



(LF) ABSOLUTE RETURN FUND

06 19

Investment Objective

The Sub - Fund invests mainly in bonds and money market & derivative instruments implementing modern and high-equipped techniques in portfolio management.

The fund benchmarks against the weighted average of the basic European Central Bank rate plus 250 basis points, while keeping its volatility at low level, close to 5% on an annual basis.

Investor Profile

This Sub-Fund is suitable for investors with a medium term horizon, who are seeking capital appreciation and are prepared to accept a low residual risk to their capital with generally lower volatility than that of high duration bond or equity funds.

Investment Commentary

The fund had a solid performance as all asset classes had a positive quarter underpinned by the shift in central bank policy were forced to abandon the normalization in monetary policy to a more accommodative stance aimed at offsetting the uncertainty created by the increased trade tensions between the US and China. In the June FOMC meeting it was revealed that half of the members were projecting at least one rate cut over the latter half of the year as they viewed that the downside risks to the economic recovery significantly increased. In the meantime, ECB President Draghi signaled that cutting interest rates and even buying more assets remains a viable option if economic conditions don't improve. Following a brief correction in May, US equities recovered in June and traded to historic high levels. The German 10-year yield traded in negative territory to a record low -0.335%, while the US 10-year yield briefly traded below the 2% threshold for the first time since 2016. The prospects that the ECB could reinitiate its QE program resulted in the outperformance of the Euro Area periphery bond market over the core market.

Funds Facts

Structure	UCITS V Luxembourg
Total NAV Size	132.776.372,05 €
Risk Class	1 2 3 4 5 6 7
Benchmark	Weighted average of European Central Bank rate (ECB) +2.5%
Liquidity	Daily
Mngnt Co	Eurobank FMC-LUX
Investment Manager	Eurobank Asset Management MFMC
Custodian/Administrator	Eurobank Private Bank Luxembourg S.A.
Auditor	PricewaterhouseCoopers

Portfolio Recap

The return of the subfund amounted to 0.6009% for the quarter ending on 28/06/2019.

During the course of the quarter we gradually increased our position in USD denominated credit and then switched to more EUR denominated credit towards the end of June. Equity positions were also increased, with our focus being mainly on Greece where we turned increasingly bullish, as the outcome of the upcoming elections became clearer and clearer. We also started building a position in European banks as we deemed them oversold, although we preferred individual names to the index. The above-mentioned positions were the main drivers of returns for the fund during the second quarter.

We continued to hold a significant portfolio of EMEA bonds in local currencies, focusing on RON, CZK and PLN as we see value in these carry trades in light of the low interest rate environment that seems to be in place for longer in the Eurozone.

Share Classes

	Eurobank	Eurobank I	Private Banking	Postbank
Currency	EUR	EUR	EUR	EUR
ISIN code	LU0273968015	LU0273967983	LU1102786750	LU0273968288
Bloomberg ticker	EURABRE LX	EURABRI LX	EPBABRE LX	PBABREE LX
MorningStar Rating	-	-	-	-
Inception date	9/10/2006	7/12/2006	14/10/2014	8/3/2016
Assets (class currency)	112.831.312,06	13.744.204,12	6.180.442,48	20.413,39
NAV	1,3767	1,4063	1,3764	1,3764
Min NAV	1,3334	1,3591	1,3334	1,3330
Max NAV	1,3777	1,4070	1,3774	1,3774
Entry fee	0,25% - 0,50%	0%	0,40% - 0,60%**	0,50%
Redemption fee	0% - 0,5%*	0%	0%	0%
Conversion fee	Difference in Entry fees			
Redemption scheme	T+2	T+2	T+2	T+5

*Depending on the duration of the investment period

**Depending on the amount of the investment

More information





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Risk Statistics

Standard Deviation	2,03%
VaR	1,03%
Yield to Maturity	1,19%
Duration (yrs)	1,52

Standard Deviation calculations have been performed using a data sample of the last 12 months. The VaR analysis is based on the Historical Simulation method using the 99th percentile as confidence interval and historical data of the last 12 months. The VaR level refers to the one month VaR.

