

ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF

Société d'Investissement à Capital Variable - Fonds d'Investissement Spécialisé
R.C.S. Luxembourg B 219075

Annual report including the audited financial statements
for the period from October 20, 2017 (date of incorporation)
to December 31, 2018

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.

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Organisation and Administration

Registered Office

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

General Partner

ALPHA TRUST LUXEMBOURG S.à r.l.
28-32 Place de la Gare,
L-1616 Luxembourg,
Grand Duchy of Luxembourg

Board of Managers of the General Partner

Christodoulos Aesopos (*Dirigeant* and Board Member)
Aristeides Protopapadakis
Benjamin Chouraki

Alternative Investment Fund Manager

Alpha Trust Mutual Fund and Alternative Investment Fund Management S.A.
21, Tatoiou Street,
145 61 Kifisia,
Greece

AIFM's Board of Directors

David Phillip Gibbs (Chairman)
Faidon-Theodoros Tamvakakis (Vice Chairman)
Christodoulos Aesopos (CEO)
Nikolaos Tzanetos (Member & CFO)
Iossif Papadogiannis (Member & CIO)

Depositary and Paying Agent

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

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

Administrator and Domiciliary Agent, Registrar and Transfer Agent

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

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

Auditor

PricewaterhouseCoopers, *Société coopérative*
2, rue Gerhard Mercator, B.P. 1443,
L-1014 Luxembourg,
Grand Duchy of Luxembourg

Legal Advisor

Baker & McKenzie
10-12, boulevard Roosevelt,
L-2450 Luxembourg,
Grand Duchy of Luxembourg

General information on the Company

ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF (the "Company") is registered as a Luxembourg open-ended umbrella structure, as an investment company with variable capital (*Société d'Investissement à Capital Variable*) in the form of a corporate partnership limited by shares (*Société en Commandite par Actions*) organized as a Specialized Investment Fund (*Fonds d'Investissement Spécialisé*) in accordance with Part II of the SIF Law and the 1915 Law.

The Company was incorporated in Luxembourg on October 20, 2017, for an unlimited period of time. The Articles have been published in *Recueil électronique des sociétés et des associations* ("RESA") under number B 219075, and have been filed with the R.C.S. where they are available for inspection and where copies can be made. Copies may also be obtained at the registered office of the Company and from the registered office of the AIFM, free of charge.

The Company is managed by its General Partner (*gérant actionnaire commandité*), ALPHA TRUST LUXEMBOURG S.à r.l., a Luxembourg private limited liability company (*société à responsabilité limitée*), having its registered office at 28-32 Place de la Gare, L-1616 Luxembourg, Grand Duchy of Luxembourg, and registered with the R.C.S. under number B 218945. In accordance with the 1915 Law, the General Partner has unlimited and joint and several liability for the obligations of the Company and each of the Shareholder's liability is limited to the amount such Shareholder has contributed to the Company.

The Company qualifies as an AIF for the purposes of the AIFM Law. The General Partner has, pursuant to the AIF Management Agreement, appointed Alpha Trust Mutual Fund and Alternative Investment Fund Management S.A. as the Company's external alternative investment fund manager in accordance with Article 4(1)(a) of the AIFM Law (the "AIFM").

Information to the Shareholders

The annual general meeting of Shareholders of the Company will be held at the registered office of the Company or at such other place in Luxembourg city on the last Tuesday of June of each year, or if any such day is not a Business Day, on the next following Business Day.

Notices of all general meetings will be sent to the Shareholders by post at least eight (8) days prior to the meeting at their addresses in the register of Shareholders. Such notices will include the agenda and specify the time and place of the meeting and the conditions of admission and will refer to the requirements of Luxembourg law, notably the 1915 Law, with regard to the necessary quorum and majorities required for the meeting.

The first Financial Year shall exceptionally end on December 31, 2018.

The list of changes in the portfolio for the period ended December 31, 2018 is available at the registered office of the Company.

Report of the Board of Directors

Dear Shareholder,

On November 30, 2017 we launched both sub-funds, FALCON REX INVESTMENT SUB-FUND and KESTREL INVESTMENT SUB-FUND. While the 2 compartments are relatively new, results to date have been encouraging despite a host of political, competitive, credit, and capital market related challenges. Much of the credit for the positive performance is due to the experience of the management team and good expense controls, since expense levels are among the lowest in the peer group.

