
Discretionary Portfolio
Management Service
(DPMS) INVESTMENT STRATEGIES

Investment Policy Statement

The Discretionary Portfolio Management Service provides highly personalized investment management services to investors who wish for a professional portfolio management approach, based on the risk / return characteristics through a well-structured investment procedure

Global Market

The geographical allocation covers all global markets through third party Mutual Fund Selection and / or Exchange Traded Funds (ETFs).

Asset allocation is based on the Mutual Fund Selection Procedure (M.F.S.P.), a state of the art proprietary methodology of Eurobank Asset Management M.F.M.C. The M.F.S.P. evaluates more than 1,500 mutual funds from 15 of the most prestigious investment management houses who closely cooperate with Eurobank.

The M.F.S.P. aims at distinguishing the mutual funds which are characterized by the highest probability of outperforming their peers in the near future. The selected funds correspond to those fund managers who were detected to exhibit the best managing skills.

Specifically, the M.F.S.P. applies momentum/volatility techniques and among other parameters assesses the third party funds' returns over their volatility. The above procedure is dynamic and is being repeated on a regular basis for the purposes of efficient portfolio restructuring.

ADVANTAGES

- ❖ Transparency in Transactions / Trading / Returns
- ❖ Diversification in investments
- ❖ Constant Monitoring and Reporting
- ❖ Liquidity
- ❖ No entry / exit fee through investments in institutional shares

Model Portfolios

TRADITIONAL

Investment Objective	Addressed to investors who seek a combination of income generation and target short-medium term returns above money market rates.				
Investment Risk	Low				
Management Fee rate	0.50%				
Portfolio Minimum investment & Trading Range	GLOBAL (EUR) Minimum investment EUR 200,000	Equity Investments	0%	-	10%
		Fixed Income Investments	30%	-	80%
	GLOBAL (USD) Minimum investment USD 200,000	Alternative Investments	0%	-	10%
		Cash or MM Funds	0%	-	60%

DEFENSIVE

Investment Objective	Addressed to conservative investors who wish to invest in the global market universe, aiming for above average returns, but are sensitive to volatility.				
Investment Risk	Low				
Management Fee rate	0.75%				
Portfolio Minimum investment & Trading Range	GLOBAL (EUR) Minimum investment EUR 200,000	Equity Investments	10%	-	30%
		Fixed Income Investments	30%	-	60%
	GLOBAL (USD) Minimum investment USD 200,000	Alternative Investments	0%	-	10%
		Cash or MM Funds	0%	-	60%

MODERATE-BOND

Investment Objective	Addressed to investors with an appetite for medium-risk investments in global bond markets, targeting superior returns.				
Investment Risk	Medium				
Management Fee rate	0.75%				
Portfolio Minimum investment & Trading Range	GLOBAL (EUR) Minimum investment EUR 200,000	Equity Investments	0%		
		Fixed Income Investments	80%	-	100%
		Alternative Investments	0%	-	15%
		Cash or MM Funds	0%	-	20%

FLEXIBLE

Investment Objective	Addressed to investors who wish to invest in the global market universe with appetite for medium-risk investments targeting superior returns.				
Investment Risk	Medium				
Management Fee rate	1.25%				
Portfolio Minimum investment & Trading Range	GLOBAL (EUR) Minimum investment EUR 200,000	Equity Investments	30%	-	50%
		Fixed Income Investments	30%	-	50%
	GLOBAL (USD) Minimum investment USD 200,000	Alternative Investments	0%	-	15%
		Cash or MM Funds	0%	-	40%

GROWTH

Investment Objective	Addressed to medium-high risk investors who seek capital appreciation and target superior returns in a long-term horizon, whilst tolerant in medium to high market volatility.				
Investment Risk	Medium - High				
Management Fee rate	1.25%				
Portfolio Minimum investment & Trading Range	GLOBAL (EUR) Minimum investment EUR 200,000	Equity Investments	55%	-	75%
		Fixed Income Investments	20%	-	40%
	GLOBAL (USD) Minimum investment USD 200,000	Alternative Investments	0%	-	15%
		Cash or MM Funds	0%	-	40%

DYNAMIC

Investment Objective	Addressed to investors who wish to invest in the global market universe, aiming for superior returns whilst remaining tolerant to market volatility.				
Investment Risk	High				
Management Fee rate	1.25%				
Portfolio Trading Range	GLOBAL (EUR) Minimum investment EUR 200,000	Equity Investments	55%	-	100%
		Fixed Income Investments	0%	-	15%
	GLOBAL (USD) Minimum investment USD 200,000	Alternative Investments	0%	-	15%
		Cash or MM Funds	0%	-	45%

Management Fee

The Client shall pay the Bank a management fee for the provision of services under the Agreement at the annual rate specified above for each Investment Strategy, on the average daily value of the Portfolio.
The above fee will be calculated by the Bank on a quarterly basis and collected by the Bank, plus the applicable VAT, within ten (10) calendar days from the end of each calendar quarter.

