

# DIAS II

*Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé*

R.C.S. Luxembourg B 174962

## Annual report including the audited financial statements as at December 31, 2019

No subscriptions can be received on the basis of these financial statements. Subscriptions are only valid if made on the basis of the current prospectus, accompanied by a copy of the latest annual report including the audited financial statements and a copy of the latest semi-annual report, if published thereafter.

## Table of contents

Management and Administration	1
General information on the Company	2
Information to the Shareholders	3
Report of the Board of Directors	4
Audit Report	5
Statement of Net Assets	8
Statement of Operations and Changes in Net Assets	9
Statistical information	10
<b>DIAS II - DIAS II Regional Equities Sub-Fund</b>	
Schedule of Investments	11
Economic and Geographical Classification of Investments	13
Notes to the financial statements	14
Shareholder's information (Unaudited)	19

## Management and Administration

### Registered Office

28-32, Place de la gare, L-1616 Luxembourg  
Grand Duchy of Luxembourg

### Board of Directors

#### Chairman:

Agamemnon KOTROZOS,  
Vice Chairman and Chief Executive Officer  
Eurobank Fund Management Company  
(Luxembourg) S.A.  
5, rue Jean Monnet, L-2180 Luxembourg  
Grand Duchy of Luxembourg

#### Directors:

Eleni KORITSA,  
Deputy Chief Executive Officer,  
Eurobank Asset Management M.F.M.C.  
10 Stadiou Street, G-105 64 Athens, Greece

Georgios VLACHAKIS,  
Managing Director  
Eurobank Fund Management Company  
(Luxembourg) S.A.  
5, rue Jean Monnet, L-2180 Luxembourg  
Grand Duchy of Luxembourg

### Alternative Investment Fund Manager (AIFM)

Eurobank Asset Management Mutual Fund  
Management Company S.A.  
10 Stadiou Street, G-105 64 Athens, Greece

### Depositary and Paying Agent

Société Générale Bank & Trust  
11, avenue Emile Reuter, L-2420 Luxembourg  
Grand Duchy of Luxembourg

### Administrative, Corporate and Domiciliary Agent

Société Générale Bank & Trust (operational center)  
28-32, Place de la gare, L-1616 Luxembourg  
Grand Duchy of Luxembourg

### Registrar Agent

Société Générale Bank & Trust (operational center)  
28-32, Place de la gare, L-1616 Luxembourg  
Grand Duchy of Luxembourg

### Auditor

PricewaterhouseCoopers, *Société coopérative*  
2 rue Gerhard Mercator, L-2182 Luxembourg  
Grand Duchy of Luxembourg

## General information on the Company

DIAS II, the "Company" is an open-ended investment company organised as a *société anonyme* under the laws of the Grand Duchy of Luxembourg and qualifies as a *Société d'Investissement à Capital Variable* ("SICAV") and a *Fonds d'Investissement Spécialisé* under the law of February 13, 2007 as amended, relating to Specialised Investment Funds (the "SIF Law"), with several separate sub-funds (individually a "Sub-Fund" and collectively the "Sub-Funds") pursuant to article 71 of the SIF Law.

The Company is registered under Number B 174962 with the *Registre de Commerce et des Sociétés* where the Articles of the Company have been filed and are available for inspection. The Company exists for an unlimited period.

The Company also qualifies as an Alternative Investment Fund ("AIF") in accordance with the Article 1(39) of the Law of 12 July 2013 on Alternative Investment Fund Managers transposing the Directive 2011/61/EU of the European Parliament and of Council of 8 June 2011 on Alternative Investment Fund Managers ("Law of 2013").

The Company was incorporated on January 23, 2013. The articles of incorporation of the Company were published in the *Mémorial C, Recueil des Sociétés et Associations du Grand-Duché de Luxembourg* (hereinafter the "Recueil Electronique des Sociétés et Associations") on February 12, 2013, after having been registered with the *Registre de Commerce et des Sociétés*, where they can be consulted and where copies can be obtained against payment of the Court fees.