The compartments have grown rapidly since inception. Total assets were €33.15 million as of November 30, 2017 (inception date); while the level of net asset inflows reached € 28.78 million (+86.8%) did not affect the portfolio quality.

Regarding Fixed-Income Markets, 2018 started with high expectations for global GDP growth, continuing its strong pace from the previous period, with US leading the way. Underweight sovereign bonds and defensive stance in duration were the main call from most analysts, as inflation was also expected to pick up, given low unemployment and wage growth. In addition, the scale down of QE in Eurozone, along with the continuation of the Fed's balance sheet reduction, were expected to put additional pressure on government bonds, reinforcing the main negative drive of the rising Fed Funds rate. Forecasters got the big picture for global growth and inflation broadly right, despite getting plenty of key assumptions wrong.

The key assumption of simultaneous growth proved wrong, as US-China trade war fears gradually increased throughout the period and the tariffs that were finally imposed brought down sentiment and economic activity globally. European exporting countries faced uncertainty, despite stable domestic consumption and the effect on EM economies from China's growth slowdown was strong, as it was combined with a sharp devaluation of their currencies against the strong US dollar. Additionally, political uncertainty in the Eurozone increased following developments in Italy and a standoff over its proposed budget deficit. These developments increased risk aversion pushing European risk-free yields lower, especially in the second half of the period. Consumer inflation did rise broadly as expected in the developed economies, from 2.0% to 2.3%, but a key driver in many countries was higher oil prices. Core inflation frequently undershot, supporting again prices of highly-rated sovereign bonds despite the continuation of the Fed's rate hike campaign till the change of stance to a pause at the end of the period.

Riskier corporate credit began suffering from the beginning of the third quarter along with equities, as President Trump's trade wars and particularly their impact on China had the most potential to push global sentiment off course in 1H19, both through the direct impact on trade flows and the indirect effect on global confidence and investment.

The final outcome for fixed income markets in 2018 by asset class was that EMU Sovereign bonds had a total return of +1%, US Treasuries rose +0.83%, despite four rate increases by the FED, EUR Investment grade bonds and USD Investment Grade Corporates fell -1.25% and -2.16% respectively, EM \$ debt lost -4.61% and finally in the High Yield corporate debt market there were total returns of -3.30% and -1.48% in the EUR and the USD space respectively.

On the equity markets, strong turbulence of the 1st quarter 2018 was followed by a rebound in various segments until the last quarter of the period which moved sharply down for international equity markets, being the worst since 2011, and in December in particular, where it became one of the worst in the last 50 years.

In particular, key equity indices ended in 2018 with two-digit losses, Europe -13%, Japan -17% and emerging markets -15%, while the United States reached -6.3%, after declining by 9% in December. At sector level, only the health care sector was positive +0.2%, while the biggest losses were the financial sector -18% and those of the industries, energy and raw materials with -16% each. The aversion to investment risk classes has resulted in "safe investment havens" benefiting. Germany's government bonds closed slightly, as well as those in the US. On the contrary, the risk-bearing bonds, i.e. corporate and emerging market bonds, had a negative year. In commodities, the biggest loser was oil, which fell more than 30% in the last quarter with an annual return of -15%. Gold posted gains at the end of the year, thus mitigating annual losses to -1.6%, benefiting also from the fact that the dollar has not been strong despite the turmoil. In currencies, the Japanese yen rose by 3% against the dollar and 7% against the euro.

Sincerely yours,

Report of the Board of Directors (continued)

ALPHA TRUST FALCON - FALCON REX INVESTMENT SUB-FUND Class A Shares

Fund Performance History

E/M	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
2018	0.88%	-1.08%	-0.98%	1.24%	-0.55%	-0.21%	-0.27%	-0.62%	0.26%	-1.88%	0.01%	-1.58%	-4.72%
2017												0.40%	0.40%

Fund Size (December 31, 2018): € 17 837 131

Investment Objective:

The objective of Falcon Rex Investment Sub-Fund is to provide long-term capital growth along with a moderate income by investing in a diversified global portfolio, including equities, bonds, fixed interest securities, alternative investments and cash. The Sub-fund may also use exchange-traded financial derivative instruments, where appropriate.

HOW DID THE MARKETS PERFORM?

