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Eurobank Fund Management Company (Luxembourg) S.A.

Société Anonyme

**Audited annual accounts as at
December 31, 2018**

Registered office:

5, rue Jean Monnet

L-2180 Luxembourg

R.C.S. Luxembourg: B 115 125

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Directors' Report

Company's environment

The Company currently manages three UCITS umbrella funds namely (LF), (LF) Fund of Funds, both launched in 2006, and (TLF), launched end of 2017; their assets under Management amounted to EUR 1 227 120 422 as at December 31, 2018, compared to EUR 1 448 108 826 as at December 31, 2017, showing a decrease of 15.26%.

International activities

In line with our business development within 2018, the following events occurred:

- (LF) Special Purpose Equity Formula Index I Fund was launched;
- (LF) Special Purpose Blue Chips Protect Fund, (LF) Special Purpose Blue Chips Protect II Fund, (LF) Special Purpose Step Up Formula (RON) Fund and (LF) Special Purpose Blue Chips Protect III Fund were liquidated at the respective maturity date;
- (LF) Equity-Flexi Style Greece Fund changed its investment objective and policy and its denomination has been modified to (LF) Equity – Flexi Allocation Greece Fund;
- (LF) Fund of Funds – Real Estate changed its investment objective and policy and its denomination has been modified to (LF) Fund of Funds – ESG Focus;
- (LF) Fund of Funds – Dynamic Fixed Income merged and has been absorbed by (LF) Global Bond Fund.

The Company has implemented, negotiated and amended the related agreements with the distributors and the service providers.

Changes in the financial situation

The total balance sheet amounts to EUR 17 259 110 at December 31, 2018, compared to EUR 15 729 444 at December 31, 2017, increased by 9.72%.

There was no other extraordinary change in the financial situation of the company.

Participating interests

The Company has no own participating interests. Accordingly, acquisitions, incorporations and sales of subsidiaries during the year had no impact on the Company's net profit attributable to shareholders.

Net equity

The subscribed capital amount is EUR 1 200 000 and it is divided into 12 000 shares fully paid up with a nominal value of EUR 100 per unit.

In accordance with Article 49-3c) of the Law on Commercial Companies, the Company has not acquired and has not sold own shares. At December 31, 2017, the Company held none of its own shares.

Capital and reserves as at December 31, 2018 amounted to EUR 14 476 677 and was constituted by the subscribed capital of EUR 1 200 000, the profit of EUR 10 019 928 brought forward from the financial year 2017, the legal reserve of EUR 120 000, other reserves of EUR 1 937 395 and the profit for the financial year 2018 of EUR 1 199 354.

Income and charges

Total income decreased by 8.31% from EUR 15 263 368 at the end of 2017 to EUR 13 995 365 at the end of 2018.

Income from management fees decreased by 6.92% from EUR 15 015 942 at the end of 2017 to EUR 13 976 967 at the end of 2018.

Total charges (excluding taxes) decreased by 8.40% from EUR 13 504 015 at the end of 2017 to EUR 12 369 588 at the end of 2018.

Retrocessions to related entities of Eurobank Group, amounted to EUR 11 140 618 at the end of 2017 and decreased by 15.19% to EUR 9 448 914 at the end of 2018.

The profit of the financial year 2018 amounted to EUR 1 199 354 compared to EUR 1 268 093 for 2017, a decrease of 5.42% as compared to the previous year.

Personal and social context

The Company employs an average staff of 5 persons: 3 dedicated for the General Management of the Company and 2 employees.

Significant investments and disinvestments

There was no new investment in computer hardware and software in 2018; neither in office, machinery equipment or office furniture. There were no disinvestments.

Justification of some positions involving a value judgment

There are no positions involving a value judgment. Applied accounting principles and methods are disclosed in the notes to the annual accounts.



Foreseeable allocation of income

The Board of Directors proposes that the 2018 annual accounts be approved, and that the total net profit available for distribution be appropriated as follows:

Profit of the financial year	€	1 199 354
Profit brought forward as at 31/12/2018	€	10 019 928
		<hr/>
Total net profit available for distribution	€	11 219 282
Allocation to Net Wealth Tax Special Reserve (2019)	€	-360 000
Allocation from Other Reserves Available	€	298 825
Allocation from Net Wealth Tax Special Reserve 2014 available	€	245 895
		<hr/>
Profit brought forward after allocations	€	11 404 002

Luxembourg, March 29, 2019

Georgios Vlachakis
Managing Director

Agamemnon Kotrozos
Chief Executive Officer

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



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To the Shareholders of
Eurobank Fund Management Company (Luxembourg) S.A.
5, rue Jean Monnet
L-2180 Luxembourg

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the audit of the annual accounts

Opinion

We have audited the annual accounts of Eurobank Fund Management Company (Luxembourg) S.A. (the "Company"), which comprise the balance sheet as at 31 December 2018, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Company as at 31 December 2018, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for Opinion

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

Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including *the* management report but does not include the annual accounts and our report of "Réviseur d'Entreprises agréé" thereon.

