

# PROSPECTUS

## ALPHA TRUST DOMESTIC BOND FUND

Bond Fund - Greece

Hellenic Capital Market Commission Licence: 6th/29.3.1994/7B

Management Company: ALPHA TRUST Mutual Fund and Alternative Investment Fund Management S.A.

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OCTOBER 2020

The logo for Alpha Trust, featuring the word "alphatrust" in a lowercase, blue, sans-serif font.

«The official text of the Prospectus shall be maintained by ALPHA TRUST MUTUAL FUND AND ALTERNATIVE INVESTMENT FUND MANAGEMENT S.A. in Greek. Should any discrepancy occur between the Greek and other language versions of the document, the Greek version shall prevail.

This translation is made available solely for your convenience and while every effort is made to ensure the accuracy of the translation, portions may be incorrect. Any person or entity who relies on information obtained from this translation does so at his or her own risk. Any discrepancies or differences created in the translation are not binding and have no legal effect for compliance or enforcement purposes.

ALPHA TRUST MUTUAL FUND AND ALTERNATIVE INVESTMENT FUND MANAGEMENT S.A. officially maintains the Prospectus in Greek and bears full responsibility for the accuracy of the Greek version appearing on its website [www.alphatrust.gr](http://www.alphatrust.gr) at any time.

For languages other than Greek ALPHA TRUST MUTUAL FUND AND ALTERNATIVE INVESTMENT FUND MANAGEMENT S.A. shall have no liability for any incorrect or inaccurate translation, nor for any damage incurred by users as a result of the mistranslation».

UCITS OFFER NO GUARANTEED RETURN AND PAST PERFORMANCE DOES NOT GUARANTEE THE FUTURE ONE

*This prospectus has been issued pursuant to Article 76 of Law 4099/2012.*

*ALPHA TRUST informs investors that the relevant prospectus, Key Investor Information Document (KIID), the funds' rules and the latest available half yearly and annual reports of ALPHA TRUST mutual funds, including specific information regarding their share classes if any, are available in electronic form from the company's website: <https://www.alphatrust.gr> in the section entitled Information Material, or can be obtained free of charge in hard copy upon request at the Registered Office of our Company (21, Tatoiou Street, 145 61, Kifissia, Greece) and our company's licensed representatives.*

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## Information about ALPHA TRUST

### The Management Company

ALPHA TRUST Mutual Fund and Alternative Investment Management S.A. is the oldest and largest independent asset manager domiciled in Greece. Established in 1987, ALPHA TRUST's successful course is based on consistency, innovation and excellence by offering Wealth management and mutual fund management services.

ALPHA TRUST's mutual funds stand out for the top level of management they offer to their unitholders. They continue the tradition of excellent performances, conquering for consecutive years the distinctions that have established them in the Greek market. Today the Company manages 12 mutual funds that cover a broad range of investment needs by investing in money and capital markets in Greece and abroad and targeted at both individuals and institutional investors.

On 31-12-2013, decision No K2-7751/31-12-2013 of the Deputy Minister of Development and Competitiveness was registered with the General Electronic Commercial Registry (G.E.M.I.), and consequently the merger of ALPHA TRUST Mutual Fund Management S.A. G.E.M.I. registration number 882401000 (former ALPHA TRUST Investment Services societate anonime) by absorption of its 100% affiliate company ALPHA TRUST Mutual Fund Management S.A. was concluded. The above completion of the merger, followed the granting of licence to the absorbing company, as a mutual fund management company (MFMC) and for the undertaking of the management of absorbed company's mutual funds by force of decision no 24/669/23.12.2013 of the Hellenic Capital Market Commission's Board of Directors. Following the above, ALPHA TRUST Mutual Fund Management S.A. with G.E.M.I. registration number 1106701000 was deleted from the G.E.M.I. registry and was substituted in all its legal relationships by its successor ALPHA TRUST Mutual Fund Management S.A.

On October 2014 the Company was granted by the Hellenic Capital Market Commission additional licence to operate as an Alternative Investment Fund Management Societe Anonyme (A.E.Δ.O.E.E.).

### Details of the Management Company

Company name: ALPHA TRUST Mutual Fund and Alternative Investment Management S.A.  
General Commercial Registry: 882401000

Operation Licence: Hellenic Capital Market Commission Licence: 24/669/23.12.2013 & 7/695/15.10.2014

Establishment licence: Issued by the Prefect of Athens pursuant to Decision No. 90/15.1.91 (Government Gazette Issue No 133/17.1.91)

The Company's effective term shall be 99 years and shall commence from registration in the Companies Register by the competent supervisory authority of the administrative decision granting an establishment licence for the Company and the approval of its Articles of Association.

Share capital (at 30.06.2020): € 1,115,853 paid up in full.

Total Equity (at 30.06.2020): € 5,363,066.

Company registered offices: 21 Tatoiou St., Kifissia, GR-14561  
Tel.: +30 210. 62. 89.100  
Fax: +30 210. 62.34.248  
Email: info@alphatrust.gr  
URL: [www.alphatrust.gr](http://www.alphatrust.gr)

Customer Care:  
Tel.: +30 210.62.89.300  
Fax: +30 210.62.34.248  
Business hours: 09:00 -16:00  
Distribution network  
Authorised Representatives  
(URL: <https://www.alphatrust.gr/elcontactdiktio-antiprosoponhtml/>)

### Board of Directors

**Phaedon-Theodoros Tamvakakis**, Board Chairman, non-executive  
**David Phillip Gibbs**, Board Vice Chairman, non-executive  
**Christodoulos Aesopos**, CEO, executive  
**George Cambanis**, Member, independent, non-executive  
**Iossif Papadogiannis**, Member, executive  
**Aggeliki Chatzidaki**, Member, non-executive

The Board of Directors' term in office lasts for three years and ends on 16.6.2023 but may be extended until the next Ordinary General Shareholders' Meeting.

Chief Investment Officer: **Iossif Papadogiannis**  
Chief Financial & Operating Officer: **Nikolaos Papadopoulos**  
Sales: **Christodoulos Aesopos**  
Compliance: **Kalliopi Palaiokastritou**  
Internal Auditor: **Christos - Pavlos Maras**

### Mutual Fund certified public accountants

(They check the half yearly and annual reports of the Mutual Funds)

Deloitte Certified Public Accountants S.A.

### Legal Advisor

Dracopoulos & Vassalakis

### Company shareholders

The shareholders' equity position (>5%) listed in the Alternative Market of the Athens Stock Exchange, is uploaded on the website: <http://www.helex.gr>

## **Members of the Portfolio Management Investment Committee**

**David Phillip Gibbs**  
**Charalambos Stamatopoulos**  
**Michael Papparis**  
**Iossif Papadogiannis**  
**Christodoulos Aesopos**  
**Panagiota Zagaris**  
**Konstantinos Adam**  
**Dimitrios Dalipis**  
**Dimitrios Stefanopoulos**  
**Konstantinos Mavropoulos**  
**Dimitrios Kossoras**  
**Antonios Thomopoulos**

## **The ALPHA TRUST Group of companies**

ALPHA TRUST Mutual Fund and Alternative Investment Management S.A. (hereinafter ALPHA TRUST, Management Company, the Manager or M.F.M. S.A. or the “Company”) is the parent company of the ALPHA TRUST Group of companies, which includes: ALPHA TRUST LUXEMBOURG S.à r.l., ALPHA TRUST Hellenic Land S.A. and TAYLOR YOUNG Investment Management Limited, where a liquidator has already taken up duties.

## ALPHA TRUST Mutual Funds

### Mutual Funds managed by ALPHA TRUST

#### ALPHA TRUST HELLENIC EQUITY FUND

Hellenic Capital Market Commission Licence: 58th/31.10.1995/6A, Government Gazette 948/B/17.11.1995

#### ALPHA TRUST NEW STRATEGY Domestic Equity Fund

Hellenic Capital Market Commission Licence: 512/23.8.2007

#### ALPHA TRUST GLOBAL LEADERS Foreign Equity Fund

Hellenic Capital Market Commission Licence: 134th/4.8.1999/6, Government Gazette 1938/B/27.10.1999

#### ALPHA TRUST DOMESTIC BOND FUND

Hellenic Capital Market Commission Licence: 6th/29.3.1994/7B, Government Gazette 280/B/18.4.1994

#### ALPHA TRUST STRATEGIC BOND FUND

Hellenic Capital Market Commission Licence: 196th/11.10.2000/12a, Government Gazette 1429/B/27.11.2000

#### ALPHA TRUST Euro Money Market Fund (*Standard VNAV MMF*)

Hellenic Capital Market Commission Licence: 10th/14.08.1996/4, Government Gazette 723/B/22.8.1996

Authorisation as an MMF under Regulation (EU) 2017/1131: Approved by HCMC decision no. 321/29.5.2019

#### ALPHA TRUST ECLECTIC Balanced Fund

Hellenic Capital Market Commission Licence: 29th/10.1.1995/5, Government Gazette 45/B/26.1.1995

#### INTERLIFE Balanced Fund

Hellenic Capital Market Commission Licence 62/23.12.2003, Government Gazette 1996/B/31.12.2003

#### THE ECONOMISTS' OCCUPATIONAL PENSION BALANCED FUND

Hellenic Capital Market Commission Licence: 24/840/16.07.2008

#### S & B PENSION Global Equity Fund of Funds

Hellenic Capital Market Commission Licence: 57/16.06.2010

#### TEA INTERAMERICAN Global Balanced Fund of Funds

Hellenic Capital Market Commission Licence: 175/21.6.2013

#### THE OCCUPATIONAL PENSION BALANCED FUND OF POLICE-FIRE-PORT ASSOCIATION

Hellenic Capital Market Commission Licence: 256/2.6.2016

The following points apply to all Mutual Funds managed by ALPHA TRUST:

Member State - Inception: Greece | Duration: Unlimited

Competent Supervisory Authority: Hellenic Capital Market Commission

Reference currency of the Mutual Funds and all shares classes if any: Euro (€)

Mutual Fund Units have no nominal value.

