funds detailed below provide securities on loan to third parties in exchange for a collateral payment. The gross income amount of securities lending for the year ended 31 December 2018 is €1,275 (31 December 2017: €3,919) and the net amount of securities lending income is €763 (31 December 2017: €2,351). Direct costs amounted to €510 (31 December 2017: €1,568). The Manager administers the security lending scheme on behalf of the participating Sub-Funds, and receives a fee to cover expenses and time incurred in the process. For 2018 the Manager was paid a fee of €418 (31 December 2017: €846). The below tables contain the Aggregate Collateral Value of securities on loan with Barclays Capital Securities Ltd, BNP Paribas Securities Services SC, CIBC World Markets Inc., Commerzbank Aktiengesellschaft, Credit Suisse AG Dublin Branch, Deutsche Bank AG, HSBC Bank Plc, Merrill Lynch International, National Bank Financial Inc, Natixis, Nomura International Plc, RBC Dominion Securities Inc, TD Securities Inc, The Bank Of Nova Scotia and Unicredit Bank AG as at 31 December 2018:

Diadema Capital Plus Fund

	31 December 2018
	€
Barclays Capital Securities Ltd	11,553
BNP Paribas Securities Services SC	9,238
CIBC World Markets Inc.	19,500
Commerzbank Aktiengesellschaft	2,484
HSBC Bank Plc	119,259
National Bank Financial Inc	12,192
Natixis	28,682
Nomura International Plc	9,583
RBC Dominion Securities Inc	11,299
TD Securities Inc	13,118
Unicredit Bank AG	25,710
Aggregate Value of Collateral	262,618

Diadema International Equity Selection Fund

	31 December 2018
	€
CIBC World Markets Inc.	21,980
Credit Suisse Ag Dublin Branch	78,953
Deutsche Bank AG	38,698
Merrill Lynch International	51,183
RBC Dominion Securities Inc	221,934
TD Securities Inc	48,566
The Bank of Nova Scotia	22,436
Aggregate Value of Collateral	483,750

Diadema Global Selection Fund

	31 December 2018
	€
CIBC World Markets Inc.	6,456
Commerzbank Aktiengesellschaft	2,899
Natixis	2,552
Unicredit Bank AG	3,424
Aggregate Value of Collateral	15,331

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2018 (continued)

15. Cross Portfolio Investment

When a Sub-Fund holds an investment in another Sub-Fund within the Fund, this must be eliminated from the combined Fund totals. This does not affect the Net Asset Value per unit of any of the individual Sub-Funds. As at 31 December 2018 Diadema Capital Plus Fund, had invested Nil% (31 December 2017: 2.71%) of its net assets in Diadema International Equity Selection Fund. The aggregate fair value as at 31 December 2018 of these cross investments was €nil (31 December 2017: €181,910).

In the event that a Sub-Fund cross invests in Units of another Sub-Fund of the Fund (i) no subscription fee shall be charged to the investing Sub-Fund and (ii) the investing Sub-Fund may not charge an annual management fee in respect of that portion of its assets invested in other Sub-Funds within the Fund. The table below outlines the realised and unrealised amounts relating to these cross investments as at 31 December 2018:

Diadema Capital Plus Fund:	
Realised Loss	€(57,650)
Unrealised Gain	€63,812

16. Significant Events During the Year

On 5 September 2018 the IOP for a new fund, the Diadema Global Opportunities fund was opened. An amount of €1,303,926 were received during this IOP and held in a collection account in the name of Diadema International Funds. For legal reasons the planned launch of the fund was postponed and the funds continue to be held in this collection account.

17. Events after the Year End

There were no significant events after the financial year end.

18. Material Changes to the Prospectus

There were no changes to the Prospectus during the financial year.

19. Management Fees incurred on Investments

Diadema Capital Plus Fund	Management fee
Ellipsis Asset Management - Ellipsis European Convertibles Fund	1.00%
FISCH CB - Global Opportunistic Fund	0.50%
H2O AM - H2O Adagio	0.45%
Jupiter JGF - Global Convertibles	0.75%
Lazard Convertible Global	0.87%
Oddo Meriten Asset Management - Oddo Avenir Europe	1.00%

20. Approval of Financial Statements

The financial statements were approved and authorised for issue, by the Manager on 23 April 2019.

Diadema International Funds

DIADEMA CAPITAL PLUS FUND SCHEDULE OF INVESTMENTS as at 31 December 2018

(expressed in EUR) Description	Quantity/ Face value	Currency	Acquisition cost	Fair Value	% net assets
1) INVESTMENTS					
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
1) LISTED SECURITIES : SHARES					
CAYMAN ISLANDS					
Geely Automobile Holdings Ltd	5,000	HKD	8,613	7,709	0.14
			<u>8,613</u>	<u>7,709</u>	<u>0.14</u>
CHINA					
Air China Ltd	10,000	HKD	8,551	7,620	0.14
CRRC Corp Ltd	10,000	HKD	8,186	8,536	0.16
Jiangxi Copper Co Ltd	10,000	HKD	10,670	10,290	0.19
			<u>27,407</u>	<u>26,446</u>	<u>0.49</u>
FINLAND					
Nokia OYJ	3,000	EUR	14,637	15,090	0.28
			<u>14,637</u>	<u>15,090</u>	<u>0.28</u>
FRANCE					
Air Liquide SA	200	EUR	21,483	21,690	0.40
AXA SA	650	EUR	15,209	12,258	0.22
Carrefour SA	1,500	EUR	25,280	22,365	0.41
Credit Agricole SA	2,000	EUR	25,329	18,860	0.35
Electricite de France SA	1,500	EUR	23,055	20,700	0.38
Eutelsat Communications SA	2,000	EUR	41,782	34,411	0.63
Kering SA	50	EUR	20,183	20,580	0.38
Safran SA	200	EUR	23,670	21,080	0.39
Teleperformance	150	EUR	23,079	20,940	0.38
Thales SA	200	EUR	24,062	20,400	0.37
			<u>243,132</u>	<u>213,284</u>	<u>3.91</u>
GERMANY					
Bayer AG	200	EUR	15,636	12,112	0.22
Deutsche Lufthansa AG	700	EUR	13,746	13,790	0.25
Deutsche Telekom AG	500	EUR	7,250	7,410	0.14
Infineon Technologies AG	1,000	EUR	18,142	17,365	0.32
Volkswagen AG	200	EUR	30,005	27,820	0.51
Wirecard AG	150	EUR	26,586	19,920	0.36
Zalando SE	500	EUR	16,852	11,220	0.21
			<u>128,217</u>	<u>109,637</u>	<u>2.01</u>

Diadema International Funds

DIADEMA CAPITAL PLUS FUND SCHEDULE OF INVESTMENTS as at 31 December 2018 (continued)