## Information to the Shareholders

The Annual General Meeting of Shareholders of the Company is held in Luxembourg on the 3rd Monday of June of each year at 10.00 a.m. or, if such day is not a business day in Luxembourg, on the next business day. The first Annual General Meeting of Shareholders of the Company was held in June 2014. For all General Meetings of Shareholders notices are sent to registered Shareholders by post at least 8 days prior to the meeting. Notices, if required, will be published in the Mémorial and in a Luxembourg newspaper (if legally required) and in such other newspapers as the Directors may decide. Such notices will include the agenda and specify the place of the meeting. The legal requirements as to notice, quorum and voting at all General and Sub-Fund or Class Meetings are included in the Articles. Meetings of Shareholders of any given Sub-Fund or Class shall decide upon matters relating to that Sub-Fund or Class only.

The financial year of the Company ends on December each year.

The list of changes in the portfolio for the year ended December 31, 2019, is available at the registered office of the Company.

## Report of the Board of Directors

Dias II seeks long-term capital appreciation through investments mainly in equities of issuers domiciled in and listed in Southeastern Europe, Turkey, Russia, Middle East and North Africa. Entering the reporting period, the level of equity investment was at 89.65%, which gradually decreased to 82%, while bond exposure reached 12% from 0% as of 31st of December 2018.

Russian equity market soared during 2019, as the threat of U.S. sanctions waned and investors turned their attention to signs of an improving economy. More precisely, RTS index gain 56.46% in dollar terms. Equities still trade at significant discounts to emerging market peers and dividends paid by state run companies remain high. The country offers the best dividend yield and lowest P/E of any major emerging market. Russia benefited from the strength of the oil price and the five cuts of interest rates during 2019.

In 2019 Greek equity market advanced by more than 52% including dividends, while banking sector advanced by approximately 101%. The performance of Greek equities signals a remarkable turnaround after a difficult decade. Greek economic growth accelerated in 2019, thanks to recovering government spending and reviving investment coupled with a healthy tourism and exports outlook.

In Romania, Bucharest Stock Exchange closed in 2019 in positive territory with BET index up by 46.26% in local currency, including dividends. Romanian market continues to trade at a very appealing P/E and very high dividend yield, and as such remains attractive going into 2020.

The Turkish stock exchange also experienced a notably profitable year despite a relatively rough first half, advancing by 18.2% in EUR denominated terms.

The year 2019 ended on a positive note for GCC markets as a whole, as MSCI GCC stock index rose 5.9% in 2019, its fourth consecutive year of gains. Kuwait ended the year as the best performing GCC market in 2019 followed by Bahrain. The strong rally in Kuwait equities stemmed from MSCI's decision to include Kuwait in its emerging market indices from 2020. On the other hand, Saudi Aramco's IPO overshadowed GCC equity markets in 2019 but the Tadawul gained only 7.2% over 2019. Oman was the only GCC index to show a year-on-year loss at the end of 2019 (-7.9%), while in the contrary, EGX 30 index advanced by 9.53%.

In 2019, we eliminated our exposure in Egypt while, in the same time, we increased our exposure in Greece through investments mainly in Greek government and corporate bonds. During the past 12-months under review, key contributors to the Fund's absolute performance included (i) Alpha Bank, (ii) Eurobank-Ergasias and (iii) National Bank of Greece, (iv) Hellenic Telecom Organization. In contrast, key detractors to the Fund's absolute performance included, (i) Ellaktor, the largest infrastructure group in Greece, focusing on construction, concessions, environment, renewable energy and real estate development. (ii) Motor Oil, (iii) Titan Cement Company.

In 31.12.2019, the fund was allocated 82% in equities, 12% in Bonds and 6% in cash. From a sectorial standpoint regarding equity investments, approximately 25% of the Fund was invested in financials, favoring Greek banks, 9% in Leisure and Travel, 7% in the Telecom sector, 7% in Construction and materials, and 6% in the Food and Beverage sector etc. The geographic breakdown of DIAS II across countries reveals that investments in Greek equities and bonds was approximately 85% of the fund, followed by Switzerland (6%).

Following, the longest expansion on record, the global economy plunging into recession in 2020 because of an exogenous health crisis, named Covid-19. Equity markets made a promising start in the year, on the back of better macro data and the prospect of reduced geopolitical headwinds. However, the lockdowns imposed to slow the spread of Covid-19 has a negative impact not only in the global economic activity but also in corporate earnings. On the other hand, governments and central banks around the world have launched unprecedented fiscal and monetary incentives in order to support the economies burdened by the pandemic. In this framework, while valuations have become cheaper, especially in emerging markets, we need more visibility on the economic and corporate impact of the pandemic before we invest more in equity and bond markets in the region.