## Depository

The duties of Depository of ALPHA TRUST Mutual Funds are performed by Piraeus Bank S.A. 4, Amerikis St., GR-105 64, Athens, a credit institution operating in Greece in accordance with Law 4261/2014, Directive 2013/36/EU, as in force from time to time, supervised by the Bank of Greece (Depository head offices: 4 Papada St., GR-11525, Athens, Tel.: +30 210 3288075,

URL: <http://www.piraeusbank.gr/el/Idiwtes/Kanalia-Eksypiretisis/Diktio-Eksipiretisis>).

Information on the duties of the Depository and potential conflicts of interest as well as on the safekeeping tasks further assigned by the Depository and potential related conflicts of interest can be found in Annex I hereof, entitled "Information on the Depository". Upon request, investors may receive up-to-date relevant data and information.

## Legal Framework

The way in which Mutual Funds are operated is governed by:

1. Law **4099/2012** as in force.
2. The relevant decisions of the Hellenic Capital Market Commission and mandatory EU legislation (Regulations) relating to Mutual Funds and Mutual Fund Management Companies.

## Legal nature of the right represented by the unit

From a legal viewpoint, the rights represented by the units in the Mutual Fund, irrespective of its class, can be divided into:

- A real right of co-ownership of the assets owned by the Mutual Fund which are transferable securities and money market instruments (shares, bonds, debentures, treasury bills, trade bills, etc. and other assets that may be subject to real rights).
- A contractual right on the assets which are bank deposits and receivables.

These rights are exercised by the Mutual Fund Management Company, but actual transferable securities are not held by it, rather they are held by the Depository. In law, the unitholder has a right to receive the revenues generated by the mutual fund and to redeem his units from the Mutual Fund Management Company.

## ALPHA TRUST Mutual Fund benchmark indices

ALPHA TRUST may select an independent, jointly acceptable benchmark index for each mutual fund it manages, depending on the investment policy, to be able to compare the return generated.

ALPHA TRUST actively manages the Funds and does not seek to reproduce the return achieved by the benchmark index. The benchmark index may be changed within the context of the investments objectives pursued and the investment policy for the mutual fund, when there are objective technical, regulatory, or other reasons for doing so. The return of the Mutual Fund may deviate from the return of the applicable benchmark index.

In cases where ALPHA TRUST uses index or combination of indices as benchmark to calculate any applicable variable management fee ("performance fee"), these indices must meet the requirements of Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016, «on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014».



## General Information

### Subscription and redemption of Mutual Fund units

In line with Hellenic Capital Market Commission Decision No. 1/506/8.4.2009 as amended by Hellenic Capital Market Commission Decision No. 35/586/26.5.2011, effective from 16.6.2011, **all investors who are existing or potential clients of ALPHA TRUST who wish to enter into transactions** must provide the Company with documents and information specified by the Company that are sufficient to prove their identity, their current home address, their occupation and their tax registration number. For physical persons those documents include the ones listed below although this list is not exhaustive: ID Card or military ID Card, passport, recent public utility bill, IRS Tax Notice, employer's certificate, etc. Note that if there are joint-beneficiaries, these documents must be submitted for each of them.

ALPHA TRUST reserves the right not to accept an application to trade from any of the beneficiaries on any ground and/or to cancel the application *a posteriori*, which may entail loss for the unitholder, if all the identification paperwork or all information about each beneficiary required by law (Law 4557/2018, Hellenic Capital Market Commission Decisions Nos. 1/506/8.4.2009 and 35/586/26.5.2011, and so on), as appropriate in each case, is not submitted in full.

Units in the Mutual Funds managed by ALPHA TRUST are subscribed or redeemed at the Company's registered offices or at the Company's authorised representatives.

If it is not possible to visit the locations at which ALPHA TRUST Mutual Funds are sold or redeemed, clients can call the Investor Phone Service (+030 210 6289300) which will explain how transactions can be processed (by sending the application to a specific fax number, by having the authenticity of the client's signature on the document duly confirmed, by returning the application by fax firstly, and then by mailing the original application form to ALPHA TRUST).

In order for any buyer to acquire units in a mutual fund he must submit a special written application form to the Management Company, receive the Key Investor Information Document (KIID), fill out the questionnaire regarding his knowledge, experience and the level of risk tolerance, and pay the Depositary the subscription price of the units in full in cash and/or in transferable securities (within the meaning of Article 3(o) of Law 4099/2012) which are listed on a regulated market (within the meaning of Article 4(21) of Law 4514/2018 as in force) if that is acceptable to ALPHA TRUST. The subscription price of units of each class of the Mutual Fund is the price on the date the application form is submitted, which is set in accordance with Article 11 of Law 4099/2012 and Article 7 of the Rules, provided that the value of the units has been paid in full to the Depositary. If the prospective unitholder does not provide the above information or provides inadequate information then ALPHA TRUST will not be able to judge whether said UCITS is suitable for it.

ALPHA TRUST is obliged to redeem mutual fund units upon unitholder's request, at the unit redemption price on the date that the unitholder submits the application for redemption, which is set in accordance with Article 11 of Law 4099/2012 and Article 7 of the Rules, having also made sure about the identity of the unitholder. In order to redeem units, the beneficiary (or his legal representative) must fill out the redemption form (or in the case of a joint account the redemption form can be filled out by any of the joint-beneficiaries). The application may be submitted to the Company directly or to its authorised representatives.

The redemption application form must be filled out with the unitholder's full particulars and must state the precise number of units to be redeemed and the full name of the mutual fund

concerned. Where the unitholder wishes to redeem part of the units it holds, the application must state the exact number of units the unitholder wishes to redeem or the amount the partial redemption relates to. If the information in the redemption form is wrong or incomplete to such an extent that it is not possible to implement the instructions it contains, the application will be cancelled and will be deemed never to have been received.

The value of the units is then paid by the Depositary to the beneficiary / unitholder in cash within 5 business days from the date on which the redemption application was submitted. In exceptional cases when the circumstances so require or when it is in the interests of unitholders, it may be possible to suspend the redemption of units in a mutual fund for a period of up to 3 months, which can be extended for another 3 months maximum. To achieve this, the Management Company must submit an application to the Hellenic Capital Market Commission and obtain its permission. The suspension of redemption transactions and the expiry or withdrawal of that decision will be posted on the Company's website. No application for redemption may be submitted by unitholders during the suspension of redemption of the mutual fund units.

Switching from one mutual fund to another entails redeeming the units held and then investing the proceeds of the redemption in the new mutual fund by acquiring new units. ALPHA TRUST wishes to ensure that unitholders are flexible when it comes to making investments, and can accept such transactions with very favourable commission rates available for preferential periods of time so as to safeguard the interests of all unitholders in the said Mutual Funds.

### **Mutual Fund Share Classes**

Units of this Mutual Fund may be divided into different share classes, created in accordance with Article 6(3) of Law 4099/2012, as amended and in force, and Article 5 of the Mutual Fund's Rule, which grant different rights, in particular with respect to matters such as subscription and redemption fees, the category of investors for whom they are designed, the remuneration of ALPHA TRUST, the minimum amount of investment or any combination of the above. The units coming within the same class provide their unitholders with the same rights. The unit price is calculated separately for each Share Class.

The Mutual Fund Management Company may decide at any time to create Mutual Fund Share Classes. The Mutual Fund Management Company has the full discretion to determine whether or not an investor meets the conditions for investing in a particular Mutual Fund's Share Class.

Mutual Fund's Share Classes are divided into two classes:

- a) The R "Retail Share Class", which is made available to all investors, with no restrictions and no minimum amount of participation.
- b) The I "Institutional Share Class" which is made available exclusively to institutional investors (i.e. credit institutions, Greek and foreign, insurance and pension funds, insurance companies, UCITS, AIFs) and not individuals. The minimum amount of initial participation of a proposed unitholder in this share class is five hundred thousand euros (€ 500,000).

On the day the Mutual Fund was established, the issue price of the Share Class R was set at two euros and ninety-three cents (€ 2.93) per unit, while the issue price of Share Class I on 1/10/2018, date of its activation, was set at one hundred euros (€ 100). The activation date of Share Class I is the date of the first participation in units of that Share Class. Information on the subscription and redemption fees of the mutual fund is specified in detail in the section entitled "Fees payable by unitholders of the Mutual Fund".