(expressed in EUR) Description	Quantity/ Face value	Currency	Acquisition cost	Fair Value	% net assets
1) INVESTMENTS (continued)					
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING (continued)					
1) LISTED SECURITIES : SHARES (continued)					
GREAT BRITAIN					
Carnival PLC	600	GBP	31,576	25,154	0.46
Man Group PLC	8,000	GBP	16,925	11,854	0.22
Micro Focus International PLC	1,000	GBP	15,872	15,408	0.28
			64,373	52,416	0.96
ITALY					
Banco BPM SpA	14,000	EUR	29,250	27,553	0.50
BPER Banca	8,000	EUR	28,642	26,912	0.49
Leonardo SpA	3,000	EUR	30,770	23,034	0.42
Mediaset SpA	5,000	EUR	13,999	13,720	0.25
Mediobanca Banca di Credito Finanziario SpA	1,600	EUR	14,660	11,802	0.22
Prysmian SpA	1,000	EUR	15,896	16,870	0.31
Saipem SpA	7,500	EUR	37,457	24,487	0.45
Societa Cattolica di Assicurazioni SC	4,000	EUR	29,593	28,420	0.52
Telecom Italia SpA/Milano	40,000	EUR	21,441	19,332	0.35
UniCredit SpA	1,000	EUR	14,239	9,894	0.18
Unione di Banche Italiane SpA	4,000	EUR	15,036	10,132	0.19
UnipolSai Assicurazioni SpA	7,000	EUR	14,720	13,836	0.25
			265,703	225,992	4.13
JERSEY					
Ferguson PLC	300	GBP	20,150	16,769	0.31
			20,150	16,769	0.31
NETHERLANDS					
Airbus SE	150	EUR	16,153	12,594	0.23
Fiat Chrysler Automobiles NV	1,000	EUR	14,333	12,682	0.23
Koninklijke KPN NV	10,000	EUR	25,940	25,600	0.47
Koninklijke Philips NV	400	EUR	15,664	12,372	0.23
STMicroelectronics NV	900	EUR	14,917	11,236	0.21
			87,007	74,484	1.37
NORWAY					
Yara International ASA	400	NOK	16,979	13,477	0.25
			16,979	13,477	0.25

Diadema International Funds

DIADEMA CAPITAL PLUS FUND SCHEDULE OF INVESTMENTS as at 31 December 2018 (continued)

(expressed in EUR) Description	Quantity/ Face value	Currency	Acquisition cost	Fair Value	% net assets
1) INVESTMENTS (continued)					
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING (continued)					
1) LISTED SECURITIES : SHARES (continued)					
SPAIN					
CaixaBank SA	5,000	EUR	19,739	15,820	0.29
			<u>19,739</u>	<u>15,820</u>	<u>0.29</u>
SWEDEN					
Telefonaktiebolaget LM Ericsson	3,000	SEK	23,199	23,065	0.42
			<u>23,199</u>	<u>23,065</u>	<u>0.42</u>
SWITZERLAND					
Lonza Group AG	50	CHF	13,951	11,301	0.21
Schindler Holding AG	70	CHF	14,409	11,839	0.22
			<u>28,360</u>	<u>23,140</u>	<u>0.43</u>
TAIWAN					
Taiwan Semiconductor Manufacturing Co Ltd	400	USD	15,095	12,915	0.24
			<u>15,095</u>	<u>12,915</u>	<u>0.24</u>
UNITED STATES OF AMERICA					
Abbott Laboratories	400	USD	24,259	25,309	0.46
Advance Auto Parts Inc	200	USD	28,756	27,548	0.50
Alexion Pharmaceuticals Inc	200	USD	23,005	17,034	0.31
American Airlines Group Inc	400	USD	13,531	11,236	0.21
American Express Co	100	USD	9,498	8,338	0.15
Anthem Inc	100	USD	23,256	22,974	0.42
Apple Inc	140	USD	26,237	19,318	0.35
Automatic Data Processing Inc	120	USD	15,346	13,764	0.25
Centene Corp	200	USD	24,658	20,172	0.37
Citrix Systems Inc	100	USD	9,510	8,963	0.16
Comcast Corp	800	USD	26,440	23,829	0.44
Corning Inc	1,000	USD	29,849	26,427	0.48
Costco Wholesale Corp	70	USD	14,024	12,474	0.23
CVS Health Corp	220	USD	14,864	12,609	0.23
F5 Networks Inc	90	USD	14,931	12,757	0.23
Facebook Inc	100	USD	12,543	11,467	0.21
First Data Corp	800	USD	17,231	11,834	0.22
Fluor Corp	300	USD	15,147	8,450	0.15
Intuitive Surgical Inc	30	USD	14,379	12,568	0.23
Lowe's Cos Inc	150	USD	14,960	12,119	0.22

Diadema International Funds

DIADEMA CAPITAL PLUS FUND SCHEDULE OF INVESTMENTS as at 31 December 2018 (continued)

(expressed in EUR) Description	Quantity/ Face value	Currency	Acquisition cost	Fair Value	% net assets
1) INVESTMENTS (continued)					
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING (continued)					
1) LISTED SECURITIES : SHARES (continued)					
UNITED STATES OF AMERICA (continued)					
Mastercard Inc	80	USD	15,109	13,202	0.24
Merck & Co Inc	200	USD	12,857	13,368	0.24
Microsoft Corp	144	USD	14,345	12,795	0.23
NIKE Inc	210	USD	15,302	13,620	0.25
O'Reilly Automotive Inc	100	USD	29,555	30,121	0.56
Philip Morris International Inc	400	USD	30,413	23,360	0.43
QUALCOMM Inc	397	USD	23,060	19,764	0.36
salesforce.com Inc	110	USD	14,655	13,180	0.24
TJX Cos Inc/The	320	USD	14,999	12,525	0.23
Union Pacific Corp	110	USD	15,458	13,301	0.24
Vertex Pharmaceuticals Inc	200	USD	32,235	28,992	0.53
Visa Inc	100	USD	13,055	11,542	0.21
Whirlpool Corp	100	USD	10,798	9,349	0.17
Woodward Inc	200	USD	14,602	12,997	0.24
			<u>628,867</u>	<u>547,306</u>	<u>9.99</u>
TOTAL LISTED SECURITIES : SHARES			<u>1,591,478</u>	<u>1,377,550</u>	<u>25.22</u>
2) LISTED SECURITIES : BONDS					
INDONESIA					
Indonesia Government International Bond 1.75% 24/04/2025	100,000	EUR	98,619	97,313	1.78
			<u>98,619</u>	<u>97,313</u>	<u>1.78</u>
ITALY					
Intesa Sanpaolo Vita SpA 4.75% 31/12/2099	100,000	EUR	102,550	94,488	1.73
Italy Buoni Poliennali Del Tesoro 2.55% 15/09/2041	100,000	EUR	123,052	120,382	2.20
Servizi Assicurativi del Commercio Estero SpA 3.875% 31/12/2099	200,000	EUR	191,055	178,902	3.28
Societa Cattolica di Assicurazioni SC 4.25% 14/12/2047	200,000	EUR	173,625	174,600	3.20
Vittoria Assicurazioni SpA 5.75% 11/07/2028	200,000	EUR	204,750	202,446	3.71
			<u>795,032</u>	<u>770,818</u>	<u>14.12</u>
JAPAN					
SoftBank Group Corp 4% 19/09/2029	100,000	EUR	90,730	87,813	1.61
			<u>90,730</u>	<u>87,813</u>	<u>1.61</u>