For the 12-month reporting period ended 31 December 2019, the Fund returned 33.18%.

Luxembourg, June 18, 2020

The Board of Directors

Note: the figures stated in this report are historical and are not representative of future performance.



## **Audit report**

To the Shareholders of  
**DIAS II**

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### **Our opinion**

In our opinion, the accompanying financial statements give a true and fair view of the financial position of DIAS II (the “Fund”) as at 31 December 2019, and of the results of its operations and changes in its net assets for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the financial statements.

#### *What we have audited*

The Fund’s financial statements comprise:

- the statement of net assets as at 31 December 2019;
- the schedule of investments as at 31 December 2019;
- the statement of operations and changes in net assets for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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### **Basis for opinion**

We conducted our audit in accordance with the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the “Commission de Surveillance du Secteur Financier” (CSSF). Our responsibilities under the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the “Responsibilities of the “Réviseur d’entreprises agréé” for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Fund in accordance with the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the financial statements. We have fulfilled our other ethical responsibilities under those ethical requirements.

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### **Other information**

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

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



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

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#### **Responsibilities of the Board of Directors of the Fund for the financial statements**

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

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

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#### **Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the financial statements**

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

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

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Fund;





- conclude on the appropriateness of the Board of Directors of the Fund's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the Fund to cease to continue as a going concern;
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

PricewaterhouseCoopers, Société coopérative  
Represented by

Luxembourg, 18 June 2020

Valérie Arnold

## Statement of Net Assets

(expressed in the Sub-Fund's currency)

	Notes	DIAS II - DIAS II Regional Equities Sub-Fund EUR
<b>ASSETS</b>		
Securities portfolio at cost		12 646 714
Net unrealised profit/ (loss)	10	2 319 934
Securities portfolio at market value	2.2	14 966 648
Cash at bank		539 513
Interest receivable on bonds		31 153
		<b>15 537 314</b>
<b>LIABILITIES</b>		
Bank Overdraft		709
Management fees payable	3	56 171
Depositary fees payable	6	3 440
<i>Taxe d'abonnement payable</i>	8	384
Administration fees payable	5	21 460
Registrar Agent fees payable	7	6 847
Professional fees payable		13 235
Interest and bank charges payable		1 572
Other liabilities		1 034
		<b>104 852</b>
<b>TOTAL NET ASSETS</b>		<b>15 432 462</b>

## Statement of Operations and Changes in Net Assets

(expressed in the Sub-Fund's currency)

	Notes	DIAS II - DIAS II Regional Equities Sub-Fund EUR
<b>Net assets at the beginning of the year</b>		<b>1 110 014</b>
<b>INCOME</b>		
Dividends, net	2.3	140 965
Interest on Bonds, net		39 635
		<b>180 600</b>
<b>EXPENSES</b>		
Management fees	3	148 777
Depositary fees	6	7 153
<i>Taxe d'abonnement</i>	8	1 075
Administration fees	5	39 224
Registrar Agent fees	7	17 097
Professional fees		22 520
Interest and bank charges		3 678
Transaction costs		36 368
Other expenses		2 015
		<b>277 907</b>
<b>Net investment income/ (loss)</b>		<b>(97 307)</b>
<b>Net realised gains/ (losses) on</b>		
- securities sold	10	195 616
- currencies		(10)
		<b>195 606</b>
<b>Net realised result for the year</b>		<b>98 299</b>
<b>Change in net unrealised profit/ (loss) on</b>		
- securities	2	2 224 149
		<b>2 224 149</b>
<b>Result of operations</b>		<b>2 322 448</b>
<b>Movements in capital</b>		
Subscriptions		12 000 000
		<b>12 000 000</b>
<b>Net assets at the end of the year</b>		<b>15 432 462</b>

## Statistical information

### DIAS II - DIAS II Regional Equities Sub-Fund

	Currency	31/12/19	31/12/18	31/12/17
<b>Class R4</b>				
Number of shares		56 932.5250	5 473.6581	5 473.6581
Net asset value per share (Published NAV)	EUR	270.0697	202.7919	251.4510
Adjustements		0.9961		
Net asset value per share (Audited NAV)		271.0658		
Total Net Assets (Audited NAV)	EUR	15 432 462	1 110 014	1 376 357