The above two Share Classes do not differ with respect to the legal nature of the right represented by the unit of Share Class, the reference currency, the manner of proving unitholder status ( electronic register of unitholders) and the rights of the unitholders in the event of dissolution of the mutual fund, subjects which are dealt with in the relevant chapters hereof.

Investors proposed for the acquisition of mutual fund units who do not qualify for investment in a particular Share class, as specified in this Prospectus, are excluded and are not accepted by the Mutual Fund Management Company to participate in the fund by acquiring units of this Share Class, their participation in the acquisition of units of another Share Class not being excluded.

**Important Notice:**

ALPHA TRUST declares that it has not taken any steps specified by any law on transferable securities to register itself or the mutual funds it manages with the US Securities and Exchange Commission. Consequently, this document cannot be imported into, transmitted or distributed in the USA or in its territories or acquisitions or be served on any US Person (permanent residents of the USA, companies or cooperatives in the USA or any other legal entities which have been established in accordance with the laws of the USA or are governed by them). Moreover, units in the mutual funds which ALPHA TRUST manages cannot be sold to US Persons. Breach of these restrictions may entail a breach of the US law on transferable securities. ALPHA TRUST is entitled to demand the immediate redemption of units acquired or held by a US Person, including any investors who became US Persons after acquiring the said units.

**Registered units – Transfer of units**

The assets of the mutual fund are divided into registered units and/or into registered fractional units. The number of units may be increased by acquiring new units or reduced by redeeming those already acquired. The acquisition of new units can be freely decided on by the Management Company within the limits laid down by the mutual fund Rules.

Participation in the mutual fund is evidenced by the entry of the relevant units and the particulars of their beneficiary or joint-beneficiaries in a special electronic file of the Management Company. A special note distinguishing the units according to their share class (R or I as appropriate) shall also be recorded in this electronic file.

The contractual transfer of units is only allowed between spouses and first- and second-degree relatives. The transfer is entered in the special electronic register held by the Management Company.

If a pledge is to be established over units, that deed must be entered in the special electronic register held by the Management Company. Where the pledgor submits an application to the Management Company, its rights are satisfied by redeeming the units, in which case the provisions of Article 3(1)-(2) of Emergency Law 1818/1951, as in force, and Articles 1244 et seq. of the Hellenic Civil Code, apply.

The provisions of Law 5638/1932 on joint deposit accounts apply by analogy to the units in the mutual fund.

## Information

The mutual fund's net asset value, number of units, net unit price, subscription unit price and redemption unit price per share class are calculated every business day and are published during the next business day by the Management Company on the website: <https://www.alphatrust.gr/upiresies/idiotes-funds/amoivaia-kefalaia/>.

Apart from this prospectus, other documents relating to the Mutual Fund are the Rules, the Key Investor Information Document (KIID), for each share class, and the half-yearly and annual reports prepared at the end of the first and second half of each calendar year.

All these documents can be obtained in Greek language free of charge from the Company's Registered Offices at 21 Tatoiou St., Kifissia, from the Company's licensed representatives, or in electronic format from ALPHA TRUST 's website:

<https://www.alphatrust.gr/information-material-html/>

The Company informs mutual fund unitholders about their investments on a six-month basis by mailing a statement which includes the information specified in Hellenic Capital Market Commission Licence: 15th/633/20.12.2012.

ALPHA TRUST INFORMS THE UNITHOLDERS that it has a competent service for receiving and dealing with complaints regarding the services provided (working hours 09:00 to 16:00, Tel. +30 210 6829300). In order to submit a complaint, the unitholder must contact the above service of the Company in writing.

The Company is obliged to reply to the unitholder's complaint in writing within ten (10) business days. However, if it reckons that more time is needed for the reply, it shall inform the unitholder in writing within the above time period, and at the same time it shall define the period required for its written reply, which in any case may not exceed ten (10) additional business days. If the unitholder is not satisfied by the Company's written reply or if no reply is received within the above time period, the unitholder may contact the Hellenic Financial Ombudsman, a scheme in which the Company participates, with registered office in Athens, at 1 Massalias St., PC 106 80, hobis.gr, tel. +30 210 3376700, fax +30 210 323882 and must use the relevant complaint submittal document, which will be made available by the Company.

## Remuneration Policy

ALPHA TRUST announces the remuneration policy that has been adopted and is implemented, pursuant to Article 76 (2), of Law 4099/2012 and decision 17/633/2012, as in force:

### OVERVIEW

The remuneration policy applied by the Company is based on parameters which are intended to optimise its smooth, efficient, effective and lawful operation, while remaining competitive on the wage levels, particularly as regards its executives. At the same time it seeks to eliminate risks where these have been declared undesirable or to limit them to an acceptable and secure level where risk-taking is permitted, as well as to prevent conflicts of interests. The policy mainly concerns the senior administrative officers, risk takers and those who exercise control functions or persons generally treated in the same manner as these persons from a salary point of view.

An important parameter for the design and implementation of the remuneration policy is proportionality. It is estimated that the company, despite its authorisation as Alternative Investment Manager does not have a complex structure and its other activities and size allow it to have a relative flexibility on remuneration policy.

The general policy for determining pay has a greater tendency towards fixed remuneration rather than variable one. Variable remuneration is given in cases of the achievement of important objectives in combination with the company's financial results.

Any additional variable remuneration is usually given in cash. Regarding the option programmes, the subscription price was close to market prices, and it concerned almost all the staff.

### DETERMINATION METHODOLOGY

ALPHA TRUST has appointed a three-member remuneration committee, whose members do not perform any executive functions in the Company. The chairperson of the Remuneration Committee is a non-executive member of the Board of Directors of the Company, while the other members are well-known persons having recognized expertise and professional experience.

After taking into account the usually annual staff evaluations and having contacted the persons responsible for each department for any explanations - clarifications, the committee shall propose to the BoD the general policy of fixed remuneration which should be followed according to its judgement. At the same time, in November, the heads of departments have the possibility to submit to the remuneration committee proposals to reward particular employees for whom they are responsible.

The committee shall also propose a range of remuneration for officials which are considered of minor importance for the operation of the Company. The final decision rests with the BoD which shall take all the parameters into account in order to support the smooth operation of the Company and the Group. These parameters include:

- The research and study of the competitive environment
- Meritocracy and fair remuneration of both executives and other employees at all levels, in conjunction with their performance
- Legislation and employment laws

- Shareholders' interests and the expected profitability of the Company and the Group
- The avoidance of excessive risk-taking and of conflicts of interests
- The impact of the wage and non-wage costs on the indices of liquidity, capital adequacy, e.tc.

Any variable remuneration is not guaranteed and lies at the discretion of the Company, while it is usually linked to the performance or consistency of employees in achieving the targets set each time. An important factor for the granting of variable remuneration is always the prevailing economic circumstances and the financial situation and viability of the company in the given period. Variable remuneration, when paid, is deemed insignificant as a proportion of turnover and of the general operating costs. Part of the variable remuneration may not be in money, but in the Company's shares or other financial instruments managed by the Company when the conditions for such movements are allowed or deemed favourable.

Variable remuneration not exceeding 100% of fixed annual earnings per employee is not subject to a limitation of deferred payments. This remuneration shall not lead to restrictions on its liquidity when it concerns payments through units of UCITS or pension schemes, beyond any contractual restrictions as in force each time.

The remuneration policy and the remuneration of managers and staff are subject to revision every year. The highly volatile and unstable economic environment of recent years has led to more regular revision, whenever it is deemed necessary by the BoD, with sometimes painful results both in terms of wages and human resources.

Due to the size and structure of the Company, the control of the remuneration policy is done collectively and mainly by the BoD, making every effort to comply with the principle of good administration and to inspire a sense of fairness.

The company has concluded a contract with an insurance company in order to provide a pension scheme to a part of its staff, considering it to be in the interest of the Company and the employee.

The organisational structures, the nature, the internal organisation and the size of the company allow unhindered monitoring of risks to which the Company is exposed allowing it an orderly design of the remuneration policy. In addition, the selection of investment tools having also in mind the avoidance of investments which are complex, difficult to understand and thus hard to control, reduces the risks run by the Company. The internal procedures on the harmonious operation of various departments, on the avoidance of various risks and on the avoidance of conflicts of interests are deemed adequate, while no significant malfunctions in the framework of the financial or investment activity have been observed or reported.

## **Financial Year – Distribution or re-investment of profits**

The financial year for ALPHA TRUST Mutual Funds is one calendar year, i.e. it commences on January 1st and ends on December 31 each year.

Revenues generated for the mutual fund from interest and dividends may be re-invested or distributed to unitholders each year, after all expenses for the financial year payable by the mutual fund have first been deducted. Profits from the sale of mutual fund assets may be re-invested or distributed each year to unitholders at the Management Company's discretion, after having deducted any capital losses accrued up to the end of the year. In any distribution of profits decided as above Shares Class R or I are not treated differently.

## **Dissolution of mutual fund and the unitholders' meeting**

1. The Mutual Fund may be dissolved for the following reasons:

- a) if its establishment license is withdrawn by the Hellenic Capital Market Commission.
- b) if all its units are redeemed.
- c) following a decision of the unitholders meeting.
- d) if the manager or Depositary is wound up, resigns, is declared bankrupt or placed in compulsory receivership or its operating license is withdrawn and it is not possible to replace it/them or
- e) following a decision taken by the Management Company.