Diadema International Funds

DIADEMA CAPITAL PLUS FUND SCHEDULE OF INVESTMENTS as at 31 December 2018 (continued)

(expressed in EUR) Description	Quantity/ Face value	Currency	Acquisition cost	Fair Value	% net assets
1) INVESTMENTS (continued)					
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING (continued)					
2) LISTED SECURITIES : BONDS (continued)					
NETHERLANDS					
Achmea BV 4.25% EMTN 31/12/2099	100,000	EUR	100,124	97,627	1.79
Telefonica Europe BV 3.875% 31/12/2099	100,000	EUR	92,864	90,802	1.66
Volkswagen International Finance NV 3.875% 31/12/2099	200,000	EUR	190,095	180,436	3.30
			<u>383,083</u>	<u>368,865</u>	<u>6.75</u>
SOUTH AFRICA					
Republic of South Africa Government International Bond 3.75% 24/07/2026	100,000	EUR	105,243	103,777	1.90
			<u>105,243</u>	<u>103,777</u>	<u>1.90</u>
SPAIN					
Spain Government Inflation Linked Bond 0.7% 30/11/2033	100,000	EUR	103,628	102,553	1.88
Spain Government Inflation Linked Bond 1.8% 30/11/2024	253,000	EUR	303,467	297,960	5.45
			<u>407,095</u>	<u>400,513</u>	<u>7.33</u>
TOTAL LISTED SECURITIES : BONDS			<u>1,879,802</u>	<u>1,829,099</u>	<u>33.49</u>
3) LISTED SECURITIES : INVESTMENT FUNDS					
IRELAND					
iShares J.P. Morgan USD EM Bond UCITS ETF	1,125	EUR	100,711	101,948	1.87
SPDR Thomson Reuters Global Convertible Bond UCITS ETF	4,000	EUR	120,696	117,112	2.14
			<u>221,407</u>	<u>219,060</u>	<u>4.01</u>
TOTAL LISTED SECURITIES : INVESTMENT FUNDS			<u>221,407</u>	<u>219,060</u>	<u>4.01</u>
TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			<u>3,692,687</u>	<u>3,425,709</u>	<u>62.72</u>

Diadema International Funds

DIADEMA CAPITAL PLUS FUND SCHEDULE OF INVESTMENTS as at 31 December 2018 (continued)

(expressed in EUR) Description	Quantity/ Face value	Currency	Acquisition cost	Fair Value	% net assets
1) INVESTMENTS (continued)					
B) OTHER TRANSFERABLE SECURITIES DEALT ON AN OTHER REGULATED MARKET					
1) OTHER ORGANISED MARKET : BONDS					
ITALY					
Assicurazioni Generali SpA 5% 08/06/2048 EMTN	200,000	EUR	202,550	203,506	3.73
TOTAL OTHER ORGANISED MARKET : BONDS			202,550	203,506	3.73
TOTAL OTHER TRANSFERABLE SECURITIES DEALT ON AN OTHER REGULATED MARKET			202,550	203,506	3.73
C) OTHER TRANSFERABLE SECURITIES					
1) OTHER TRANSFERABLE SECURITIES : INVESTMENT FUNDS					
FRANCE					
Ellipsis Asset Management - Ellipsis European Convertibles Fund	23	EUR	305,473	284,763	5.21
H2O AM - H2O Adagio	1,810	EUR	190,750	194,063	3.55
Lazard Convertible Global	325	EUR	485,442	493,350	9.03
Oddo Meriten Asset Management - Oddo Avenir Europe	194	EUR	365,746	350,512	6.42
			1,347,411	1,322,688	24.21
LUXEMBOURG					
FISCH CB - Global Opportunistic Fund	110	EUR	137,250	132,844	2.43
Jupiter JGF - Global Convertibles	28,500	EUR	388,355	371,070	6.79
			525,605	503,914	9.22
TOTAL OTHER TRANSFERABLE SECURITIES : INVESTMENT FUNDS			1,873,016	1,826,602	33.43
TOTAL OTHER TRANSFERABLE SECURITIES			1,873,016	1,826,602	33.43
TOTAL FAIR VALUE OF INVESTMENTS			5,768,253	5,455,817	99.88
CASH AND OTHER ASSETS				6,457	0.12
TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS				5,462,274	100.00

Diadema International Funds

DIADEMA CAPITAL PLUS FUND GEOGRAPHIC DIVISION OF INVESTMENTS as at 31 December 2018

	% of net assets 2018	% of net assets 2017
France	28.12	28.81
Italy	21.98	0.97
United States of America	9.99	-
Luxembourg	9.22	51.67
Netherlands	8.12	-
Spain	7.62	-
Ireland	4.01	11.27
Germany	2.01	-
South Africa	1.90	-
Indonesia	1.78	-
Japan	1.61	-
Great Britain	0.96	4.54
China	0.49	-
Switzerland	0.43	-
Sweden	0.42	-
Jersey	0.31	-
Finland	0.28	-
Norway	0.25	-
Taiwan	0.24	-
Cayman Islands	0.14	-
	99.88	97.26
CASH AND OTHER ASSETS	0.12	2.74
TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	100.00	100.00

Diadema International Funds

DIADEMA CAPITAL PLUS FUND ECONOMIC DIVISION OF INVESTMENTS as at 31 December 2018

	% of net assets 2018	% of net assets 2017
Investment Funds	37.44	97.26
Insurance	16.64	-
States, Provinces and Municipalities	13.21	-
Holding and Finance Companies	6.64	-
News Transmission	5.10	-
Internet Software	3.79	-
Banks and Financial Institutions	2.61	-
Retail	1.97	-
Aerospace Technology	1.41	-
Pharmaceuticals and Cosmetics	1.16	-
Electronic Semiconductor	1.00	-
Automobile Industry	0.90	-
Biotechnology	0.84	-
Transportation	0.84	-
Chemicals	0.83	-
Healthcare Education and Social Services	0.79	-
Construction Building Material	0.46	-
Leisure	0.46	-
Textile	0.46	-
Petrol	0.45	-
Graphic Art and Publishing	0.44	-
Tobacco and Spirits	0.43	-
Public Services	0.38	-
Office Equipment Computers	0.35	-
Agriculture and Fishing	0.25	-
Electronics and Electrical Equipment	0.24	-
Mechanics Machinery	0.22	-
Other Services	0.21	-
Non-Ferrous Metals	0.19	-
Consumer Goods	0.17	-
	99.88	97.26
CASH AND OTHER ASSETS	0.12	2.74
TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	100.00	100.00