Leverage

Leverage is not permitted

Performance fee

The Client shall pay the Bank an additional performance fee for the provision of services under the Agreement (hereinafter referred to as the "**Additional Fee**") as follows:

1. The Additional Fee is payable by the Client to the Bank if the Net Portfolio Return from the beginning of the management until the end of the respective period of calculation of the Investment Outperformance exceeds or equals the Net Portfolio Return from the beginning of the management until the end of the period for which the most recent Additional Fee was charged.
2. The Additional Fee is equal to the amount corresponding to the Additional Fee Percentage applied to (a) the Investment Outperformance for the period from the beginning to the end of each calendar year, and (b) the average daily value of the Portfolio during the same year.
3. The Additional Fee is calculated by the Bank annually on the last calendar day of each calendar year and is collected by the Bank, if any, plus the applicable VAT, within ten (10) calendar days from the end of each calendar year.

For the purposes of the above, the following definitions shall apply:

Net Portfolio Return for a specific period means the return of the Portfolio expressed as a percentage (%) after deducting fixed management fees for that period and calculated by compounding the daily returns of the Portfolio for all days in that period.

Active Investment Return for a specific period means the difference between the Net Portfolio Return and the Investment Performance Benchmark Return for that period.

Investment Performance Benchmark Return for a specific period means the Investment Performance Benchmark return expressed as a percentage (%) after compounding the daily returns of the Investment Performance Benchmark for the days in that period.

Investment Outperformance for a specific period is equal to the Active Investment Return when it is positive, and is set to zero when the Active Investment Return is negative or zero.

Additional Fee Percentage: 10%.

4. In the event of termination of the discretionary portfolio management service before the end of the year, any Additional Fee will be calculated and charged for the period from the beginning of the year until receipt by the other party of a written notice of termination from the Bank or the Client.
5. If the discretionary portfolio management service commenced within the year of calculation of the Additional Fee, all calculations above will be made for the period from the beginning of the management until the end of the year.
6. In the event of a change in the Portfolio's Investment Profile strategy, the calculation of any Additional Fee shall be made on the date of the change for the period from the beginning of the year until the day of the change. The previous Additional Fees charged under the old Portfolio Investment Profile will not be taken into account for the new Portfolio Investment Profile's Additional Fee calculation.
7. In any case, the Bank refers the Client to the current Banking Transactions Price List regarding cases where it provides for the collection of the Management Fee and any Additional Fee in the context of a change in the Investment Profile strategy. In such cases, the above fees are calculated by the Bank on the day of the relevant order and collected by the Bank, plus the applicable VAT, within ten (10) calendar days from that day.

Investment Performance Benchmark

For the management of the Portfolio, the Bank and the Client agree on an Investment Performance Benchmark, the daily return of which is the sum of the weighted daily returns of the individual indices of the following main investment categories of the Portfolio as specified in the table below:

Investment Category	Individual Indices of Main Investment Categories	Bloomberg Ticker
EUR		
CASH AND EQUIVALENT INSTRUMENTS	ICE BofA Euro Currency 1-Month Deposit Bid Rate Average Index	L4EC Index
DEBT SECURITIES AND EQUIVALENT INSTRUMENTS	Bloomberg Euro Aggregate Bond Index Total Return	LBEATREU index
DEBT SECURITIES AND EQUIVALENT INSTRUMENTS	Bloomberg Global Aggregate Bond Index Total Return	LEGATREH index

DEBT SECURITIES AND EQUIVALENT INSTRUMENTS	ICE BofA 1-3 Year Euro Broad Market Index	EG01 Index
CASH AND EQUIVALENT INSTRUMENTS	ICE BofA Euro Treasury Bill Index	EGB0 Index
EQUITIES AND EQUIVALENT INSTRUMENTS	MSCI All Country World Index Net Total Return EUR	NDEEWNR Index
USD		
CASH AND EQUIVALENT INSTRUMENTS	ICE BofA US Dollar Currency 1-Month Deposit Bid Rate Average Index	L4US Index
DEBT SECURITIES AND EQUIVALENT INSTRUMENTS	Bloomberg US Aggregate Bond Index Total Return	LBUSTRUU index
DEBT SECURITIES AND EQUIVALENT INSTRUMENTS	ICE BofA 1-3 Year US Treasury Index	G1O2 Index
DEBT SECURITIES AND EQUIVALENT INSTRUMENTS	ICE BofA US Treasury Bill Index	G0BA Index
CASH AND EQUIVALENT INSTRUMENTS	MSCI All Country World Index Net Total Return USD	NDUEACWF Index
EQUITIES AND EQUIVALENT INSTRUMENTS	ICE BofA US Dollar Currency 1-Month Deposit Bid Rate Average Index	L4US Index

In the event that any of the individual indices set out above is wound down or if, for any other reason, the daily closing price of any individual index is not available, the relevant index will be replaced by another index with similar investment characteristics and risk/return profile, from the same or another provider, in accordance with the Bank's Action Plan regarding the cessation of benchmarks, which is maintained on the Bank's website (<https://www.eurobankpb.lu/Media/Publications>).