2. In the event of dissolution of the mutual fund, the distribution of the fund's assets will be made by the Depositary on instructions from the Management Company. After the fund's assets have been distributed, a special report will be prepared signed by the Management Company, the Depositary and the Fund's certified public accountant-auditor. The report will be sent without undue delay to the Hellenic Capital Market Commission, published on the Management Company's website and made available to unitholders of the mutual fund through the distribution network.

3. Unitholders representing at least 1/20 of the mutual fund's units are entitled to ask the Manager to convene a meeting of unitholders on any issues associated directly or indirectly with management of the mutual fund. The Manager must convene such meeting of unitholders within 30 days of the delivery of the aforesaid request.

4. If the value of the net assets of the mutual fund, in comparison to the reference value determined pursuant to the following paragraphs, is reduced by 5/10, the Hellenic Capital Market Commission may require the Manager to convene a meeting of unitholders with the purpose of dissolving the mutual fund in accordance with the provisions of the foregoing paragraph. The reference value will be calculated on the first day of each calendar quarter as the numerical average of the value of the net assets of the mutual funds in the past 4 quarters. On expiry of each new quarter, the value of the net assets of the mutual fund in that quarter will replace, according to the said calculation of the reference value, the relevant value of the previous quarter. Where the Hellenic Capital Market Commission decides to convene a meeting of unitholders, the redemption of the fund's units will be suspended. If the meeting decides to dissolve the fund, the right to redeem units in that fund may no longer be exercised. Where that is not the case, the decision suspending the redemption of units will be revoked.

5. In the said dissolution process, Share Class R and I units shall be treated in the same way, i.e. no special rights are provided for either of the above two share classes of units upon dissolution of the mutual fund.

### **Mutual fund asset valuation rules**

Assets in a mutual fund are valued by the Management Company in accordance with the accounting rules adopted by decision of the Hellenic Capital Market Commission.

'Fair value' means:

1. In the case of financial instruments that are listed and traded on an active regulated market or other supervised market operating regularly, which is recognised and open to the public, and in the case of Exchange Traded Funds, a valuation based on the market closing price or based on the last available bid price recorded by the financial organisations involved (brokers / dealers)<sup>Note</sup>.
2. In the case of rights whose underlying security is listed transferable securities, for such time as they are not traded on an active regulated or other supervised markets, the valuation shall be at the price based on a measurement technique that uses data / inputs that have observable values in the market, especially with reference to the current closing price of the listed transferable security<sup>Note</sup>.
3. In the case of units in collective investment undertakings that comply with the provisions of Directive 2009/65/EU or other collective investment undertakings, valuation is based on their net unit price<sup>Note</sup>.
4. In the case of shares not listed on any market, valuation is based on the price generated by using a measurement technique that uses data / inputs that have no observable values in the market, and in particular the equity method, based on the Issuer's most recently published financial statements.
5. In the case of foreign bonds that are listed or non –listed in a regulated or otherwise regulated market, and are not traded - with the result that there is no published closing price for those bonds - valuation is based on the price published by the data provider, in the following order<sup>Note</sup>.
  - The price which arises by weighing up the bid prices submitted by several brokers / dealers operating in the relevant market, otherwise,
  - The bid price offered by a broker / dealer provided that the specific broker / dealer engages in transactions of a representative volume in that financial instrument, otherwise
  - The bid price offered by the coordinator of the specific financial instrument issue, provided that that price does not deviate from the price generated by using the measurement technique used by the mutual fund Manager.
6. For futures that are listed and traded on an active regulated market, valuation based on the market liquidation price.

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<sup>Note</sup> *The rule is to use the UCITS NAV as of the valuation date, except in the cases where due to time difference or to non-availability of price the last available price is used.*



7. The valuation of the receivables and liabilities and other assets of UCITS denominated in a currency other than the currency in which the UCITS is valued, based on the daily ECB reference exchange rates bulletin.

In special cases where the Manager considers that the fair value has not been captured by applying these rules, it may issue a reasoned decision selecting an alternative methodology based on generally accepted valuation rules for financial instruments.

In calculating the net asset value of UCITS, Management fees, Depositary fees and regulated market participants fees and commissions, expenses for mandatory publications under Law 4099/2012, and costs which pursuant to the fund rules are payable by the UCITS, as well as profits distributable to unitholders upon valuation on December 31 each year, are deducted from gross assets. Apart from publications which are mandatory pursuant to Law 4099/2012, any other publication relating to the mutual fund is paid for by the Manager.

In order to calculate the net price of each Share Class, the total value of the net assets of the mutual fund to which share class corresponds is divided by the total number of units corresponding share class. The subscription and redemption prices for units may exceed or be less, respectively, than the net price of the unit of the relevant share class by a figure corresponding to the relevant subscription or redemption commission.

The mutual fund's net asset value, number of units, net unit price, subscription unit price and redemption unit price, per share class are calculated every business day and are uploaded on the Company's website.

### **Rules for preparing mutual fund income statements**

The rules for preparing mutual fund income statements follow the basic general principles of accounting, the Greek General Chart of Accounts and the relevant decisions of the Hellenic Capital Market Commission.

When preparing the income statements regard is had to the revenues generated by the portfolio plus capital gains, less capital losses and permissible expenses under the mutual fund regulation and less the relevant taxes.

## Tax regime governing operation of mutual funds and unitholders

The current tax system is outlined in Article 103 of Law 4099/2012, as amended by article 56 of Law 4646/2019 and as in force from time to time, in conjunction with the relevant provisions of Law 4172/2013 on income tax, as in force from time to time (as far as VAT is concerned, the provisions of the Hellenic VAT Code (Law 2859/2000) apply). That system is outlined below:

1. UCITS' inception, the subscription and redemption of its units are exempt from all taxes, duties, stamp duty, levies, fees and all other charges payable to the State, public law bodies corporate and third parties in general, apart from duties and levies payable to the Hellenic Capital Market Commission.
2. Every type of Income acquired by UCITS is exempt from income tax according to article 46 of Law 4172/2013.
3. The Manager is obliged to pay tax in the name of and on behalf of the UCITS at a rate of 10% on the applicable interest rate for Eurosystem main refinancing operations from the European Central Bank (benchmark rate) augmented as follows, depending on the category of UCITS or any individual investment segments based on a relevant decision of the Board of Directors of the Hellenic Capital Market Commission:
  - I. For money market UCITS, zero augment
  - II. for bond UCITS, by 0.25%
  - III. for balanced UCITS, by 0.5%
  - IV. for equity UCITS and all other types of funds apart from those cited above, by 1%.

**On the date on which this prospectus was published, the tax rate applicable to the ALPHA TRUST DOMESTIC BOND FUND was 0.025%.**

Tax is computed daily on the half-yearly average net asset of UCITS or any individual investment segments, and is payable to the local tax office by the Manager by means of a tax return filed within the first 15 days of July and January of the half-year period after the date of computation. The following amounts are deductible from the tax computed based on the tax return: a) any tax withheld on revenues generated by the fund from transferable securities in Greece or any tax proven to have been paid abroad, b) any tax on the goodwill from sale of listed shares in each financial year, c) any tax corresponding to the mutual fund that has been paid by other UCITS or other UCITS on units in which the UCITS has invested. Any credit balance resulting from those deductibles will be carried forward to deduct tax owed on the basis of subsequent tax returns.

Once this tax has been paid, the Fund and its unitholders have no more taxation obligations.

Where the Benchmark Rate or the Fund rating changes, the new basis for calculating tax shall apply from the first day of the month after the change.

4. A transaction tax whose rate is set from time to time in the tax laws is applicable to the sale value of shares listed on the Athens Exchange or on foreign exchange, where those shares are in the fund's portfolio. On the date on which this prospectus was published, that rate was 2‰.
5. The applicable foreign tax provisions in each case apply to income acquired by the mutual fund abroad, subject to the option to apply the provisions of bilateral agreements on the avoidance of dual taxation.
6. Profits in the form of dividends or other benefits accruing from units, or in the form of added value arising for unitholders of the UCITS from the redemption of units at a price higher than the acquisition price, are exempt from all taxes, duties, stamp duty, levies, fees and all other charges payable to the State, bodies governed by public law and third parties in general, in the case of unitholders who are natural persons who are tax residents of Greece, without prejudice to the provisions of paragraph 3. Profits in the form of dividends or other benefits accruing from the units are not subject to withholding tax. Special provisions apply to the taxation of legal entities which are tax residents of Greece.
7. In the case of a domestic merger of UCITS, the transfer of the net assets of the absorbed UCITS to the absorbing fund is exempt from all taxes, duties, levies or other charges payable to the State or third parties. The provisions of Article 103(1) and (5) of Law 4099/2012 on the tax exemption of the mutual fund's deed of incorporation, and the subscription or redemption of units and the added value arising from the redemption of units at a price higher than the acquisition price, also apply to the merger of UCITS.