Diadema International Funds

DIADEMA INTERNATIONAL EQUITY SELECTION FUND SCHEDULE OF INVESTMENTS as at 31 December 2018

(expressed in EUR) Description	Quantity/ Face value	Currency	Acquisition cost	Fair Value	% net assets
1) INVESTMENTS					
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
1) LISTED SECURITIES : SHARES					
CANADA					
Constellation Software Inc	170	CAD	110,342	95,148	1.89
			<u>110,342</u>	<u>95,148</u>	<u>1.89</u>
CAYMAN ISLANDS					
China Mengniu Dairy Co Ltd	30,000	HKD	85,268	81,787	1.62
Geely Automobile Holdings Ltd	70,000	HKD	126,826	107,932	2.14
			<u>212,094</u>	<u>189,719</u>	<u>3.76</u>
CHINA					
Ping An Insurance Group Co of China Ltd	19,000	HKD	167,280	146,797	2.91
			<u>167,280</u>	<u>146,797</u>	<u>2.91</u>
DENMARK					
Novo Nordisk A/S	4,300	DKK	176,145	171,655	3.40
			<u>176,145</u>	<u>171,655</u>	<u>3.40</u>
GERMANY					
Fielmann AG	1,000	EUR	57,560	54,000	1.07
			<u>57,560</u>	<u>54,000</u>	<u>1.07</u>
GREAT BRITAIN					
Rightmove PLC	11,000	GBP	55,287	52,973	1.05
			<u>55,287</u>	<u>52,973</u>	<u>1.05</u>
IRELAND					
Accenture PLC	1,200	USD	175,821	148,023	2.93
			<u>175,821</u>	<u>148,023</u>	<u>2.93</u>
JAPAN					
Keyence Corp	300	JPY	146,687	133,184	2.64
Otsuka Holdings Co Ltd	2,400	JPY	101,814	85,976	1.70
Shiseido Co Ltd	1,700	JPY	98,632	93,417	1.86
			<u>347,133</u>	<u>312,577</u>	<u>6.20</u>

Diadema International Funds

DIADEMA INTERNATIONAL EQUITY SELECTION FUND SCHEDULE OF INVESTMENTS as at 31 December 2018 (continued)

(expressed in EUR) Description	Quantity/ Face value	Currency	Acquisition cost	Fair Value	% net assets
1) INVESTMENTS (continued)					
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING (continued)					
1) LISTED SECURITIES : SHARES (continued)					
NETHERLANDS					
Fiat Chrysler Automobiles NV	9,000	EUR	140,751	114,138	2.26
InterXion Holding NV	1,000	USD	55,286	47,378	0.94
Unilever NV	3,600	EUR	171,609	170,712	3.38
			<u>367,646</u>	<u>332,228</u>	<u>6.58</u>
NORWAY					
Telenor ASA	10,000	NOK	170,530	169,214	3.35
			<u>170,530</u>	<u>169,214</u>	<u>3.35</u>
SPAIN					
Banco Santander SA	29,000	EUR	124,982	115,217	2.28
			<u>124,982</u>	<u>115,217</u>	<u>2.28</u>
UNITED STATES OF AMERICA					
AAON Inc	1,500	USD	51,021	46,004	0.91
Amphenol Corp	1,300	USD	102,719	92,137	1.83
Casey's General Stores Inc	55	USD	6,201	6,165	0.12
CenterPoint Energy Inc	4,000	USD	98,700	98,780	1.96
Chemed Corp	200	USD	56,160	49,561	0.98
Cintas Corp	600	USD	100,858	88,172	1.75
Costco Wholesale Corp	800	USD	162,150	142,560	2.83
Cummins Inc	900	USD	123,427	105,215	2.09
Hershey Co/The	1,800	USD	170,944	168,765	3.35
International Flavors & Fragrances Inc	800	USD	102,074	93,965	1.86
Intuit Inc	900	USD	178,455	154,981	3.07
JPMorgan Chase & Co	1,500	USD	148,976	128,093	2.56
Kroger Co/The	6,500	USD	168,174	156,366	3.10
Mastercard Inc	900	USD	163,923	148,524	2.94
McCormick & Co Inc	1,300	USD	171,945	158,345	3.14
Monolithic Power Systems Inc	500	USD	59,454	50,846	1.01
NextEra Energy Inc	1,000	USD	158,313	152,054	3.01
O'Reilly Automotive Inc	600	USD	175,194	180,727	3.58
Penumbra Inc	450	USD	54,200	48,104	0.95
Public Service Enterprise Group Inc	3,700	USD	173,471	168,469	3.35
Sherwin-Williams Co/The	450	USD	170,545	154,885	3.07
Ulta Beauty Inc	400	USD	99,499	85,672	1.70
Verisk Analytics Inc	900	USD	97,648	85,847	1.70
Visa Inc	1,600	USD	181,040	184,669	3.66
			<u>2,975,091</u>	<u>2,748,906</u>	<u>54.52</u>
TOTAL LISTED SECURITIES : SHARES			<u>4,939,911</u>	<u>4,536,457</u>	<u>89.94</u>

Diadema International Funds

DIADEMA INTERNATIONAL EQUITY SELECTION FUND SCHEDULE OF INVESTMENTS as at 31 December 2018 (continued)

(expressed in EUR) Description	Quantity/ Face value	Currency	Acquisition cost	Fair Value	% net assets
TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			4,939,911	4,536,457	89.94
TOTAL FAIR VALUE OF INVESTMENTS			4,939,911	4,536,457	89.94
CASH AND OTHER ASSETS				507,226	10.06
TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS				5,043,683	100.00

Diadema International Funds

DIADEMA INTERNATIONAL EQUITY SELECTION FUND GEOGRAPHIC DIVISION OF INVESTMENTS as at 31 December 2018

	% of net assets 2018	% of net assets 2017
United States of America	54.52	34.45
Netherlands	6.58	3.40
Japan	6.20	1.21
Cayman Islands	3.76	-
Denmark	3.40	-
Norway	3.35	-
Ireland	2.93	-
China	2.91	2.36
Spain	2.28	-
Canada	1.89	13.80
Germany	1.07	6.81
Great Britain	1.05	15.48
France	-	6.65
Taiwan	-	3.35
Finland	-	3.29
Singapore	-	3.18
Belgium	-	2.90
	89.94	96.88
CASH AND OTHER ASSETS	10.06	3.12
TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	100.00	100.00