Fund Returns

Cumulative Returns per share class

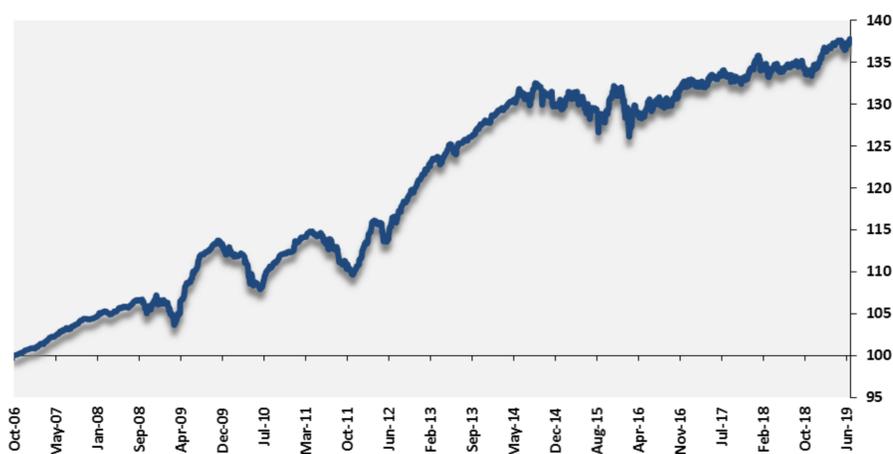
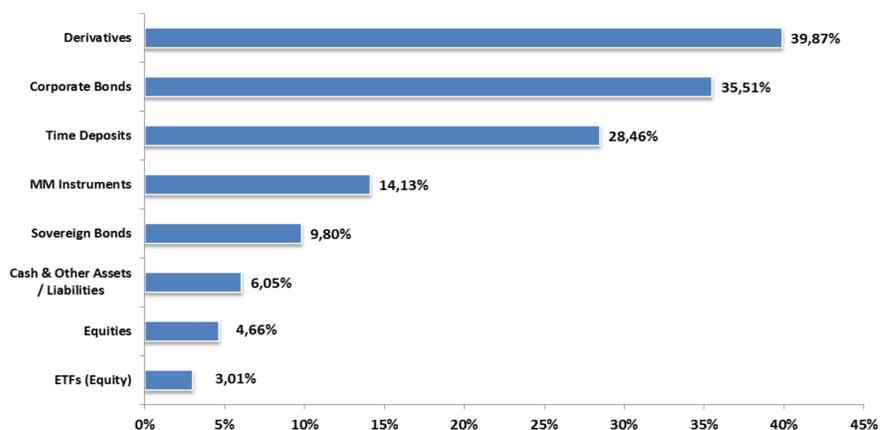
Share Classes	YTD	1 Y	3 Y	5 Y	Since inception
Eurobank	1,99%	2,48%	6,01%	5,08%	37,67%
Eurobank I	2,17%	2,85%	7,06%	6,75%	40,63%
Private Banking	1,98%	2,46%	6,00%	4,81%	4,81%
Postbank	2,00%	2,49%	6,01%	6,46%	6,46%

Annual Returns per share class

Share Classes	2017	2016	2015	2014	2013	2012	2011
Eurobank	+0,47%	+0,47%	+1,32%	+1,52%	+5,08%	+9,81%	-1,45%
Eurobank I	+0,78%	+0,78%	+1,65%	+1,78%	+5,32%	+10,02%	-1,19%
Private Banking	+0,46%	+0,46%	+1,33%	-	-	-	-
Postbank	+1,57%	-	-	-	-	-	-

Share Classes	2018
Eurobank	+0,59%
Eurobank I	+0,97%
Private Banking	+0,59%
Postbank	+0,59%

Portfolio Breakdown



Major Holdings

T Dep 25/06-02/07 .5% ALPHA BANK	7,40%
T Dep 27/06-04/07 .7% PIRAEUS BANK SA	6,03%
T Dep 28/06-05/07 .7% PIRAEUS BANK SA	6,03%
T Dep 26/06-03/07 .6% NATIONAL BANK OF	6,03%
GTB 0 11/01/2019	3,76%
T Dep 27/06-01/07 2.38% BBVA SA	2,98%
HELLENIC T-BILL 30/08/19	2,57%
POLGB Float 05/25/24	2,55%
ROMTB 28/06/23	2,41%
HELLENIC T-BILL 13/03/20	2,25%

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