**Note that the taxation of income or goodwill acquired by investors depends on the tax laws which each investor is subject to. It is recommended that investors who have doubts about the tax laws applying to them should seek advice or information from their legal or taxation consultant.**

### **Borrowing rules**

Under Article 85 of Law 4099/2012 the Mutual Fund Management S.A. (when acting on behalf of the mutual fund) and the Depositary (when acting on behalf of the fund and the Manager) is not permitted to borrow.

By way of exception, it is permitted to borrow in foreign currency using a back-to-back loan. By way of derogation from the previous paragraph, it is allowed to take out temporary loans on behalf of the Fund with a credit institution only, for up to 10% of the UCITS' net assets, only in order to cover unit redemption applications, where it is deemed to be non-advantageous to liquidate the Fund's assets. To secure the loans referred to in this paragraph, a pledge over the Fund's transferable securities may be established.

## Investment risks

The value of the investment in Mutual Fund units may fluctuate and result in investors getting back an amount of money less than their initial investment. The likelihood of this occurring depends on the degree of importance of the following risks which may be entailed by investing in a Mutual Fund:

| TYPE OF RISK  | DESCRIPTION  |
|---|--|
| Market Risk   | The risk related to the drop of overall market price level or the price level of a specific category of the mutual fund's assets and the consequent effect on the price of mutual fund units.  |
| Credit Risk   | The risk the issuer of transferable securities in which the mutual fund has invested or a counterparty, when entering transactions on behalf of a mutual fund, is unable to fulfil its legal obligations (counterparty risk).  |
| Settlement risk   | This is the risk of transactions in financial instruments not being properly settled, especially if the counterparty does not pay money or does not deliver the securities in good time to discharge its obligation to settle transactions.  |
| Liquidity Risk  | The risk of inability to realise (sell off) mutual fund assets in good time at a fair price.   |
| Currency risk   | The risk of the valuation of mutual fund assets being affected due to fluctuations in exchange rates.  |
| Safekeeping risk  | The risk of loss of mutual fund assets due to acts or omissions of the Depositary or due to fraud where the Depositary or any third party who has been outsourced the task of safekeeping the mutual fund assets becomes insolvent.  |
| Diversification risk                                    | The risk arising from limited diversification of mutual fund assets.   |
| Performance risk  | The risk related to the fluctuation in the return on mutual fund assets coupled with any guarantee provided for all or part of the mutual fund assets by a credit institution.   |
| Asset reduction risk                                    | This risk relates to a reduction in Fund assets due to acquisition or cancellation of units or due to distribution of units whose value is higher than the profits achieved during the management period.  |
| Inflation Risk  | The risk related to a reduction in the mutual fund's return at fixed values due to a rise in the general consumer price index.   |
| Sovereign risk  | The risk related to the statutory and regulatory framework in the state in which mutual fund assets are invested.  |
| Active Risk   | The risk arising from active management of a portfolio in order to achieve returns better than the benchmark. Theoretically, in order for the Manager to achieve higher returns than the benchmark, it needs to assume higher risks.   |
| Operational Risk  | The risk arising from inadequate internal processes, failures as far as the staff, the MFMC systems or/and external factors. Operational risk includes legal risk, documentation risk and risk that may occur during the execution of trading procedures, settlement and valuation on behalf of the UCITS.   |
| Risk arising from transactions in financial derivatives | Risk caused by the incomplete correlation between the prices of derivative instruments and the ones of hedged or underlying assets, resulting in the failure to achieve the expected benefit because of the hedging or/and the existence of increased losses, due to leverage.<br>Said risk also includes the likelihood of lack of a secondary market for each derivative contract at a given time. |

## Risk management and derivatives

In the context of the objective of each mutual fund, ALPHA TRUST implements risk management procedures that allow it to estimate and monitor the risks affecting the portfolio at any point in time and their impact on the overall investment policy. It also ensures that the overall risk to which the mutual fund portfolio is exposed does not exceed its net assets. Risk exposure is calculated based on the current value of the underlying assets, counterparty risk, future market movements and the time available to liquidate exposure.

ALPHA TRUST may use derivative financial instruments traded on regulated markets on behalf of Mutual Funds under management, in order to hedge part of their assets' investment risk or to improve the portfolio management effectiveness. Any use of derivatives may have a significant impact on the value of the assets of Mutual Funds and shall be carried out within the framework of their regulation, under the conditions and within the limits laid down by the Hellenic Capital Market Commission and in line with their investment target. A detailed description of the risks of these activities is presented in the section «Investment Risks» of the present document.

Given that ALPHA TRUST (despite the fact that this possibility is provided for in the regulations of the mutual funds under management) has not concluded nor intends to conclude OTC financial derivatives contracts in the near future, the present Prospectus does not include information and data set out in the applicable legislative and regulatory framework on the use or intended use of such techniques and instruments or the conclusion of such transactions. Still, in case the Company decides to use these techniques and instruments or to conclude such transactions, there will be a relevant amendment of the mutual funds' Prospectus so as to include the information required in accordance with the above.

### **Overall risk exposure**

In line with Hellenic Capital Market Commission Decision No. 3/645/30.4.2013, the Company in order to compute the portfolio's overall exposure to risk may use:

- The Commitment Approach or
- The Relative VaR Approach or
- The Absolute VaR Approach

## I. Commitment Approach

The commitment approach identifies exposure by computing the market value of the underlying security to which standard derivative financial instruments relate.

## II. Relative Value-at-Risk (VaR) Approach

In accordance with the relative Value-at-Risk approach, the Mutual Fund's portfolio aggregate risk exposure is calculated as follows:

- (a) calculation of the Value-at-Risk of the Mutual Fund's current portfolio (hereinafter referred to as "the portfolio"), including the financial derivatives,
- (b) calculation of the Value-at-Risk of the benchmark portfolio. The benchmark portfolio is based on the benchmark index of the UCITS under management (see chapter «Benchmark Index»).
- (c) checking that the M/F portfolio's Value-at-Risk is not more than twice the Value-at-Risk of the benchmark portfolio, in order to ensure that total leverage ratio of the M/F remains under 2. The aforementioned ratio is calculated as follows:

$$\frac{(\text{Portfolio VaR} - \text{Benchmark Portfolio VaR}) * 100}{(\text{Benchmark Portfolio VaR})} \leq 100\%$$

## III. Absolute Value-at-Risk (VaR) Approach

The absolute Value-at-Risk approach limits the maximum value of potential loss in relation to the M/F portfolio's net asset value.

The absolute Value-at-Risk of the M/F portfolio should not exceed twenty percent (20%) of its net asset value.

When determining the overall risk exposure through the approach of relative or absolute Value-at-Risk, the estimate of the risk run by the Mutual Fund's portfolio shall comply with the minimum quantitative and qualitative conditions set out below.

The calculation of the absolute and relative Value-at-Risk is made taking into account the following parameters:

- (a) one-tailed confidence interval of ninety-nine percent (99%),
- (b) holding period equivalent to one (1) month (twenty (20) working days),
- (c) historical period of risk factors of at least one (1) year (two hundred and fifty (250) working days), unless a shorter historical period is justified by a significant increase in price volatility (e.g. when extreme conditions prevail in the market),
- (d) quarterly updating of the data, or more frequently when market prices are subject to substantial changes,
- (e) at least daily calculation.

### Value-at-Risk definition

Value-at-Risk is a statistical metric used to determine the potential losses of a portfolio. The Value-at-Risk estimation, when is calculated with a confidence interval of ninety-nine percent (99%), means that there is a 99% probability that the losses of a portfolio shall not exceed the estimated value during the specified period.

In order to calculate Value-at-Risk the following parameters are taken into account:

- a. confidence level: 99% one –tailed
- b. holding period equivalent to one (1) month {twenty (20) working days},
- c. actual tracking period of risk factors of one (1) year {two hundred and fifty (250) working days}.

### **Credit Risk**

For evaluation of the credit risk, portfolio allocation is used based on the credit ratings of the three largest credit rating agencies (Moody's, S&P, Fitch) (source: Thomson Reuters).

### **Counterparty Risk**

According to the definition of counterparty risk and given that all transactions entered into on behalf of the mutual funds relate to financial products traded on supervised markets, there is no counterparty risk.

### **Liquidity Risk**

Liquidity risk relates to the degree to which an investment position or part of a portfolio can be liquidated. For any given portfolio composition, the percentage of the overall value that can be liquidated per day and the time required to fully liquidate investment positions in the portfolio are estimated based on their merchantability (Source: Thomson Reuters, processing: Systemic, Investment and Risk Management Software).

## ALPHA TRUST DOMESTIC BOND FUND

### Category: Bond fund - Greece

**Hellenic Capital Market Commission Licence:** 58th/31.10.1995/6A, Government Gazette 948/B/17.11.1995

**Inception date:** 19/04/1994

The units of the Fund may be divided into different Share Classes or Series, created in accordance with Article 6(3) of Law 4099/2012, as amended and in force, and Article 5 of The Fund's Rules, which confer different rights, in particular on issues such as subscription and redemption fees, the category of investors for whom they are designed, the remuneration of the Management Company, the minimum amount of investment or any combination of the above. Units of the same class provide their unitholders with the same rights. The unit price is calculated separately for each Share class.