Diadema International Funds

DIADEMA INTERNATIONAL EQUITY SELECTION FUND ECONOMIC DIVISION OF INVESTMENTS as at 31 December 2018

	% of net assets 2018	% of net assets 2017
Pharmaceuticals and Cosmetics	9.77	1.94
Public Services	8.32	1.07
Food and Distilleries	8.11	3.27
Banks and Financial Institutions	7.78	-
Internet Software	7.71	23.45
Holding and Finance Companies	7.42	4.25
Retail	7.12	3.41
Other Services	6.59	-
Electronic Semiconductor	5.48	9.84
News Transmission	4.29	-
Consumer Goods	3.38	-
Construction Building Material	3.07	1.21
Insurance	2.91	3.29
Automobile Industry	2.26	3.41
Mechanics Machinery	2.09	4.44
Textile	1.75	-
Chemicals	0.98	-
Electronics and Electrical Equipment	0.91	3.19
Petrol	-	12.09
Tobacco and Spirits	-	5.99
Office Equipment Computers	-	5.33
Non-Ferrous Metals	-	2.64
Mines Heavy Industries	-	2.36
Environmental Services and Recycling	-	2.03
Real Estate Companies	-	1.93
Biotechnology	-	1.74
	89.94	96.88
CASH AND OTHER ASSETS	10.06	3.12
TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	100.00	100.00

Diadema International Funds

DIADEMA GLOBAL SELECTION FUND SCHEDULE OF INVESTMENTS as at 31 December 2018

(expressed in EUR) Description	Quantity/ Face value	Currency	Acquisition cost	Fair Value	% net assets
1) INVESTMENTS					
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING					
1) LISTED SECURITIES : SHARES					
FRANCE					
Credit Agricole SA	250	EUR	3,061	2,352	0.22
Safran SA	50	EUR	5,699	5,155	0.49
Thales SA	70	EUR	8,217	7,056	0.67
			16,977	14,563	1.38
GERMANY					
Bayer AG	100	EUR	7,818	6,056	0.57
Deutsche Lufthansa AG	200	EUR	3,927	3,940	0.37
Fresenius Medical Care AG & Co KGaA	338	EUR	25,950	19,143	1.81
Volkswagen AG	50	EUR	7,554	6,955	0.66
Wirecard AG	30	EUR	5,308	3,984	0.38
Zalando SE	100	EUR	3,370	2,244	0.21
			53,927	42,322	4.00
GREAT BRITAIN					
Carnival PLC	200	GBP	9,623	8,338	0.79
Micro Focus International PLC	400	GBP	6,348	6,004	0.57
			15,971	14,342	1.36
ITALY					
Banco BPM SpA	6,000	EUR	12,536	11,808	1.12
BPER Banca	4,000	EUR	14,321	13,455	1.27
Leonardo SpA	500	EUR	4,996	3,839	0.36
Mediaset SpA	2,000	EUR	5,600	5,488	0.52
Saipem SpA	1,000	EUR	5,163	3,265	0.31
Societa Cattolica di Assicurazioni SC	500	EUR	3,778	3,553	0.34
			46,394	41,408	3.92
NETHERLANDS					
Airbus SE	30	EUR	3,231	2,513	0.24
Koninklijke KPN NV	5,000	EUR	12,970	12,620	1.20
			16,201	15,133	1.44
NORWAY					
Yara International ASA	100	NOK	4,245	3,339	0.32
			4,245	3,339	0.32

Diadema International Funds

DIADEMA GLOBAL SELECTION FUND SCHEDULE OF INVESTMENTS as at 31 December 2018 (continued)

(expressed in EUR) Description	Quantity/ Face value	Currency	Acquisition cost	Fair Value	% net assets
1) INVESTMENTS (continued)					
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING (continued)					
1) LISTED SECURITIES : SHARES (continued)					
SWEDEN					
Telefonaktiebolaget LM Ericsson	500	SEK	3,848	3,793	0.36
			<u>3,848</u>	<u>3,793</u>	<u>0.36</u>
UNITED STATES (U.S.A.)					
Abbott Laboratories	100	USD	5,972	6,217	0.59
Amazon.com Inc	10	USD	6,713	12,925	1.22
American Airlines Group Inc	100	USD	3,383	2,784	0.26
Apple Inc	40	USD	7,562	5,465	0.52
Merck & Co Inc	100	USD	6,429	6,591	0.62
Philip Morris International Inc	100	USD	7,323	5,883	0.56
			<u>37,382</u>	<u>39,865</u>	<u>3.77</u>
TOTAL LISTED SECURITIES : SHARES			<u>194,945</u>	<u>174,765</u>	<u>16.55</u>
2) LISTED SECURITIES : BONDS					
ITALY					
Italy Buoni Poliennali Del Tesoro 0.95% 15/03/2023	75,000	EUR	75,027	73,194	6.93
Italy Buoni Poliennali Del Tesoro 1.2% 01/04/2022	25,000	EUR	25,578	24,993	2.37
Italy Buoni Poliennali Del Tesoro 1.25% 01/12/2026	42,000	EUR	38,876	38,839	3.68
			<u>139,481</u>	<u>137,026</u>	<u>12.98</u>
PORTUGAL					
Portugal Obrigacoes do Tesouro OT 4.95% 25/10/2023	35,000	EUR	42,898	42,485	4.02
			<u>42,898</u>	<u>42,485</u>	<u>4.02</u>
SPAIN					
Spain Government Bond 2.15% 31/10/2025	57,000	EUR	61,864	61,813	5.85
			<u>61,864</u>	<u>61,813</u>	<u>5.85</u>
TOTAL LISTED SECURITIES : BONDS			<u>244,243</u>	<u>241,324</u>	<u>22.85</u>

Diadema International Funds

DIADEMA GLOBAL SELECTION FUND SCHEDULE OF INVESTMENTS as at 31 December 2018 (continued)