Global equity markets performed strongly in the first three quarters of the year, until the outlook for robust growth created fear of a faster hike in US rates, which caused a major sell off of risk assets and a rebound in safe sovereign bonds.

The fourth quarter resulted in a major correction, and performance has turned negative in all equity markets, with technology stocks, at record highs until October, suffering the strongest blow.

Worries about Italy and budget disagreements with the EU caused all periphery EMU bonds to underperform with Greek bonds being hit also. By the end of the year, concern about growth in Europe, combined with an easing of tensions with Italy, gave a push to EMU sovereigns, along with periphery bonds which outperformed remarkably.

Gold has been a beneficiary of the turmoil, and produced decent profit at the close of 2018.

WHAT WERE THE MAIN DRIVERS OF THE FUND'S PERFORMANCE?

The Fund which invests in a composite portfolio of Developed, Emerging and Frontier Market equities, as well as bonds and alternative investments has underperformed in periods of strong equity markets and outperformed in down periods. It has remained in cash and short term instruments between 32 – 45 % of the portfolio for most of the period. Consequently, the drop in global equities, (as measured by DJ Global index of -12.31 %) in Q4, had a minimal effect on the portfolio which ended the period at – 4.72 %, compared to -7.49 % of the DJ Global.

An exposure to non Euro investments comprising a quarter of the portfolio, have also added to outperformance with USD, Japanese yen and Swiss Franc, returning 4.53%, 6.78%, and 3.7% respectively.

Exposure to Greek bonds and equities had an overall positive effect for the period, in spite of constant volatility.

Exposure in emerging markets has detracted from overall performance yet our selection of funds outperformed the relative benchmarks.

The Fund has had a low exposure in tech stocks throughout the period, which eventually benefitted performance, especially in Q4.

Report of the Board of Directors (continued)

Portfolio Breakdown (Decembre 31, 2018)

Asset Allocation

Equities	35.64%
Bonds	12.78%
Alternatives & Commodities	7.54%
Cash & MM funds	44.04%

Currency Exposure

EUR	74.18%
USD	19.55%
CHF	3.31%
JPY	1.52%
GBP	1.45%

Top Ten Holdings of the Portfolio (1)

1	BNP PARIBAS INSTICASH USD-INST	5.69%
2	HELLENIC REPUBLIC GOVERNMENT BOND 3.5% 30/01/2023	2.80%
3	OSTRUM ULTRA SHORT TERM BONDS PLUS	2.66%
4	DB PHYSICAL GOLD EURO HEDGED ETC	2.62%
5	ALPHA TRUST ANDROMEDA INVESTMENT TRUST SA SICAV	2.53%
6	HELLENIC REPUBLIC GOVERNMENT BOND 4.75% 17/04/2019	2.43%
7	BNP PARIBAS INSTICASH EUR-C	2.36%
8	HELLAS OPPORTUNITIES FUND - IA	2.17%
9	HELLENIC REPUBLIC GOVERNMENT BOND 4.375% 01/08/2022	2.13%
10	SPDR S&P AEROSPACE & DEFENCE ETF	1.77%

(1) Percentages indicated are based on total investments as of 31/12/2018

Report of the Board of Directors (continued)

Liquidity Profile as of December 31, 2018

Percentage of portfolio capable of being liquidated within:

Equities	
1 day	13.84%
2-7 days	2.48%
8-30 days	0.91%
31-90 days	1.87%
> 365 days	1.55%
	20.66%

Funds	
1 day	8.05%
2-7 days	22.36%
8-30 days	1.73%
91-181 days*	2.53%*
	34.67%

* 2.53% is a listed closed end fund and its liquidation estimation follows the equities liquidation procedure.

The rest of the assets are Bonds 9.41% which are assumed as highly liquidity assets and Cash 35.26%.

For the liquidation scale of the equities' part, we take into consideration the average liquidity metric for each stock. Under conservative approach there is the assumption of no more than one third of the average daily volume of the last three months for each stock can be liquidated. According to this we calculate the total redemption period of the portfolio.

For the liquidation scale of the funds' part, we assume that each fund can be liquidated according to its redemption settlement terms.

Risk Statistics

VAR Value: -0,62% (daily)

VAR calculation method type: Absolute VaR (20-day holding period): -2,77%

Risk measure description: 1 Year Historical Data, Historical Approach, 99% confidence level, 1 day VaR Holding Period.