The Mutual Fund Management Company may decide at any time to create Mutual Fund Share Classes. The Mutual Fund Management Company has the full discretion to determine whether or not an investor meets the conditions for investing in a particular Share Class of Units of the Mutual Fund.

Units of this Mutual Fund are divided into two share classes:

- a) The R "Retail Share Class", which is made available to all investors, with no restrictions and no minimum amount of participation.
- b) The I "Institutional Share Class" which is made available exclusively to institutional investors (i.e. credit institutions, Greek and foreign, insurance and pension funds, insurance companies, UCITS, AIFs) and not individuals. The minimum amount of initial participation of a proposed unitholder in this share class is five hundred thousand euros (€ 500,000)

### Previous names of mutual fund

GENIKI DOMESTIC BOND FUND  
ALPHA TRUST DOMESTIC INCOME FUND  
ALPHA TRUST HAMBROS DOMESTIC INCOME FUND  
HAMBROS HELLENIC INCOME

### Benchmark index

Barclays Greece Govt All Bonds (BCEC1T)

Fund's performance is not dependent on or associated with the benchmark index which is used for comparative purposes only and therefore the performance of the Fund may differ from the benchmark index's performance.



## **Investment objective**

The objective of the ALPHA TRUST DOMESTIC BOND FUND is to offer mid-term investors capital growth and income by placing capital in a diversified bond portfolio primarily comprised of issuers from Greece.

## **Investment Policy**

To achieve its investment objective the Fund's assets are primarily invested in a portfolio of government bonds (Greek Government bonds) and corporate bonds (issuers based or operating mainly in Greece) in Euros. The credit rating of issuers by major international rating agencies (Standard and Poors, Moodys, Fitch) may be lower than BBB-.

Secondly, the mutual fund may invest in government, transnational and corporate foreign bonds. The mutual fund may invest in short-, medium- and long-term bonds, as well as in perpetual bonds.

The mutual fund may also invest in derivatives with the aim of hedging risk. Derivatives that can be used to a limited extent are mainly aimed at hedging interest rate risk and are not expected to significantly affect its performance. The fund may be highly volatile.

## **Profile of the typical investor**

Both Share Classes of the of the mutual fund are aimed at conservative investors with an investment horizon of at least 2 years, who want to generate the income and achieve the capital gains offered by domestic bonds. Furthermore, while the R Share Classes of the M/F are designed for all of the aforementioned investors, the I Share Classes, as mentioned above, are intended exclusively for those of the above investors who also have the status of institutional investor, as defined herein.

## Investment & Financial Information

### Eligible assets – Investment limits

1. This Fund may exclusively invest in:

a) transferable securities and money market instruments admitted to or dealt in on a regulated market within the meaning of Article 4(21) of Law 4514/2018, as in force, as well as the relevant provisions of the national legislation of Member States which transposed the provisions of Article 4(1)(14) of Directive 2014/65/EC as in force.

b) transferable securities and money market instruments dealt in on another regulated market in a Member State, which operates regularly and is recognised and open to the public.

c) transferable securities and money market instruments admitted to official listing on a stock exchange in a third country or dealt in on another regulated market in a third country which operates regularly and is recognised and open to the public. The stock exchanges and the markets in this paragraph are specified from time to time by decision of the Hellenic Capital Market Commission.

d) recently issued transferable securities, provided that the terms of issue include an undertaking that an application will be made for admission to official listing on a stock exchange or to another market referred to in paragraph 1(a), (b) and (c), and that such admission is secured within one (1) year of issue,

e) units of UCITS authorised pursuant to Law 4099/2012 as in force, or Directive 2009/65/EC, or other collective investment undertakings, which have features similar to those in Article 2(2)(a) and (b) of Law 4099/2012, as in force, whether or not established in a Member State, provided that:

e(i) such other collective investment undertakings are authorised under laws which provide that they are subject to supervision which the Hellenic Capital Market Commission considers to be at least equivalent to that laid down in Community law, and that the Hellenic Capital Market Commission has concluded cooperation and exchange of confidential information agreements with the corresponding supervisory authority,

e(ii) the level of protection for unitholders in the other collective investment undertakings is at least equivalent to that provided for unitholders in a UCITS, and in particular that the rules on assets segregation, borrowing, lending, and uncovered sales of transferable securities and money market instruments are equivalent to the requirements of Directive 2009/65/EC, as in force,

e(iii) the business of the other collective investment undertakings is reported in half-yearly and annual reports to enable an assessment to be made of the assets and liabilities, income and operations over the reporting period, and

e(iv) no more than ten percent (10%) of the UCITS' or of the other collective investment undertakings' assets, whose acquisition is contemplated, can, according to their fund rules or instruments of incorporation, be invested in units of other UCITS or other collective investment undertakings,

f) deposits with credit institutions which are repayable on demand or time deposits of up to 12 months' duration, provided that the credit institution has its registered office in a Member State or, where the credit institution has its registered office in a third country, provided that the institution is subject to prudential supervision which is considered at least equivalent to that laid down in Community law. The third countries referred to in this point are specified from time to time by decision of the Hellenic Capital Market Commission issued once the opinion of the Bank of Greece has been obtained.

(g) financial derivative instruments, including equivalent cash-settled instruments, dealt in on a regulated market referred to in paragraph 1(a), (b) and (c), and/or financial derivative instruments dealt in over-the-counter ('OTC derivatives'), provided that:

g(i) the underlying of the financial derivative instrument consists of instruments referred to in paragraph 1 hereof, financial indices, interest rates, foreign exchange rates or currencies, in which the Fund may invest according to its investment objective as stated in its fund rules.

g(ii) the counterparties to OTC derivative transactions are financial institutions subject to prudential supervision in relation to those transactions and belong to categories which may be specified by the Hellenic Capital Market Commission, and

g(iii) the OTC derivatives are subject to reliable and verifiable valuation on a daily basis and can be sold, liquidated or closed by an offsetting transaction at any time at their fair value at the mutual fund's initiative,

h) money market instruments other than those dealt in on a regulated market, if the issuer or issuer of such instruments is itself regulated for the purpose of protecting investors and their savings, and provided that those instruments are:

h(i) issued or guaranteed by a central, regional or local authority or central bank of a Member State, the European Central Bank, the European Union or the European Investment Bank, a third country or, in the case of a Federal State, by one of the members making up the federation, or by a public international body to which one or more Member States belong, or

h(ii) issued by an undertaking any securities of which are dealt in on regulated markets referred to in paragraph 1(a), (b) or (c) or

h(iii) issued or guaranteed by an establishment subject to prudential supervision, in accordance with criteria laid down by Community law, or by an establishment which is subject to and complies with prudential supervision rules, considered to be at least equivalent as those laid down by Community law; or

h(iv) issued by other bodies belonging to the categories that may be laid down by the Hellenic Capital Market Commission, provided that investments in such instruments are subject to investor protection rules which are at least equivalent to those laid down in points h(i), h(ii) or h(iii) of this paragraph, and provided that the issuer is:

i) a company whose capital and reserves amount to at least € 10 million, which submits and publishes annual accounts or reports in accordance with the provisions of Articles 12, 172, 173 and 174 of Law 4548/2018 and Directive 2013/34/EE on the annual accounts of certain types of companies or

ii) an entity belonging to a group of companies with one or more listed companies, is dedicated to the financing of the group, or

iii) an entity which is dedicated to the financing of securitisation vehicles which benefit from a banking liquidity line.

2. The fund may hold ancillary liquid assets and may also invest up to ten percent (10%) of its net assets in transferable securities or money market instruments, other than those referred to in Article 59(1) of Law 4099/2012, as in force, and in paragraph 1 hereof. The Mutual Fund cannot acquire either precious metals or certificates representing those metals.

3. The Management Company shall value the mutual fund's assets in accordance with the accounting rules adopted in a decision of the Hellenic Capital Market Commission.

4. a) The Fund will invest no more than ten percent (10%) of its net assets in transferable securities and money market instruments issued by the same issuer.

b) The mutual fund is prohibited from investing more than forty percent (40%) of its net assets in transferable securities and money market instruments of issuers in each of which it invests more than five percent (5%) of its net assets. The limitation in this point does not apply to deposits and to OTC derivative transactions. The transferable securities and money market instruments referred to in paragraph 7(a) and (b) hereof may not be counted along with other investments in transferable securities and money market instruments when computing the forty percent (40%) limit specified in this point.

5. The mutual fund is prohibited from making investments in UCITS or other collective investment undertakings, as defined in paragraph (1)(e) hereof, which exceed ten percent

(10%) of its net assets. Where the Fund has acquired units of another UCITS or collective investment undertakings, the assets of the respective UCITS or other collective investment undertakings are not combined for the purposes of the limits laid down in these Rules. Where the mutual fund invests in units of UCITS or other collective investment undertakings which are managed, directly or by delegation, by ALPHA TRUST, or by any other company affiliated with ALPHA TRUST in the context of joint management arrangements or via control or via a significant direct or indirect holding, then ALPHA TRUST or its affiliated company cannot charge subscription or redemption fees for the said mutual fund investments.

6. The mutual fund is prohibited from investing more than twenty per cent (20%) of its net assets in deposits made with the same credit institution.