(expressed in EUR) Description	Quantity/ Face value	Currency	Acquisition cost	Fair Value	% net assets
1) INVESTMENTS (continued)					
A) TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING (continued)					
3) LISTED SECURITIES : INVESTMENT FUNDS					
FRANCE					
Amundi ETF Euro Stoxx Small Cap UCITS ETF	500	EUR	22,685	19,950	1.89
			<u>22,685</u>	<u>19,950</u>	<u>1.89</u>
IRELAND					
iShares Edge MSCI EM Minimum Volatility UCITS ETF	2,000	USD	47,576	49,508	4.69
iShares Edge MSCI Europe Minimum Volatility UCITS ETF	2,000	EUR	80,878	78,620	7.44
iShares Edge MSCI Europe Value Factor UCITS ETF	2,500	EUR	15,040	12,825	1.21
iShares Edge MSCI USA Value Factor UCITS ETF	15,000	USD	76,244	76,250	7.22
UBS Irl ETF Plc - Factor MSCI USA Prime Value UCITS ETF	4,500	EUR	73,263	75,519	7.15
			<u>293,001</u>	<u>292,722</u>	<u>27.71</u>
LUXEMBOURG					
Amundi Europe Equity Multi Smart Allocation Scientific Beta Allocation Scientifi	1,437	EUR	54,392	49,664	4.70
Amundi S&P 500 Buyback UCITS ETF	250	USD	33,133	31,370	2.97
BNP PARIBAS EASY Equity Quality Europe UCITS ETF	300	EUR	36,008	30,894	2.93
BNP PARIBAS EASY Equity Value Europe UCITS ETF	280	EUR	36,607	31,455	2.98
OSSIAM SHILLER BARCLAYS CAPE US SECTOR VALUE TR	150	USD	75,981	78,241	7.41
UBS ETF-Factor MSCI EMU Prime Value UCITS ETF	2,148	EUR	36,600	29,312	2.78
			<u>272,721</u>	<u>250,936</u>	<u>23.77</u>
TOTAL LISTED SECURITIES : INVESTMENT FUNDS			<u>588,407</u>	<u>563,608</u>	<u>53.37</u>
TOTAL TRANSFERABLE SECURITIES ADMITTED TO AN OFFICIAL STOCK EXCHANGE LISTING			<u>1,027,595</u>	<u>979,697</u>	<u>92.77</u>
TOTAL FAIR VALUE OF INVESTMENTS			<u>1,027,595</u>	<u>979,697</u>	<u>92.77</u>
CASH AND OTHER ASSETS				<u>76,345</u>	<u>7.23</u>
TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS				<u>1,056,042</u>	<u>100.00</u>

Diadema International Funds

DIADEMA GLOBAL SELECTION FUND GEOGRAPHIC DIVISION OF INVESTMENTS as at 31 December 2018

	% of net assets 2018	% of net assets 2017
Ireland	27.71	24.42
Luxembourg	23.77	13.34
Italy	16.90	25.98
Spain	5.85	-
Portugal	4.02	-
Germany	4.00	6.76
United States of America	3.77	6.11
France	3.27	13.95
Netherlands	1.44	-
Great Britain	1.36	-
Sweden	0.36	-
Norway	0.32	-
	92.77	90.56
CASH AND OTHER ASSETS	7.23	9.44
TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	100.00	100.00

Diadema International Funds

DIADEMA GLOBAL SELECTION FUND ECONOMIC DIVISION OF INVESTMENTS as at 31 December 2018

	% of net assets 2018	% of net assets 2017
Investment Funds	53.37	59.21
States, Provinces and Municipalities	22.85	25.98
Pharmaceuticals and Cosmetics	3.02	2.18
Banks and Financial Institutions	2.61	-
News Transmission	2.08	-
Aerospace Technology	1.76	-
Retail	1.22	3.19
Internet Software	0.95	-
Leisure	0.79	-
Automobile Industry	0.66	-
Transportation	0.63	-
Chemicals	0.57	-
Tobacco and Spirits	0.56	-
Office Equipment Computers	0.52	-
Insurance	0.34	-
Agriculture and Fishing	0.32	-
Petrol	0.31	-
Textile	0.21	-
	92.77	90.56
CASH AND OTHER ASSETS	7.23	9.44
TOTAL NET ASSETS ATTRIBUTABLE TO UNITHOLDERS	100.00	100.00

Diadema International Funds

DIADEMA CAPITAL PLUS FUND

UNAUDITED PRINCIPAL PORTFOLIO CHANGES for the year ended 31 December 2018

PURCHASES			% of TOTAL
SECURITY NAME	QUANTITY	COST €	PURCHASES
Lyxor EuroMTS 1-3Y Investment Grade DR UCITS ETF	3,950	492,327	6.78
Lyxor EuroMTS Highest Rated Macro-Weighted Govt Bond DR UCITS ETF	3,350	479,286	6.60
Amundi Govt Bond Highest Rated Euromts Investment Grade UCITS ETF	1,535	353,468	4.87
Spain Government Bond 4.4% 31/10/2023	273,000	338,160	4.66
Spain Government Bond 2.15% 31/10/2025	279,000	308,362	4.24
Spain Government Inflation Linked Bond 1.8% 30/11/2024	253,000	306,865	4.22
Portugal Obrigacoes do Tesouro OT 4.95% 25/10/2023	195,000	246,395	3.39
Vittoria Assicurazioni SpA 5.75% 11/07/2028	200,000	207,696	2.86
Assicurazioni Generali SpA 5% 08/06/2048 EMTN	200,000	206,084	2.84
Parvest Enhanced Cash 6 Months	1,800	202,734	2.79
Portugal Obrigacoes do Tesouro OT 2.875% 15/10/2025	175,000	198,588	2.73
Servizi Assicurativi del Commercio Estero SpA 3.875% 31/12/2099	200,000	196,491	2.70
Volkswagen International Finance NV 3.875% 31/12/2099	200,000	192,707	2.65
H2O AM - H2O Adagio	1,810	190,750	2.63
iShares USD Floating Rate Bond UCITS ETF	42,000	186,181	2.56
Societa Cattolica di Assicurazioni SC 4.25% 14/12/2047	200,000	181,683	2.50
Italy Buoni Poliennali Del Tesoro 2.55% 15/09/2041	100,000	123,092	1.69
Intesa Sanpaolo Vita SpA 4.75% 31/12/2099	100,000	106,116	1.46
Republic of South Africa Government International Bond 3.75% 24/07/2026	100,000	105,972	1.46
Spain Government Inflation Linked Bond 0.7% 30/11/2033	100,000	104,223	1.43
Achmea BV 4.25% EMTN 31/12/2099	100,000	103,093	1.42
iShares J.P. Morgan USD EM Bond UCITS ETF	1,125	100,711	1.39
Indonesia Government International Bond 1.75% 24/04/2025	100,000	99,391	1.37
Telefonica Europe BV 3.875% 31/12/2099	100,000	94,764	1.30
SoftBank Group Corp 4% 19/09/2029	100,000	92,708	1.28
Parvest Convertible Bon Europe Small CAP	400	75,124	1.03

Diadema International Funds

DIADEMA CAPITAL PLUS FUND

UNAUDITED PRINCIPAL PORTFOLIO CHANGES for the year ended 31 December 2018 (continued)