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

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

Responsibilities of the Board of Directors for the annual accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the Réviseur d'Entreprises agréé for the audit of the annual accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of "Réviseur d'Entreprises agréé" that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

- Conclude on the appropriateness of Board of Directors' 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the "Réviseur d'Entreprises agréé" to the related disclosures in the annual accounts or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report of the "Réviseur d'Entreprises agréé". However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on other legal and regulatory requirements

The management report is consistent with the annual accounts and has been prepared in accordance with the applicable legal requirements.

Luxembourg, 29 March 2019

KPMG Luxembourg
Société coopérative
Cabinet de révision agréé



C. Veeckmans

Eurobank Fund Management Company (Luxembourg) S.A.
Abridged Balance sheet for the year ended December 31, 2018
Denominated in Euro

	Notes	31/12/2018	31/12/2017
		EUR	EUR
<u>Assets</u>			
A. Subscribed capital unpaid		0	0
I. Subscribed capital not called		0	0
II. Subscribed capital called but unpaid		0	0
B. Formation expenses		0	0
C. Fixed assets		1 342	20 482
I. Intangible assets		0	0
II. Tangible assets	1	1 342	20 482
III. Financial assets		0	0
D. Current assets		17 241 411	15 692 607
I. Stocks		0	0
II. Debtors:	2,3		
a) becoming due and payable within one year		1 088 037	1 235 942
b) becoming due and payable after more than one year		1 336 195	941 037
III. Investments	4	1 351 151	1 628 384
IV. Cash at bank and in hand		13 466 028	11 887 244
E. Prepayments	5	16 357	16 355
		17 259 110	15 729 444
<u>Capital, Reserves and Liabilities</u>			
A. Capital and reserves		14 476 677	13 277 323
I. Subscribed capital	6	1 200 000	1 200 000
II. Share premium account		0	0
III. Revaluation reserve		0	0
IV. Reserves			
1 -Legal Reserve	7,9	120 000	120 000
4 -Other Reserves	8,9	1 937 395	2 800 225
V. Profit or loss brought forward	9	10 019 928	7 889 005
VI. Profit or loss for the financial year	9	1 199 354	1 268 093
VII. Interim dividends		0	0
VIII. Capital investment subsidies		0	0
B. Provisions	10	961 578	1 079 618
C. Creditors	11	1 820 855	1 372 503
Trade Creditors		339 975	
a) becoming due and payable within one year		339 975	1 372 503
b) becoming due and payable within after one year		0	0
Amounts owed to affiliated undertakings	11	1 480 880	0
a) becoming due and payable within one year		1 480 880	0
D. Deferred income		0	0
		17 259 110	15 729 444
Total (Capital, Reserves and Liabilities)		17 259 110	15 729 444

The accompanying abridged notes form an integral part of these annual accounts.

Abridged notes to the annual accounts

General Information

Eurobank Fund Management Company (Luxembourg) S.A. (Eurobank FMC-LUX in short) (the “Company”), a public limited company (“Société Anonyme”) was incorporated in Luxembourg on March 22, 2006 and organized under chapter 15 of the 2010 Law.

The registered office of the Company is established in Luxembourg, 5, rue Jean Monnet.

The Company’s financial year starts on January 1st and ends on December 31st of each year.

The main activity of the Company is to provide management, administration and marketing services to one or more Luxembourg and/or foreign Undertaking(s) for Collective Investment in Transferable Securities (“UCITS”) and to other Luxembourg and/or foreign Undertakings for Collective Investment (UCIs).

Eurobank Fund Management Company (Luxembourg) S.A. is also included in the consolidated annual accounts of Eurobank Ergasias S.A. forming at once the largest and the smallest body of undertakings of which the company forms a part as a direct/indirect subsidiary undertaking. Eurobank Ergasias S.A has its registered office in Athens, where the consolidated annual accounts are available.

Distribution of profits

The Board of Directors proposes that the 2018 annual accounts be approved, and that the total net profit available for distribution be appropriated as follows:

Profit of the financial year	€	1 199 354
Profit brought forward as at 31/12/2018	€	10 019 928
		<hr/>
Total net profit available for distribution	€	11 219 282
Allocation to Net Wealth Tax Special Reserve (2019)	€	-360 000
Allocation from Other Reserves Available	€	298 825
Allocation from Net Wealth Tax Special Reserve 2014 available	€	245 895
		<hr/>
Profit brought forward after allocations	€	11 404 002

Basis of preparation

The annual accounts have been prepared in accordance with Luxembourg legal and regulatory requirements under the historical cost convention. Accounting policies and valuation rules are, besides the ones laid down by the Law of 19 December 2002, as amended, determined and applied by the Board of Directors.