Report of the Board of Directors (continued)

ALPHA TRUST FALCON - KESTREL INVESTMENT SUB-FUND Class A Shares

Fund Performance History

E/M	1	2	3	4	5	6	7	8	9	10	11	12	TOTAL
2018	0.55%	-1.03%	-0.90%	1.14%	-0.53%	-0.27%	-0.02%	-0.84%	0.24%	-1.17%	0.07%	-1.49%	-4.19%
2017												1.13%	1.13%

Fund Size (December 31, 2018): € 41 768 744

Investment Objective:

Kestrel Investment Sub-Fund is an unconstrained global multi-asset, benchmark agnostic, compartment, which aims for long-term positive returns with low correlation and lower levels of volatility compared to those experienced in the major equity and bond market indices. The objective of Kestrel Investment Sub-Fund is to seek a balanced accomplishment of three objectives: long-term growth of capital, conservation of principal and current income. Kestrel Investment Sub-Fund has no geographic, economic, industry or sector restriction or bias.

HOW DID THE MARKETS PERFORM?

Global equity markets performed strongly in the first three quarters of the year, until the outlook for robust growth created fear of a faster hike in US rates, which caused a major sell off of risk assets and a rebound in safe sovereign bonds.

The fourth quarter resulted in a major correction, and performance has turned negative in all equity markets, with technology stocks, at record highs until October, suffering the strongest blow.

Worries about Italy and budget disagreements with the EU caused all periphery EMU bonds to underperform with Greek bonds being hit also. By the end of the year, concern about growth in Europe, combined with an easing of tensions with Italy, gave a push to EMU sovereigns, along with periphery bonds which outperformed remarkably.

Gold has been a beneficiary of the turmoil, and produced decent profit at the close of 2018.

WHAT WERE THE MAIN DRIVERS OF THE FUND'S PERFORMANCE?

At first quarter, due to the turbulence in markets, the defensive strategy proved timely, and was not abandoned in the coming quarters in spite of rebounds in various segments and significant inflows. We have remained cautious in fixed income, opting for shorter duration, and selective in equities with a bottom up approach, seeking relative undervaluation. From a geographic perspective we have been underweight Emerging Markets with only a few specific choices.

Cash and equivalent instruments have been our predominant holding which we gradually reduced as volatility in both bond

Report of the Board of Directors (continued)

and equity markets offered opportunities to acquire good quality assets at reasonable prices.

Portfolio Breakdown (December 31, 2018)

Asset Allocation		Currency Exposure	
Equities	28.68%	EUR	70.37%
Bonds	15.25%	USD	22.99%
Alternatives & Commodities	6.67%	CHF	4.21%
Cash & MM funds	49.40%	JPY	0.84%
		GBP	1.36%
		SEK	0.23%

Top Ten Holdings of the Portfolio (1)

1	BNP PARIBAS INSTICASH USD	8.87%
2	HELLENIC REPUBLIC GOVERNMENT Bond 4.375% 01/08/2022	2.78%
3	HELLENIC REPUBLIC GOVERNMENT BOND 3.5% 30/01/2023	1.94%
4	DB PHYSICAL GOLD EURO HEDGED ETC	1.78%
5	LYXOR DIMENSION IRL PLC - LYXOR/TIEDEMANN ARBITRAGE STRATEGY FUND-I	1.68%
6	NESTLE SA	1.56%
7	ISHARES MSCI BRAZIL ETF	1.48%
8	UBS EQUITIES BRAZIL	1.37%
9	HELLAS OPPORTUNITIES FUND UNITS I FCP	1.36%
10	TITAN CEMENT CO SA 4.25%10/07/2019	1.36%

(1) Percentages indicated are based on total investments as of 31/12/2018

Report of the Board of Directors (continued)

Liquidity Profile as of December 31, 2018

Percentage of portfolio capable of being liquidated within:

Equities	
1 day	9.64%
2-7 days	3.60%
31-90 days	1.17%
181-365 days	0.34%
> 365 days	1.56%
	16.30%

Funds	
1 day	9.63%
2-7 days	19.17%
8-30 days	2.03%
31-90 days*	0.65%*
	31.48%

* 0.65% is a listed closed end fund and its liquidation estimation follows the equities liquidation procedure.

The rest of the assets are Bonds 13.40% which are assumed as highly liquidity assets and Cash 38.82%.