7. (a) By way of derogation to paragraph 4 hereof, the mutual fund may invest up to thirty five percent (35%) of its net assets in transferable securities and money market instruments issued by the same issuer, if the transferable securities or money market instruments are issued or guaranteed by a Member State or non-Member States, as defined in the relevant decision of the Hellenic Capital Market Commission, or by public international bodies of which one or more Member States are members. The transferable securities and money market instruments referred to in this point may not be counted along with other investments in transferable securities and money market instruments when computing the forty percent (40%) limit specified in paragraph 4(b) hereof.

b) By way of derogation to paragraph 4 hereof, the mutual fund may invest up to twenty-five percent (25%) of its net assets in bonds issued by a credit institution which has its registered office in a Member State and is subject by law to special public supervision designed to protect bondholders. In particular, sums deriving from the issue of these bonds must be invested in conformity with the law in assets which, during the whole period of validity of the bonds, are capable of covering claims attaching to the bonds and which, in the event of failure of the issuer, would be used on a priority basis for the reimbursement of the principal and payment of the accrued interest. Where the mutual fund invests more than five percent (5%) of its net assets in the bonds referred to in point (b) which are issued by the same issuer, the total value of these investments may not exceed eighty percent (80%) of its net assets, subject to the 25% limit per issuer. The transferable securities and money market instruments referred to in this point may not be counted along with other investments in transferable securities and money market instruments when computing the forty percent (40%) limit specified in paragraph 4(b) hereof.

8. Without prejudice to paragraphs 4, 6 and to paragraph 9(b) hereof, the Mutual Fund shall not be permitted to have a combined holding of over twenty percent (20%) of its net assets in:

- a) investments in transferable securities or money market instruments issued by the same body,
- b) deposits made with such body, and/or
- c) exposures arising from OTC derivative transactions where the counterparty is that body.

9. a) Investments in transferable securities or money market instruments issued by the same body or in deposits made with that body or financial derivative instrument transactions where the counterparty is that body, carried out in accordance with paragraphs 4, 5, 6, 7 and 8 hereof, in accordance with point 9(b) hereof, shall under no circumstances exceed in total thirty five per cent (35%) of the mutual fund's net assets.

(b) The risk exposure to a counterparty of the mutual fund in an OTC derivative transaction may not exceed:

- ba) ten percent (10%) of the fund's net assets when the counterparty is a credit institution referred to in paragraph 1(f) hereof, or
- bb) five percent (5%) of the fund's net assets in all other cases.

10. The total for investments in transferable securities and money market instruments, referred to in paragraph 7(a) hereof, may be increased up to one hundred percent (100%) of the fund's net assets, provided that the following terms and conditions are complied with:

- a) the mutual fund has invested in transferable securities and money market instruments from at least six (6) different issues, and the securities from any single issue do not account for more than thirty percent (30%) of its net assets, and
- b) the States or public international bodies (to which one or more Member States belong) issuing or guaranteeing the transferable securities and money market instruments in which the mutual fund intends to invest more than thirty five percent (35%) of its net assets, are the following: USA, Canada, Australia, Japan, European Union countries, Switzerland, Norway, OECD, World Bank, European Investment Bank (EIB), International Monetary Fund (IMF), European Bank for Reconstruction and Development (EBRD), International Bank for Reconstruction and Development (IBRD), International Finance Corporation (IFC), Inter-American Development Bank (IADB), African Development Bank (AfDB), Asian Development Bank (AsDB), European Financial Stability Facility (EFSF) as well as any other similar authority that may be established in the future having a statutory object similar to that of the EFSF. Specific reference of the mutual fund license from the Hellenic Capital Market Commission and of the above-mentioned states and public international bodies shall be displayed in a prominent location in the fund prospectus and in any promotional or information literature or publications.

11. Companies included in the same group for the purpose of preparation of the consolidated financial statements in accordance with the provisions of Law 4548/2018, Law 4308/2014 and Directive 2013/34/EU and any other provision regulating these matters or internationally recognised accounting rules, shall be treated as a single body for the purpose of calculating the limits specified in the provisions of paragraph 8 and paragraph 9(a) hereof. Subject to the limit specified in paragraph 4(a) hereof relating to mutual fund investments in transferable securities and money market instruments from the same issuer, the mutual fund may not invest more than twenty percent (20%) of its net assets in transferable securities and money market instruments of the companies within the same group. The Management Company must include a special reference to its investments in companies within the same group in the mutual fund prospectus and its annual and half-yearly reports. As at **30.06.2020** the fund did not have investments in transferable securities and money market instruments from companies in the same group.

12. (a) In relation to all the UCITS which it manages, ALPHA TRUST may not acquire any shares of a company registered in Greece or a non-Member State, with or without voting rights, representing more than ten percent (10%) of the aggregate of the corresponding category of shares.

b) In relation to all of the UCITS which it manages, ALPHA TRUST, may not acquire any shares of a company registered in another Member State, with or without voting rights, representing more than ten percent (10%) of the aggregate of the corresponding category of shares, unless the national legislation of such other Member State has laid down other restrictions.

13. The mutual fund may acquire no more than:

- a) ten percent (10%) of the voting shares of any single issuer,
- b) ten percent (10%) of the non-voting shares of any single issuer,
- c) ten percent (10%) of the total bonds of any single issuer,
- d) ten percent (10%) of the money market instruments of any single issuer,
- e) twenty five percent (25%) of units in a UCITS or other collective investment undertaking referred to in paragraph 1(e) hereof.

The investment limits laid down in the points c), d) and e) of this paragraph may be disregarded at the time of acquisition if at that time the gross value of the bonds or money

market instruments or the net value of the units of the UCITS or other collective investment undertakings cannot be calculated.

14. The restrictions laid down in paragraphs 12 and 13 hereof shall not apply to transferable securities and money market instruments referred to in paragraphs 7 and 10 hereof as well as to shares in a company registered in a non-Member State, where under the legislation of that State such a holding represents the only way to invest in the securities of issuers of that State, provided that in its investment policy that company complies with the investment limits laid down in the provisions hereof.

15. a) The mutual fund may invest, as a part of its investment policy and pursuant to these Rules and the relevant provisions of Law 4099/2012, as in force, in financial derivative instruments provided that the exposure to the underlying assets for the derivative financial instrument, in combination with the exposure to risk from investment in transferable securities and money market instruments from the same issuer, does not exceed in aggregate the investment limits laid down in paragraphs 4-11 hereof. When the mutual fund invests in financial derivative instruments whose underlying security is an index, those investments shall not be taken into account in computing the investment limits laid down in paragraphs 4-11 hereof.

b) The mutual fund ensures that the overall risk to which it is exposed in relation to the financial derivative instruments does not exceed the total net value of its assets. Risk exposure is calculated based on the current value of the underlying assets for the financial derivative instruments, counterparty risk, future market movements and the time available to liquidate exposure.

c) When a transferable security or money market instrument embeds a derivative, the latter must be taken into account with the investment limits for financial derivative instruments laid down in this paragraph.

16. In all other respects, the provisions of Articles 59, 60, 61, 63, 64 and 65 of Law 4099/2012, as in force, shall apply, to the extent they are applicable.

### **Investment risks**

The level of overall investment risk for the Fund is high.

The fund invests mainly in Greek Government bonds, therefore the level of credit risk as well as state and liquidity risk is high. The level of market risk is also high and the risk of inflation is average. The level of exchange rate risk and settlement, safekeeping, dispersion, and asset reduction risk is low. The level of active risk is average.

In order to measure overall risk exposure, Relative Value-at-Risk method is used.

**Expected leverage ratio: 0%**

**Probability of higher than expected leverage ratio: 10%**

The leverage is computed by the sum of nominal value of the financial instruments' derivatives used by the UCITS.

## Fees payable by unitholders of the Mutual Fund

The respective current entry and exit fees for each Share Class of the Mutual Funds are determined by the Company's Board of Directors, in accordance with the relevant legislation. As stated in the fund's Rules, the maximum entry and exit fees for each Share Class of the ALPHA TRUST DOMESTIC BONDFUND are as follows:

Entry fee up to 3%

Exit fee up to 1%

On the date on which this prospectus was prepared, the entry and exit fees were as follows in line with the Company's current pricing policy:

| <b>FEES FOR RETAIL CLIENTS ALPHA TRUST DOMESTIC BOND FUND - R (Retail Share Class)</b> |                  |
|--|------------------|
| <b>scale depending on subscription (per subscription in €)</b>                         |                  |
|  | <b>Entry fee</b> |
| 1 - 99,999.99  | 0.30%            |
| 100,000 and over   | 0.00%            |
| <b>duration of investment</b>  |                  |
|  | <b>Exit fee</b>  |
| Investment period > 1 year   | 0.00%            |
| Investment period ≤ 1 year   | 0.25%            |

### **Fees of institutional investors in the ALPHA TRUST DOMESTIC BOND FUND – I (Institutional Share Class)**

Irrespective of the amount and the duration of the investment: Entry & Exit fee 0.00%.