## DIAS II - DIAS II Regional Equities Sub-Fund

### Schedule of Investments

Nominal value/ Quantity	Description	Quotation Currency	Cost EUR	Market value EUR	% of net assets
<b>Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market</b>					
<b>Bonds</b>					
100 000	HELLENIC PETROLEUM FINANCE PLC 2% 04/10/2024	EUR	99 410	100 490	0.65
100 000	MYTILINEOS FINANCIAL PARTNERS SA 2.5% 01/12/2024	EUR	100 000	100 884	0.66
140 000	MYTILINEOS HOLDINGS SA 3.1% 27/06/2022	EUR	143 301	140 755	0.92
140 000	OPAP SA 3.50% 21/03/2022	EUR	144 385	141 509	0.92
100 000	OTE PLC 0.875% 24/09/2026	EUR	99 233	100 525	0.65
<b>Total Bonds</b>			<b>586 329</b>	<b>584 163</b>	<b>3.80</b>
<b>Shares</b>					
36 200	AEGEAN AIRLINES SA	EUR	292 275	304 080	1.97
450 000	ALPHA BANK AE	EUR	625 200	865 350	5.61
31 550	COCA-COLA HBC AG	EUR	804 816	951 863	6.17
131 000	ELLAKTOR SA	EUR	231 373	222 962	1.44
1 223 400	EUROBANK ERGASIAS S.A.	EUR	866 185	1 125 528	7.29
40 450	FOURLIS HOLDINGS SA	EUR	206 370	234 206	1.52
67 700	GEK TERNA HOLDING REAL ESTATE CONSTRUCTION SA	EUR	382 213	512 489	3.32
23 925	GREGORY SARANTIS SA	EUR	178 617	203 841	1.32
68 000	HELLENIC EXCHANGES - ATHENS STOCK EXCHANGE SA	EUR	290 759	315 180	2.04
43 350	HELLENIC PETROLEUM SA	EUR	329 789	380 180	2.46
75 100	HELLENIC TELECOMMUNICATIONS ORGANIZATION SA	EUR	889 691	1 070 926	6.94
131 500	HOLDING COMPANY ADMIE IPTO SA	EUR	246 836	305 080	1.98
32 550	JUMBO SA	EUR	493 627	603 802	3.91
124 258	LAMDA DEVELOPMENT SA	EUR	865 272	1 022 643	6.63
24 650	MOTOR OIL HELLAS CORINTH REFINERIES SA	EUR	477 035	508 283	3.29
84 600	MYTILINEOS SA	EUR	768 033	827 388	5.36
378 200	NATIONAL BANK OF GREECE SA	EUR	739 902	1 142 164	7.40
95 700	OPAP SA	EUR	873 202	1 109 163	7.19
123 500	PIRAEUS BANK SA - A	EUR	349 047	369 265	2.39
21 555	PIRAEUS PORT AUTHORITY	EUR	452 693	470 976	3.05
31 200	TERNA ENERGY	EUR	214 382	238 992	1.55
19 000	TITAN CEMENT INTERNATIONAL SA	EUR	359 164	362 900	2.35
<b>Total Shares</b>			<b>10 936 481</b>	<b>13 147 261</b>	<b>85.18</b>
<b>Supranationals, Governments and Local Public Authorities, Debt Instruments</b>					
218 000	HELLENIC REPUBLIC GOVERNMENT BOND 1.875% 23/07/2026	EUR	217 647	230 398	1.49
300 000	HELLENIC REPUBLIC GOVERNMENT BOND 3.375% 15/02/2025	EUR	307 901	341 082	2.21
100 000	HELLENIC REPUBLIC GOVERNMENT BOND 3.75% 30/01/2028	EUR	96 380	118 086	0.77
300 000	HELLENIC REPUBLIC GOVERNMENT BOND 3.875% 12/03/2029	EUR	312 043	361 626	2.34