Significant accounting policies

The main valuation rules applied by the Company are the following:

Foreign currency translation

The company maintains its books and records in Euro. Cash at bank, transferable securities and other assets and liabilities are translated at the exchange rate effective at the balance sheet date. Exchange losses and gains are recorded in the profit and loss account of the year.

Notes

1. Tangible Assets

Tangible fixed assets are used by the Company for its own operations. Tangible fixed assets are valued at cost less depreciation to date. Depreciation is calculated on a straight-line basis over the life of the assets concerned. The depreciation rates applied and methods are as follows:

	Rate of Depreciation	Depreciation method
Office Furniture	18%	straight line
Office Machinery and Equipment	25%	straight line
Computer Hardware and Software	25%	straight line

The movements for the year are as follows:

	Total	Office Furniture	Office Machinery & Equipment	Computer Hardware & Software
	EUR	EUR	EUR	EUR
Gross book value – opening balance	1 223 710	44 905	156 145	1 022 660
Additions for the year	0	0	0	0
Disposals for the year	0	0	0	0
Transfers for the year	0	0	0	0
Gross book value – closing balance	1 223 710	44 905	156 145	1 022 660
Accumulated value adjustment – opening balance	-1 203 228	-44 905	-156 145	-1 002 178
Allocations for the year	-19 140	0	0	-19 140
Reversals for the year	0	0	0	0
Transfers for the year	0	0	0	0
Accumulated value adjustment – closing balance	-1 222 368	-44 905	-156 145	-1 021 318
Net book value – closing balance	1 342	0	0	1 342
Net book value – opening balance	20 482	0	0	20 482

2. Debtors

Debtors are valued at their nominal value. They are subject to value adjustments where their recovery is compromised. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply.

3. Debtors: Management fee receivable

Management fee receivable amount to EUR 1 046 226 (2017: EUR 1 163 723) and is disclosed as a part of the category Debtors: becoming due and payable within one year.

4. Investments

Investments, transferable securities, are valued at the lower of purchase cost including expenses incidental thereto, or at market value. A value adjustment is recorded where the market value is lower than the purchase cost. These value adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply. The market value corresponds to the last available net asset value for the investment funds.

5. Prepayment

Prepaid amounts are coming from expenses paid in 2018, which relates to the next financial year or later.

6. Subscribed capital

The subscribed capital amount is EUR 1 200 000 and it is divided into 12 000 shares fully paid-up with a nominal value of EUR 100 per unit.

The movements on the "subscribed capital" item during the year are as follows:

	31/12/2018 EUR	Number of Shares
Subscribed capital - opening balance	1 200 000	12 000
Subscriptions for the year	0	0
Redemptions for the year	0	0
Subscribed capital - closing balance	1 200 000	12 000

There has been no movement during the year on the subscribed capital.

7. Legal reserve

Luxembourg companies are required to allocate to a legal reserve a minimum of 5% of the annual income, until this reserve equals 10% of the subscribed capital. This reserve may not be distributed. The maximum amount to be allowed to the legal reserve has been reached and no further allocation was made.

8. Other reserves

In accordance with the tax law, the company reduces the Net Wealth Tax liabilities by creating a special Net Wealth Tax reserve. In order to comply with the tax law, the company has created a reserve amounting EUR 1 495 245 that corresponds to five times the amount of reduction of the corresponding Net Wealth Tax liabilities. This reserve is not distributable for a period of five years from the year reducing the Net Wealth Tax charge of a given year. The other reserves are also composed of another EUR 442 150.

9. A. Movements for the year on the reserves and profit & loss items

The movements for the year are as follows:

	Legal reserve	Other reserves	Profit brought forward	Profit for the financial year	Total
	EUR	EUR	EUR	EUR	EUR
Balance as at December 31, 2017	120 000	2 800 225	7 889 005	1 268 093	12 077 323
Allocation of 2017	0	0	1 268 093	-1 268 093	0
Transfer to legal reserve	0	0	0	0	0
Transfer from special reserve	0	-862 830	862 830	0	0
Profit for the year	0	0	0	1 199 354	1 199 354
Dividend Distribution 2017	0	0	0	0	0
Balance as at December 31, 2018	120 000	1 937 395	10 019 928	1 199 354	13 276 677

9. B. Dividend Distribution

There was no dividend distribution in 2018.