**Note:** When units in the fund are redeemed, the amount is paid to the beneficiary in 3 business days. When an investment in the ALPHA TRUST DOMESTIC BOND FUND is switched into any other mutual fund managed by ALPHA TRUST no commission is charged and the value for subscription in the new fund is 1 business day from the date that units in this Fund were redeemed.

ALPHA TRUST offers the opportunity to participate in Share Class R without a threshold (i.e. there is no minimum participation amount) and as regards Share Class I the minimum initial participation amount is € 500,000 (five hundred thousand euros).

Any subscription with regard to ALPHA TRUST savings plan (through standing orders) has a zero-entry fee. The exit fee for such savings plan will be zero after the client remains in each savings plan for more than two years from the date of subscription. During the two-year period the exit fee is defined according to the current pricing policy. The minimum subscription amount per savings plan is €30.

Discounts are available for the fees above.

The pricing policy quoted above may be amended.

## **Fees, remuneration and other expenses payable from Fund assets**

- i. Management fee payable to ALPHA TRUST as follows:
  - Fixed management fee for R Share Class of up to 1% per year on the part of net assets of the mutual fund to which this Share Class corresponds, payable per month.
  - Fixed management fee for I Share Class of up to 0.70% per year on the part of net assets of the mutual fund to which this Share Class corresponds, payable per month.

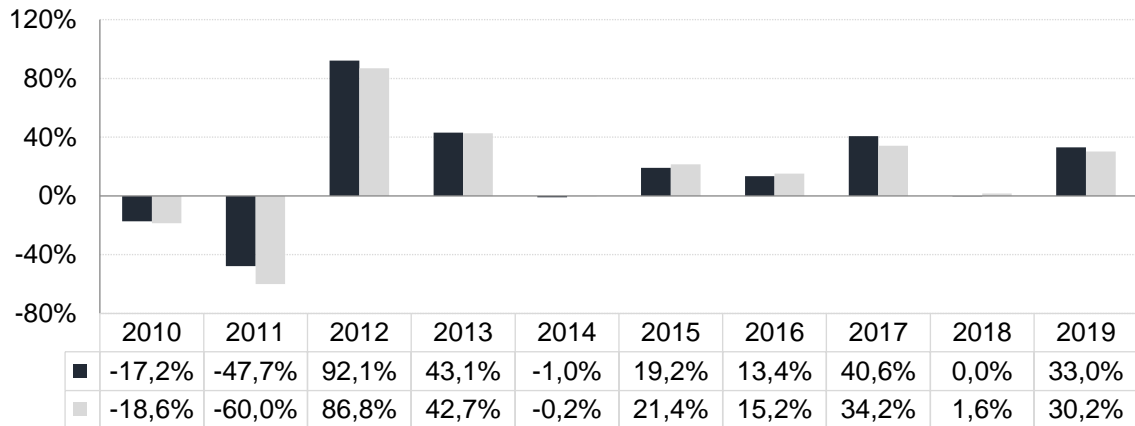
These fees also include the fee of the investment adviser and/or the manager of the mutual fund tasked with any relevant duties.

- ii. Depositary fee of up to 0.20% annually on the average net assets of the mutual fund, payable every month. This fee also includes the fees for all other persons who have in their possession all or part of the Fund's assets for safekeeping.
- iii. Fees of the certified public accountants, who audit the mutual fund reports, in accordance with the provisions of Article 77 of Law 4099/2012, and who prepare special reports required pursuant to Law 4099/2012 whose preparation costs may not be paid for by the Fund on the basis of express provisions of the relevant legislation.
- iv. Expenses and commissions for transactions entered into on the Fund's behalf.
- v. Any tax and relevant charge relating to the mutual fund and imposed by the applicable tax legislation as well as any other tax which may be imposed by law in the future on the transactions of the mutual fund, the assets or the management thereof.
- vi. Publication expenses relating to the Fund specified in Law 4099/2012.
- vii. Expenses relating to the information required by law to be provided to the unitholders of the mutual fund. This list is indicative and not comprehensive: information provided in accordance with Article 36(4)(c) of Law 4099/2012, communication to the unitholders of the mutual fund of any amendment to these Rules (Article 5(3) of Law 4099/2012), the cost of producing and forwarding the half-yearly information documents (statements) to unitholders of the mutual fund, etc.
- viii. Registration and regulatory fees
- ix. Payments to legal and professional advisers
- x. Any distribution expenses
- xi. Any expenses of previous financial years
- xii. Possible expenses of third parties – provision of services related to the Mutual Fund- such as indicatively and not restrictively, valuation and accounting services, provision of services to unitholders and with regard to them, such as record keeping of unitholders' registry.



## ALPHA TRUST DOMESTIC BOND FUND's past performance

ALPHA TRUST DOMESTIC BOND FUND - R (Retail Share Class)  
 Benchmark Index



ALPHA TRUST DOMESTIC BOND FUND - I (Institutional Share Class)  
 Benchmark Index



### Notes:

1. Benchmark's History: SBEUL since 8/3/2007 up to 5/3/2010, SBGRL since 8/3/2010 up to 31/12/2012, BCEC1T since 1/1/2013.

2. The share class I was activated on 01/10/2018.

More recent information about the fund's each share class performance is available on our Company's website: <https://www.alphatrust.gr>, in the section entitled:

### **INFORMATION MATERIAL/FUNDS' PERFORMANCES.**

UCITS OFFER NO GUARANTEED RETURN AND PAST PERFORMANCE DOES NOT GUARANTEE THE FUTURE ONE

## ANNEX I

### Information concerning the Depositary

#### 1. Duties of a Depositary and avoidance of potential conflicts of interest

The Depositary of ALPHA TRUST Mutual Funds exercises its duties and has the responsibilities and obligations set forth in Article 36 of Law 4099/2012, as in force.

These duties include, among others, the obligation to:

- ensure that the sale, issue, repurchase, redemption, cancellation and calculation of the value of units of the ALPHA TRUST mutual funds are carried out in accordance with the provisions of Law 4099/2012, regulatory decisions issued by authorization thereof, and the fund Rules;
- carry out the instructions of the management company, unless they conflict with the provisions of Law 4099/2012, as in force, decisions issued by authorization thereof or with the ALPHA TRUST fund Rules;
- ensure that the consideration for transactions relating to the assets of ALPHA TRUST mutual funds is remitted to him within the usual time limits;
- ensure that the income of the ALPHA TRUST mutual funds is applied in accordance with the provisions of Law 4099/2012, regulatory decisions issued by authorization thereof, and the fund Rules;
- safekeep the assets of the mutual funds;
- ensure that the cash flows of the ALPHA TRUST mutual funds are properly monitored;
- provide information both to ALPHA TRUST and the Capital Market Commission.

In carrying out its duties and obligations the Depositary shall act honestly, fairly, professionally, independently and solely in the interest of each mutual fund and its unitholders.

The Depositary shall not carry out activities with regard to the mutual funds or the management company that may create conflicts of interest between the mutual fund, its unitholders, the management company and itself, unless the Depositary has functionally and hierarchically separated the performance of its depositary tasks from its other potentially conflicting tasks, and under the strict condition that the potential conflicts of interest are properly identified, managed, monitored and disclosed to the unitholders of the mutual fund and the management company.

#### 2. Safekeeping functions further delegated by the Depositary and management of conflicts of interest that may arise from such delegation

The Depositary may delegate the safekeeping of all or part of the assets of the ALPHA TRUST mutual funds to third parties following the signature of a written contract and after having informed the Management Company, only if:

- a) these functions are not delegated with the intention of non-compliance with the requirements of the law;
- b) the Depositary can demonstrate that there is an objective reason for the delegation; and
- c) the Depositary has exercised all due skill, care and diligence in the selection and the appointment of any third party to whom it intends to delegate parts of its tasks. In particular, the Depositary shall, in the periodic review and ongoing monitoring of any third party to which it has delegated parts of its tasks and of the arrangements of the third party, to exercise all due skill, care and diligence and shall ensure that the third party meets all appropriate conditions, on a continuing basis, in the performance of the tasks delegated to it.

The delegation of the safekeeping of the assets of ALPHA TRUST Mutual Funds, in accordance with the above, is governed by Article 36a of Law 4099/2012, as in force.

Third parties exercising, by virtue of written agreement, the safekeeping functions with respect to the assets of the ALPHA TRUST mutual funds, pursuant to the delegation of such functions by the Depositary, are the following:

- **EUROCLEAR BANK SA/NV**, 1 Boulevard du Roi Albert II, B-1210 Brussels, Belgium
- **BNP PARIBAS Securities Services SCA**, 3, rue d'Antin, 75002 Paris
- **MFEX Luxembourg SA**, 2 Rue du Fort Bourbon, L-1249

The Depositary has established and implements an appropriate and documented outsourcing procedure/policy, in accordance with the applicable legal and regulatory framework governing the organization, structure and operation of credit institutions in Greece. This decision-making process for the selection of third parties to whom safekeeping functions may be delegated and the relevant outsourcing policy is based on objective pre-defined criteria, is in the exclusive interest of ALPHA TRUST mutual funds and their investors and fully covers the requirements of Article 15(1)-(3) and (5), Article 16 and Article 17 of Regulation (EU) 2016/438.

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GUARANTEE THE FUTURE ONE