## DIAS II - DIAS II Regional Equities Sub-Fund

### Schedule of Investments (continued)

Nominal value/ Quantity	Description	Quotation Currency	Cost EUR	Market value EUR	% of net assets
<b>Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market (continued)</b>					
<b>Supranationals, Governments and Local Public Authorities, Debt Instruments (continued)</b>					
150 000	HELLENIC REPUBLIC GOVERNMENT BOND 3.9% 30/01/2033	EUR	189 933	184 032	1.19
<b>Total Supranationals, Governments and Local Public Authorities, Debt Instruments</b>			<b>1 123 904</b>	<b>1 235 224</b>	<b>8.00</b>
<b>Total Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market</b>			<b>12 646 714</b>	<b>14 966 648</b>	<b>96.98</b>
<b>Total Investments</b>			<b>12 646 714</b>	<b>14 966 648</b>	<b>96.98</b>

**DIAS II - DIAS II Regional Equities Sub-Fund**  
Economic and Geographical Classification of Investments

<b>Economic classification</b>	<b>%</b>	<b>Geographical classification</b>	<b>%</b>
Banks	22.69	Greece	86.51
Travel, Leisure & Catering	10.07	Switzerland	6.17
General Industrials	8.25	Belgium	2.35
Governments	8.00	United Kingdom	1.30
Construction & Materials	7.12	Luxembourg	0.65
Fixed Line Telecommunications	6.94		
Real Estate Investment & Services	6.63		<b>96.98</b>
Beverages	6.17		
Oil & Gas Producers	5.76		
Leisure Goods	3.91		
Financial Services	3.35		
Industrial Transportation	3.05		
Electricity	1.55		
Household Goods & Home Construction	1.52		
Personal Goods	1.32		
Technology Hardware & Equipment	0.65		
	<b>96.98</b>		

## Notes to the financial statements

### 1 - General

At December 31, 2019, one Sub-Fund is available to investors:

- DIAS II - DIAS II Regional Equities Sub-Fund

This Sub-Fund seeks long-term capital growth through investments mainly in shares of companies domiciled in, and listed on any Regulated Market in any country of the world. The Sub-Fund invests mainly in common stocks, preferred shares as well as in equity warrants of companies domiciled and listed in South-eastern Europe, Turkey, Russia, Middle East and North Africa.

In addition, the Sub-Fund may invest in any other securities of companies that are heavily exposed or have an important part of their business in the aforementioned geographical area.

The Sub-Fund will be a long-only fund.

While there are no capitalisation restrictions imposed on the AIFM, the Sub-Fund will seek to invest primarily in larger, established companies.

The Sub-Fund is diversified across a range of industries and sectors.

The Sub-Fund may also hold liquid assets on an ancillary basis.

The Sub-Fund may use the techniques and instruments to achieve its investment objective and for the purpose of efficient portfolio management and for the purpose of providing protection against market and exchange risks such as but not limited to options on transferable securities; futures, options and swap contracts relating to financial instruments; forward purchase settlement transactions.

The leverage of the Sub-Fund through the use of derivatives instruments will not exceed 100% of the Company's net asset value.

The Sub-Fund may enter into securities lending and borrowing transactions up to 50% of the Company's net asset value.

Under certain exceptional market conditions, the Company may invest temporarily up to 100% of its net assets in cash and cash equivalents, including money market instruments, if the Company/AIFM believe that it would be in the best interest of Shareholders and provided that diversification considerations are taken into account.

### 2 - Significant accounting policies

#### 2.1 Presentation of financial statements

The financial statements are prepared in accordance with the legal and regulatory requirements in Luxembourg applicable to investment funds.

The reference currency of the financial statements is EUR.

#### 2.2 Valuation of investment in securities, other assets and derivatives

2.2.1 The value of any cash in hand or on deposit, discount notes, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof, unless in any case the same is unlikely to be paid or received in full, in which case the value thereof shall be arrived at after making such discount as the Company may consider appropriate in such case to reflect the true value thereof.

2.2.2 The value of any securities, money market instruments and derivative instruments is determined on the basis of the last available price on the stock exchange or any other Regulated Market as aforesaid on which these securities, money market instruments or derivative instruments are traded or admitted for trading unless otherwise mentioned in the prospectus. Where such securities, money market instruments or derivative instruments are quoted or dealt in one or by more than one stock exchange or any other Regulated Market, the Directors shall make regulations for the order of priority in which stock exchanges or other Regulated Markets shall be used for the provision of prices of securities, money market instruments or derivative instruments.