10. Provisions

Provisions for liabilities and charges are intended to cover losses or debts for which the nature is clearly defined and, at the date of the balance sheet, are either likely to be incurred or certain to be incurred but uncertain as to their amount or as to the date on which they will arise.

Total provision for the year ended December 31, 2018 amount to EUR 961 578 compared to EUR 1 079 618 in 2017. The total includes a provision for tax for an amount of EUR 945 823 (EUR 1 066 458 in 2017) and the remaining amount of EUR 15 755 (EUR 13 160 in 2017) is for expenses accruals.

11. Creditors: Management fee payable and other payable

Payable amount to EUR 1 820 855 (2017: EUR 1 372 503) is disclosed under “Creditors: becoming due and payable within one year”. From that amount, EUR 1 480 880 should be paid to related entities of the company; 339 975 are owned to other counterparties.

12. Fee Income and fee retrocession

The Company receives a management fee from the three funds under management, in accordance with the conditions described in the relevant prospectus.

Out of this management fee, the Company is paying retrocessions to the following counterparties:

- Eurobank Private Bank Luxembourg S.A., in respect of the Distribution agreement.
- Eurobank Asset Management Mutual Funds Management Company S.A. (Greece), in respect of Investment Management Services.
- Eurobank Ergasias S.A. Athens, in respect of the Distribution and Local Paying Agent Agreement.
- Eurolife ERB Life Insurance S.A. Athens, in consideration of its promoter activity.
- Eurobank Bulgaria A.D., currently conducting its business activity under the name of “Postbank”, in respect of the Distribution and Local Paying Agent agreement.
- Interamerican Hellenic Life Insurance Company S.A., in consideration of its promoter activity.
- Bancpost S.A. in respect of the Distribution and Local Paying Agent agreement in Romania until October 30, 2018 and until two months after the termination of the agreement i.e. by December 21, 2018. As from February 2019, OTP Bank S.A., appointed on December 1, 2018 as distributor and paying agent in Romania will be entitled of such fee.
- Eurolife ERB Assigurari de Viata S.A. in respect of its promoter activity through unit-linked products.
- Prelium Securities & Investment Services S.A. in respect of the distribution services for (LF) Total Return Fund and for a selection of (LF) and (LF) Fund of Funds sub-funds.
- MFEX Mutual Funds Exchange AB in respect of the Distribution and Paying Agent agreement in Sweden.
- Allfunds Bank S.A. and Allfunds International S.A. in respect of the Global Agreement and the Operating Memorandum.
- Pantelakis Securities S.A. in respect of the Distribution Agreement.
- Eurobank Equities Investment Firm S.A. in the respect of the Distribution Agreement.
- Leon Depolas Securities S.A. in respect of the Distribution agreement.
- Asset Wise Capital Management S.A. in respect of its Intermediary activity for (TLF) Global Balanced Fund.

Total management fees received amount to EUR 13 976 967 for the year ended December 31, 2018 (2017: EUR 15 015 942).

Total performance fees for the year ended December 31, 2018 amount to EUR 1 479 versus EUR 117 042 for the year ended December 31, 2017.

Total retrocession amount to EUR 11 214 937 for the year ended December 31, 2018 (2017: EUR 12 592 059) from which EUR 9 448 915 have been paid to related entities and EUR 1 766 022 to non-related entities.

13. Staff

The Company employed an average of 5 persons during the financial year broken down by category as follows: General Management 3 persons; Employees 2 persons, from whom 2 are partially employed, made available by other Group entity.

14. Value Adjustment in P&L

Transferable securities are valued at the lower of purchase cost including expenses incidental thereto, or at market value. A value adjustment is recorded where the market value is lower than the purchase cost. These value

adjustments are not continued if the reasons for which the value adjustments were made have ceased to apply. The market value corresponds to the last available net asset value for the investment funds.

15. Other operating expenses

Other operating expenses represent:

	31/12/2018	31/12/2017
	EUR	EUR
Rent and other office expenses	201 212	181 182
Professional expenses	74 073	92 037
IT expenses	121 095	119 450
Other expenses	79 150	128 736
Revaluation FX	0	6 048
Miscellaneous interest & fees paid	4 685	5 091
Tax from Previous Year Expense	0	7 058
Realised Loss on transferable securities and other exceptional loss	<u>1 092</u>	<u>12 906</u>
Total	<u>481 307</u>	<u>552 508</u>

16. Income Tax

The company is subject to the locally applicable general tax regulation in Luxembourg.

17. Advances and loans granted to members of the management and supervisory bodies

As December 31, 2018, there are no advances or loans granted to members of the management and supervisory bodies.

18. Off balance sheet items

There are no off balance sheet items as at December 31, 2018.

19. Subsequent Events

There are no subsequent events following the closure that could have a significant impact on the figures of these annual accounts.