SALES			% of TOTAL
SECURITY NAME	QUANTITY	PROCEED €	SALES
Lyxor EuroMTS 1-3Y Investment Grade DR UCITS ETF	3,950	492,204	6.27
Lyxor EuroMTS Highest Rated Macro-Weighted Govt Bond DR UCITS ETF	3,350	474,169	6.04
Parvest Convertible Bon Europe Small CAP	2,150	396,030	5.05
UBS Lux Bond SICAV - Convert Global EUR	1,900	351,709	4.48
Amundi Govt Bond Highest Rated Euromts Investment Grade UCITS ETF	1,535	350,275	4.46
M&G Investment Funds 7 - M&G Global Convertibles Fund	23,500	347,692	4.43
Spain Government Bond 4.4% 31/10/2023	273,000	336,068	4.28
Edmond de Rothschild Fund - Convertible Europe All Caps	3,000	318,930	4.06
HSBC Global Investment Funds - Euro Convertible Bond	32,000	315,744	4.02
ODDO BHF Convertible Global	300	310,691	3.96
AXA World Funds - Framlington Global Convertibles	2,600	310,310	3.95
Spain Government Bond 2.15% 31/10/2025	279,000	306,005	3.90
LO Funds - Convertible Bond	16,000	299,878	3.82
Salar Fund PLC	2,000	294,780	3.76
Schroder International Selection Fund - Global Convertible Bond	2,000	292,320	3.72
Mirabaud - Convertible Bonds Europe	2,100	251,790	3.21
Portugal Obrigacoes do Tesouro OT 4.95% 25/10/2023	195,000	244,907	3.12
Parvest Enhanced Cash 6 Months	1,800	200,862	2.56
Portugal Obrigacoes do Tesouro OT 2.875% 15/10/2025	175,000	197,550	2.52
H2O AM - H2O Adagio	1,400	190,750	2.43
Diadema International Equity Selection Fund	2,500	188,073	2.40
Financiere de L'Echiquier - Echiquier Arty	172	186,578	2.38
iShares USD Floating Rate Bond UCITS ETF	42,000	186,163	2.37
SPDR Thomson Reuters Global Convertible Bond UCITS ETF	5,272	158,542	2.02
Oddo Asset Management Oddo Convertible Europe	1,000	140,510	1.79
LO Funds - Convertible Bond Asia USD	8,000	126,761	1.61
Lazard Credit FI	534	102,275	1.30
Oddo Meriten Asset Management - Oddo Avenir Europe	41	84,462	1.08

Diadema International Funds

DIADEMA INTERNATIONAL EQUITY SELECTION FUND UNAUDITED PRINCIPAL PORTFOLIO CHANGES for the year ended 31 December 2018

PURCHASES			% of TOTAL
SECURITY NAME	QUANTITY	COST	PURCHASES
		€	
Mastercard Inc	5,700	890,785	2.15
Honeywell International Inc	6,000	767,193	1.85
Apple Inc	5,000	750,862	1.81
Accenture PLC	5,300	738,247	1.78
Home Depot Inc	3,800	630,384	1.52
NIKE Inc	10,000	571,667	1.38
Dollar General Corp	7,100	558,684	1.35
Airbus SE	5,800	548,079	1.32
Costco Wholesale Corp	3,100	548,063	1.32
UnitedHealth Group Inc	2,616	541,082	1.30
Alphabet Inc	560	540,069	1.30
Starbucks Corp	10,800	539,061	1.30
Nestle SA	7,800	537,882	1.30
O'Reilly Automotive Inc	2,200	517,511	1.25
Keyence Corp	1,050	504,446	1.21
Tyson Foods Inc	8,800	497,306	1.20
Kroger Co/The	18,500	440,180	1.06
Fiat Chrysler Automobiles NV	27,500	432,590	1.04
Mettler-Toledo International Inc	840	430,079	1.04
Banco Santander SA	83,600	425,705	1.03
American Airlines Group Inc	10,600	421,968	1.02
Cintas Corp	2,800	420,718	1.01
Industria de Diseno Textil SA	15,300	418,127	1.01
LVMH Moet Hennessy Louis Vuitton SA	1,700	414,222	1.00

Diadema International Funds

DIADEMA INTERNATIONAL EQUITY SELECTION FUND UNAUDITED PRINCIPAL PORTFOLIO CHANGES for the year ended 31 December 2018 (continued)

SALES			% of TOTAL
SECURITY NAME	QUANTITY	PROCEED €	SALES
Apple Inc	5,000	799,326	1.86
Mastercard Inc	4,800	777,830	1.81
Honeywell International Inc	6,000	748,230	1.74
Dollar General Corp	7,100	603,580	1.41
Home Depot Inc	3,800	598,893	1.39
NIKE Inc	10,000	598,726	1.39
Booking Holdings Inc	340	591,109	1.38
Accenture PLC	4,100	580,147	1.35
Airbus SE	5,800	579,896	1.35
Taiwan Semiconductor Manufacturing Co Ltd	17,000	564,003	1.31
UnitedHealth Group Inc	2,616	562,266	1.31
Nestle SA	7,800	553,542	1.29
ASML Holding NV	3,500	551,184	1.28
Alphabet Inc	560	543,828	1.27
Starbucks Corp	10,800	530,557	1.24
Alimentation Couche-Tard Inc	12,400	496,837	1.16
Tyson Foods Inc	8,800	472,541	1.10
LVMH Moet Hennessy Louis Vuitton SA	1,700	459,471	1.07
Mettler-Toledo International Inc	840	415,997	0.97
American Airlines Group Inc	10,600	400,858	0.93

Diadema International Funds

DIADEMA GLOBAL SELECTION FUND

UNAUDITED PRINCIPAL PORTFOLIO CHANGES for the year ended 31 December 2018

PURCHASES			% of TOTAL
SECURITY NAME	QUANTITY	COST €	PURCHASES
Spain Government Bond 2.15% 31/10/2025	57,000	62,804	15.33
Portugal Obrigacoes do Tesouro OT 4.95% 25/10/2023	35,000	44,265	10.80
Spain Government Inflation Linked Bond 0.15% 30/11/2023	41,000	43,841	10.70
BNP PARIBAS EASY Equity Quality Europe UCITS ETF	300	36,008	8.79
BNP PARIBAS EASY Equity Value Europe UCITS ETF	180	23,827	5.81
UBS ETF-Factor MSCI EMU Prime Value UCITS ETF	1,148	19,909	4.86
BPER Banca	4,000	14,321	3.49
Koninklijke KPN NV	5,000	12,970	3.16
Banco BPM SpA	6,000	12,536	3.06
Carnival PLC	200	9,623	2.35
Thales SA	70	8,217	2.00
Bayer AG	100	7,818	1.91
Apple Inc	40	7,562	1.85
Volkswagen AG	50	7,554	1.84
Philip Morris International Inc	100	7,323	1.79
Walgreens Boots Alliance Inc	100	6,483	1.58
Merck & Co Inc	100	6,429	1.57
Micro Focus International PLC	400	6,348	1.55
Abbott Laboratories	100	5,972	1.46
Safran SA	50	5,699	1.39
Mediaset SpA	2,000	5,600	1.37
BT Group PLC	2,000	5,467	1.33
Wirecard AG	30	5,308	1.30
Saipem SpA	1,000	5,163	1.26
Leonardo SpA	500	4,996	1.22
Starbucks Corp	100	4,922	1.20
Yara International ASA	100	4,245	1.04