## Notes to the financial statements (continued)

2.2.3 If a security, money market instrument or derivative instrument is not traded or admitted on any official stock exchange or any Regulated Market, or in the case of securities, money market instruments and derivative instruments so traded or admitted the last available price of which does not reflect their true value, the Directors are required to proceed on the basis of their expected sales price, which shall be valued with prudence and in good faith.

2.2.4 Swaps contracts are valued at the market value fixed in good faith by the Directors and according to generally accepted valuation rules that can be verified by auditors. Asset based swap contracts are valued by reference to the market value of the underlying assets. Cash flow based swap contracts are valued by reference to the net present value of the underlying future cash flows.

2.2.5 Each share or unit in an Open-ended Investment Fund are valued at the last available net asset value (or bid price for dual priced Investment Funds) whether estimated or final, which is computed for such unit or shares on the same Calculation Day, failing which, it shall be the last net asset value (or bid price for dual priced Investment Funds) computed prior to the Calculation Day on which the net asset value of the shares in the Company is determined.

2.2.6 In respect of shares or units of an Investment Fund held by the Company, for which issues and redemptions are restricted and a secondary market trading is effected between dealers who, as main market makers, offer prices in response to market conditions, the Directors may decide to value shares or units in line with the prices so established.

2.2.7 If, since the day on which the latest net asset value was calculated, events have occurred which may have resulted in a material change of the net asset value of shares or units in other Investment Funds held by the Company, the value of such shares or units may be adjusted in order to reflect, in the reasonable opinion of the Directors, such change of value.

2.2.8 The value of any security which is dealt principally in a market made among professional dealers and institutional investors shall be determined by reference to the last available price.

2.2.9 If any of the aforesaid valuation principles do not reflect the valuation method commonly used in specific markets or if any such valuation principles do not seem accurate for the purpose of determining the value of the Company's assets, the Directors may fix different valuation principles in good faith and in accordance with generally accepted valuation principles and procedures.

2.2.10 In circumstances where the interests of the Company or its shareholders so justify (avoidance of market timing practices, for example), the Directors may take any appropriate measures, such as applying a fair value pricing methodology to adjust the value of the Company's assets, as further described in the prospectus.

### 2.3 Income

Dividends are credited to income on the date upon which the relevant securities are first listed as "ex-dividend".

Interest income is accrued on a daily basis.

### 2.4 Foreign Exchange Translation

Any assets or liabilities in currencies other than the reference currency of the Fund are converted using the relevant spot rate quoted by a bank or other responsible financial institution.

## 3 - Alternative Investment Fund Management fees

The AIFM is entitled to receive an Alternative Investment Fund management fee of max.1.5% of the quarterly average of the Net Asset Value of the Sub-Fund and payable quarterly in arrears for the sub-fund DIAS II - DIAS II Regional Equities Sub-Fund. The effective rate applicable during the period was 1.5%.

## Notes to the financial statements (continued)

### 4 - Performance fees

The AIFM may receive a Performance Fee out of the quoted financial assets of the Sub-Fund. The Performance Fee is accrued on each Valuation Day and calculated as follows:

for each Reference Period (as defined below), the Fee will be 10% of the positive difference between the performance of the quoted financial assets' value during the Reference Period (after deduction of management fees and advisory fees if any) and the performance of the Euribor 3 months plus 1% (the "Benchmark Rate") over the Reference Period excluding any impact due to the subscription, redemption or conversion applications received and dividend distributions. The "Reference Period" means a period starting on January 1 and ending on December 31 of each year.

The performance calculation will be performed on a High Water Mark basis. Losses allocable to redemptions or distributions from the Sub-Fund shall be excluded in the determination of the High Water Mark. Furthermore, a Performance Fee once paid will not be subject to reimbursement in the event of subsequent losses. A Performance Fee will only be paid in the case the quoted financial assets' value of the Sub-Fund at the end of the Reference Period exceeds:

- (i) the previous highest quoted financial assets' value of the Sub-Fund in any preceding period in respect of which the performance commission was the last calculated and paid (adjusted with subscriptions, redemptions or conversion applications received and dividend distributions); and
- (ii) the quoted financial assets' value which the Sub-Fund would have reached if the quoted financial assets' value as of the start of the Reference Period had been invested during the Reference Period at the Benchmark Rate (fixed at the start of the Reference Period).