Performance Indices

Asset Class	Indices	Bloomberg Ticker	Weight %
EUR			
LIQUIDITY PLUS EURO			
Cash/Cash equivalents/MM Funds	ICE BofA Euro Treasury Bill Index	EGB0 Index	35%
Fixed Income Investments	Bloomberg Euro Aggregate Bond Index Total Return	LBEATREU index	20%
	ICE BofA Euro Currency 1-3 Year Euro Broad Market Index	EG01 Index	40%
Equity Investments	MSCI All Country World Index Net Total Return EUR	NDEEWNR Index	5%
DEFENSIVE EURO			
Cash/Cash equivalents/MM Funds	ICE BofA Euro Currency 1-Month Deposit Bid Rate Average Index	L4EC Index	20%
Fixed Income Investments	Bloomberg Euro Aggregate Bond Index Total Return	LBEATREU index	55%
Equity Investments	MSCI All Country World Index Net Total Return EUR	NDEEWNR Index	25%
MODERATE EURO			
Cash/Cash equivalents/MM Funds	ICE BofA Euro Currency 1-Month Deposit Bid Rate Average Index	L4EC Index	10%
Fixed Income Investments	Bloomberg Global Aggregate Bond Index Total Return	LEGATREH index	90%
FLEXIBLE EURO			
Cash/Cash equivalents/MM Funds	ICE BofA Euro Currency 1-Month Deposit Bid Rate Average Index	L4EC Index	10%
Fixed Income Investments	Bloomberg Euro Aggregate Bond Index Total Return	LBEATREU index	45%
Equity Investments	MSCI All Country World Index Net Total Return EUR	NDEEWNR Index	45%
GROWTH EURO			
Cash/Cash equivalents/MM Funds	ICE BofA Euro Currency 1-Month	L4EC Index	5%
Fixed Income Investments	Bloomberg Euro Aggregate Bond Index Total Return	LBEATREU index	30%
Equity Investments	MSCI All Country World Index Net Total Return EUR	NDEEWNR Index	65%
DYNAMIC EURO			
Cash/Cash equivalents/MM Funds	ICE BofA Euro Currency 1-Month Deposit Bid Rate Average Index	L4EC Index	5%
Fixed Income Investments	Bloomberg Euro Aggregate Bond Index Total Return	LBEATREU index	10%
Equity Investments	MSCI All Country World Index Net Total Return EUR	NDEEWNR Index	85%

USD			
LIQUIDITY PLUS USD			
Cash/Cash equivalents/MM Funds	ICE BofA US Treasury Bill Index	G0BA Index	35%
Fixed Income Investments	Bloomberg US Aggregate Bond Index Total Return	LBUSTRUU index	20%
	ICE BofA1-3 Year US Treasury Index	G1O2 Index	40%
Equity Investments	MSCI All Country World Index Net Total Return USD	NDUEACWF Index	5%
DEFENSIVE USD			
Cash/Cash equivalents/MM Funds	ICE BofA US Dollar Currency 1-Month Deposit Bid Rate Average Index	L4US Index	20%
Fixed Income Investments	Bloomberg US Aggregate Bond Index Total Return	LBUSTRUU index	55%
Equity Investments	MSCI All Country World Index Net Total Return USD	NDUEACWF Index	25%
FLEXIBLE USD			
Cash/Cash equivalents/MM Funds	ICE BofA US Dollar Currency 1-Month Deposit Bid Rate Average Index	L4US Index	10%
Fixed Income Investments	Bloomberg US Aggregate Bond Index Total Return	LBUSTRUU index	45%
Equity Investments	MSCI All Country World Index Net Total Return USD	NDUEACWF Index	45%
GROWTH USD			
Cash/Cash equivalents/MM Funds	ICE BofA US Dollar 1-Month	L4US Index	5%
Fixed Income Investments	Bloomberg US Aggregate Bond Index Total Return	LBUSTRUU index	30%
Equity Investments	MSCI All Country World Index Net Total Return USD	NDUEACWF Index	65%
DYNAMIC USD			
Cash/Cash equivalents/MM Funds	ICE BofA US Dollar Currency 1-Month Deposit Bid Rate Average Index	L4US Index	5%
Fixed Income Investments	Bloomberg US Aggregate Bond Index Total Return	LBUSTRUU index	10%
Equity Investments	MSCI All Country World Index Net Total Return USD	NDUEACWF Index	85%