SALES*			% of TOTAL
SECURITY NAME	QUANTITY	PROCEED €	SALES
Parvest Enhanced Cash 6 Months	650	73,679	12.63
Italy Buoni Poliennali Del Tesoro 2.2% 01/06/2027	62,000	61,084	10.46
Italy Buoni Poliennali Del Tesoro 0.65% 15/10/2023	65,000	60,085	10.29
Italy Buoni Poliennali Del Tesoro 0.35% 24/10/2024	63,000	59,880	10.26
iShares EURO STOXX Banks 30-15 UCITS ETF DE	4,921	59,007	10.11
Lyxor EURO STOXX Banks DR UCITS ETF	562	57,421	9.83
Amazon.com Inc	34	43,600	7.47
Spain Government Inflation Linked Bond 0.15% 30/11/2023	41,000	43,520	7.45
SPDR S&P Bank ETF	1,000	41,136	7.05
iShares Edge MSCI EM Minimum Volatility UCITS ETF	1,000	26,007	4.45
Italy Buoni Poliennali Del Tesoro 1.25% 01/12/2026	25,000	23,883	4.09
AMUNDI ETF MSCI EUROPE MOMENTUM FACTOR UCITS ETF	250	15,557	2.66
Walgreens Boots Alliance Inc	100	7,180	1.23
Starbucks Corp	100	5,920	1.01
BT Group PLC	2,000	5,910	1.01

* Represents total sales during the year.

Appendix

1. Remuneration Policy

The Manager has implemented a remuneration policy in accordance with the European Securities and Markets Authority ("ESMA") 'Guidelines on sound remuneration policies under the UCITS Directive and AIFMD'.

The remuneration policy is designed to ensure that the Manager minimises any incentive for individuals to take actions which are not in line with:

- a. The interests of investors;
- b. The risk management policies of the Manager; and
- c. The relevant laws and regulations,

while at the same time ensuring that the Manager is able to attract and retain individuals with an appropriate level of experience and expertise for core function including portfolio management, operations, finance, risk and compliance.

Fixed remuneration rates are initially set in accordance with an individual's role and responsibilities based on market salary rates. Fixed remuneration is generally reviewed on an annual basis taking into consideration a variety of factors that are relevant to the progression of the individual and market rates.

Variable remuneration is awarded on an individual basis having taken into consideration the individual's performance against an appropriate balance of current and longer term objectives, which are aligned with the objectives of the individual and of the Manager.

The Fund's policy is to pay the relevant staff fixed remuneration only, with no variable component being paid.

During the financial year there were 6 staff members working on the management of the Fund, full time or part time. To these staff members remuneration fees of €263,000 were paid. Remuneration fees of €60,000 were paid to Executive Directors during the financial year.

Diadema International Funds

Appendix

2. Securities Financing Transaction Regulation Disclosure as at 31 December 2018

As the Fund undertakes securities lending it is required to report on Securities Financing Transactions (as defined in Article 3 of Regulation (EU) 2015/2365, securities financing transactions include repurchase transactions, securities on commodities lending and securities on commodities borrowing and margin lending transactions). Please read this Appendix in conjunction with Note 15 Stock Lending.

Sub-Fund	Market Value €	Collateral €	Total Net Assets €	Assets (%)
Diadema Capital Plus Fund	251,958	262,618	5,462,274	4.81
Diadema International Equity Selection Fund	459,876	483,750	5,043,683	9.59
Diadema Global Selection Fund	14,593	15,331	1,056,042	1.45

Top 10 Largest Collateral Counterparties	Rank	Amount of Collateral Securities Commodities Received €
Rbc Dominion Securities Inc	1	233,233
HSBC Bank	2	119,259
Credit Suisse AG Dublin Branch	3	78,953
TD Securities	4	61,684
Merrill Lynch International	5	51,183
Cibc World Markets Inc.	6	47,936
Deutsche Bank AG	7	38,698
Natixis	8	31,234
Unicredit Bank Ag	9	29,134
The Bank Of Nova Scotia	10	22,436

Top 10 Largest Collateral Issuers	Rank	Amount of Collateral Securities Commodities Received €
United Kingdom Gilt Inflation Linked	1	84,905
French Republic Government Bond OAT	2	62,240
Bank of Nova Scotia/The	3	38,905
United Kingdom Gilt	4	32,789
Bank of Montreal	5	26,177
Canadian Imperial Bank of Commerce	6	24,366
European Investment Bank	7	23,359
France Treasury Bill BTF	8	22,866
Enbridge Inc	9	17,271
Japan Government Twenty Year Bond	10	16,721
United Kingdom Gilt Inflation Linked	1	84,905

Type of Collateral	Amount €	Proportion (%)
Equities and Equivalents	442,857	58.14
Bonds	318,842	27.37

Collateral Maturity	Amount €	Proportion (%)
less than 1 month	629	0.08
less than 3 months	30,794	4.04
less than 1 year	42,231	5.54
more than 1 year	255,207	33.51
no maturity	432,838	56.83

Diadema International Funds

Appendix (Continued)

2. Securities Financing Transaction Regulation Disclosure as at 31 December 2018 (continued)

Currencies of Collateral	Amount €	Proportion (%)
AUD	84	0.01
CAD	316,909	41.61
CHF	1,563	0.21
EUR	126,553	16.61
GBP	124,949	16.40
JPY	35,882	4.71
NOK	25	0.00
USD	155,734	20.45

Countries of Counterparties	Amount €	Proportion (%)
Canada	365,289	47.96
United Kingdom	203,770	26.75
Ireland	78,953	10.37
Germany	73,215	9.61
France	40,472	5.31

Settlement & Clearing	Amount €	Proportion (%)
Billateral	761,699	100.00

Data on Reuse of Collateral

The collateral received for securities lending purpose is not reused.

Safekeeping of Collateral Received

Depository	Amount of Collateral Assets Safe-Kept
RBC Investor Services Bank S.A	761,699

Safekeeping of Collateral Granted

Collateral held in Segregated Accounts (%)	Collateral Held in Pooled Accounts (%)	Collateral Held in Other Accounts (%)
100%	-	-

Diadema International Funds

Appendix (Continued)

3. Ongoing Charges

Due to the size and the fund of fund nature of the sub funds, on-going charges can be high. For 2018 the charges as a % were

Diadema International Equity Selection Class R (Retail) non-distributing EUR	4.29%
Diadema Global Selection Class R (Retail) non-distributing EUR	9.89%
Diadema Capital Plus Class P (Premium) non-distributing EUR	4.49%