The Performance Fee will be paid within 10 days following the Net Asset Value finalization at the end of the Reference Period. If Shares are redeemed during the Reference Period, the Performance commission accrued in respect of all Classes of Shares will be crystallised and the aggregate of all such crystallised amounts will be paid within 10 days following the Net Asset Value finalization at the end of the Reference Period. In case of termination of the Alternative Investment Fund Management Agreement other than at a year end, Performance Fees shall be due through the effective termination and shall be pro-rated over the effective period of management.

No performance fee was paid in 2019.

### 5 - Administrative, Corporate and Domiciliary Agent fees

The Corporate, Administrative and Domiciliary Agent is entitled to receive out of the assets of each Sub-Fund a fee in compliance with Luxembourg business practice and payable quarterly in arrears. This means that certain fees are based on the Net Asset Value of the relevant Sub-Fund, and others on the transactions or other interventions executed for the account of the Company or the Sub-Fund. In addition, the Corporate, Administrative and Domiciliary Agent is entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses.

### 6 - Depositary and Paying Agent fees

The Depositary and Paying Agent is entitled to receive out of the assets of each Sub-Fund fees calculated in accordance with customary banking practice in Luxembourg and payable quarterly in arrears. This means that certain fees are based on the Net Asset Value of the relevant Sub-Fund, and others on the transactions or other interventions executed for the account of the Company or the Sub-Fund. In addition, the Depositary Agent is entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses and disbursements and for the charges of any correspondents.

### 7 - Registrar Agent fees

The Registrar Agent is entitled to receive out of the assets of each Sub-Fund a fee in compliance with Luxembourg business practice and payable quarterly in arrears. This means that certain fees are based on the Net Asset Value of the relevant Sub-Fund, and others on the transactions or other interventions executed for the account of the Company or the Sub-Fund. In addition, the Registrar Agent is entitled to be reimbursed by the Company for its reasonable out-of-pocket expenses.

## Notes to the financial statements (continued)

### 8 - Taxation

The Company is not subject to any taxes in Luxembourg on income or capital gains. In addition, the only tax to which the Company in Luxembourg is subject, is the *Taxe d'abonnement* at a rate of 0.01% per annum based on the net asset value of each Sub-Fund at the end of the relevant quarter, calculated and paid quarterly.

Interest and dividend income received by the Company may be subject to non-recoverable withholding tax in the countries of origin. The Company may further be subject to tax on the realised or unrealised capital appreciation of its assets in the countries of origin.

### 9 - Exchange rates

The following exchange rates have been used for the preparation of these financial statements:

1 EUR = 4.78620 RON                      1 EUR = 1.12250 USD

### 10 - Realised and unrealised gain/ (loss) on investments

Realised gain/ (loss) on sales of investments for the year ended December 31, 2019 can be analysed as follows:

	DIAS II - DIAS II Regional Equities Sub-Fund EUR
Realised gain on sales of investments	212 838
Realised loss on sales of investments	(17 222)
<b>Net Realised gain/ (loss) on sales of investments</b>	<b>195 616</b>

Unrealised gain/ (loss) on sales of investments as of December 31, 2019 can be analysed as follows:

December 31, 2018	DIAS II - DIAS II Regional Equities Sub-Fund EUR
Unrealised gain on sales of investments	206 684
Unrealised loss on sales of investments	(110 900)
<b>Net unrealised gain/ (loss) on sales of investments</b>	<b>95 784</b>

December 31, 2019	DIAS II - DIAS II Regional Equities Sub-Fund EUR
Unrealised gain on sales of investments	2 339 668
Unrealised loss on sales of investments	(19 734)
<b>Net unrealised gain/ (loss) on sales of investments</b>	<b>2 319 934</b>
<b>Net change in unrealised gain/ (loss) on sales of investments</b>	<b>2 224 149</b>

## Notes to the financial statements (continued)

### 11 - Subsequents events

By Circular resolutions, dated June 26, 2019 the Board of Directors resolved that:

- the creation of an additional sub-fund denominated DIAS II Quant Alpha Generation Sub-Fund;
- the amendment of the name of the sub-fund DIAS II Regional Equities Sub-Fund into DIAS II Greece and the Region Alpha Generation and the amendment of its investment policy.

The CSSF has approved the changes above on December 30th, 2019 and the new private placement memorandum was visaed on March 2020.

As of January 27, 2020, Société Générale Bank & Trust's name has been changed into Société Générale Luxembourg.

During the 1st quarter of 2020, Coronavirus (COVID-19) pandemic has started to affect humanity and consequently the economy and, through a contagion effect, the financial markets, banks, investment funds and other economic activities. Following a CSSF communiqué, all Luxembourg based supervised entities have been requested to encourage work at home for their employees until, at least, by 25 May 2020. Based on the above, and as from 16 March 2020, the delegated Investment Fund Manager has activated its business continuity plan ("BCP") by deploying all means deemed necessary including the information security and technology and by taking into account the relevant guidelines published by the regulatory authorities.

Equity markets made a promising start in the year, on the back of better macro data and the prospect of reduced geopolitical headwinds. However, the lockdowns imposed to slow the spread of Covid-19 had a negative impact not only in the global economic activity but also in corporate earnings. On the other hand, governments and central banks around the world have launched unprecedented fiscal and monetary incentives in order to support the economies burdened by the pandemic. In this framework, while valuations have become cheaper, especially in emerging markets, the Investment Fund Manager underlines that more visibility on the economic and corporate impact of the pandemic, must be evaluated thoroughly, before any new investment activity in equity and bond markets in the region.

## Shareholder's information (Unaudited)

In accordance with the AIF's prospectus, the leverage of the Sub-Fund will not exceed 100% of the Fund's net asset value. The Sub-Fund may enter into securities lending and borrowing transactions up to 50% of its asset value.

The AIFM is covered against professional liability claims of the amount of EUR 50mio under the Eurobank Ergasias group insurance scheme where it belongs to. The insurance is brokered by Marsh Insurance Brokers for a consortium of London insurers headed by Houston Casualty Company.

The AIFM performs a position-level quantitative analysis for liquidity risk assessment, monitoring and management. Historical redemption analysis is also performed in order to gain insight into the stressed and non-stressed market behavior. The AIF offers a once a month redemption facility and a maximum of five business days settlement period. Under exceptional circumstances and in accordance with the AIF's prospectus the Board of Directors may decide to impose a 10% redemption gate, or in cases where the liquidity of the Fund is not sufficient, the period of redemption proceeds can be postponed to such period as shall be necessary in order to meet the redemption requests.

The current risk profile of this AIF is that of long only global equity fund seeking long-term capital growth through investments mainly in shares of companies domiciled in, and listed on any Regulated Market in any country of the world. The Sub-Fund will invest mainly in common stocks, preferred shares as well as in equity warrants of companies domiciled and listed in South-eastern Europe, Turkey, Russia, Middle East and North Africa. All relevant risk factors are being monitored through sensitivity checks and stress tests. The AIF's VaR is also monitored though no hard limits have been set.

The AIFM ensures that its remuneration policy adequately reflects the predominance of its oversight activity within its core activities. As such, the AIFM's employees who are identified as risk-takers under AIFMD are not remunerated based on the performance of the funds under management.

The AIFM applies a remuneration policy for identified staff based on the proportionality principles foreseen by AIFMD whereby fixed and variable remuneration is based on the achievement of individual targets as well as collective targets at the level of the AIFM, the achievement of which are independent from the performance of any fund for which the AIFM acts.

A paper version of this remuneration policy is made available by the AIFM free of charge to investors upon request.

Key figures as of end of year 2019 for the AIFM:

### Remuneration Policy for full year 2019

Management Company's remuneration for year 2019

Total remuneration: 2.910.318.15€

Senior management: 37% of total remuneration

Staff: 63% of total remuneration

Fixed remuneration\*: 100% of total remuneration

Variable remuneration: none

Carried interest: none

Number of staff: 51

Please note that the above remuneration is not attributed by the fund, but only by the management company

\* Represents wages, allowances, imputed income from using company car and company's contribution to the private pension scheme

### Material changes

No material changes occurred during the year under review.

### Securities Financing Transactions and of Reuse Regulation ("SFTR")

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

**DIAS II**

Annual report including the audited financial statements