For the liquidation scale of the equities' part, we take into consideration the average liquidity metric for each stock. Under conservative approach there is the assumption of no more than one third of the average daily volume of the last three months for each stock can be liquidated. According to this we calculate the total redemption period of the portfolio.

For the liquidation scale of the funds' part, we assume that each fund can be liquidated according to its redemption settlement terms.

Risk Statistics

VAR Value: 0.57% (daily)

VAR calculation method type: Absolute VaR (20-day holding period): -2.55%

Risk measure description: 1 Year Historical Data, Historical Approach, 99% confidence level, 1 day VaR Holding Period.

Luxembourg, June 14, 2019

The Board of Directors



Audit report

To the Shareholders of
ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF

Our opinion

In our opinion, the accompanying financial statements give a true and fair view of the financial position of ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF and of each of its sub-funds (the "Fund") as at 31 December 2018, and of the results of their operations and changes in their net assets for the period from 20 October 2017 to 31 December 2018 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 2018;
- the schedule of investments as at 31 December 2018;
- the statement of operations and changes in net assets for the period from 20 October 2017 to 31 December 2018; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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.

Other information

The Fund's General Partner 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.

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*Cabinet de révision agréé. Expert-comptable (autorisation gouvernementale n°10028256)
R.C.S. Luxembourg B 65 477 - TVA LU25482518*



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.

Responsibilities of the Fund's General Partner for the financial statements

The Fund's General Partner 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 Fund's General Partner 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 Fund's General Partner 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 Fund's General Partner either intends to liquidate the Fund or to cease operations, or has no realistic alternative but to do so.

Responsibilities of the "Réviseur d'entreprises agréé" for the audit of the 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 Fund's General Partner;



- conclude on the appropriateness of the Fund's General Partner'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, 14 June 2019

A handwritten signature in black ink, appearing to read 'Johan Blaise', is written over a horizontal line.

Johan Blaise

Statement of Net Assets

(expressed in the Sub-Fund's currency)

	Notes	ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - KESTREL INVESTMENT SUB-FUND EUR	ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - FALCON REX INVESTMENT SUB-FUND EUR	Combined EUR
ASSETS				
Securities portfolio at cost	2.2	26 389 004	11 899 527	38 288 531
Net unrealised profit/ (loss)		(921 396)	(390 273)	(1 311 669)
Securities portfolio at market value		25 467 608	11 509 254	36 976 862
Cash at bank		16 416 474	6 421 037	22 837 511
Dividends receivable, net		909	-	909
Interest receivable on bonds		84 512	38 317	122 829
Formation expenses, net	2.6	7 920	7 920	15 840
		41 977 423	17 976 528	59 953 951
LIABILITIES				
Management fees payable	3	107 956	64 302	172 258
Investment advisory fees payable	3	43 182	27 558	70 740
Depositary fees payable	4	24 904	22 568	47 472
<i>Taxe d'abonnement payable</i>	5	836	371	1 207
Administration fees payable	4	15 658	7 060	22 718
Registrar Agent fees payable	4	5 320	5 923	11 243
Professional fees payable		10 823	11 615	22 438
		208 679	139 397	348 076
TOTAL NET ASSETS		41 768 744	17 837 131	59 605 875

Statement of Operations and Changes in Net Assets

(expressed in the Sub-Fund's currency)

	Notes	ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - KESTREL INVESTMENT SUB-FUND EUR	ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - FALCON REX INVESTMENT SUB-FUND EUR	Combined EUR
Net assets at the beginning of the year		-	-	-
INCOME				
Dividends, net	2.5	168 119	71 714	239 833
Interest on Bonds, net	2.5	267 703	83 357	351 060
Bank interest		7 668	2 628	10 296
Other income		92	-	92
		443 582	157 699	601 281
EXPENSES				
Management fees	3	203 330	131 339	334 669
Investment advisory fees	3	81 332	56 288	137 620
Depositary fees	4	61 182	56 374	117 556
<i>Taxe d'abonnement</i>	5	3 517	1 731	5 248
Administration fees	4	33 939	22 000	55 939
Registrar Agent fees	4	12 456	12 178	24 634
Professional fees		24 941	20 336	45 277
Interest and bank charges		42 510	20 137	62 647
Amortisation of formation expenses		1 228	1 228	2 456
Transaction costs		27 165	17 485	44 650
		491 600	339 096	830 696
Net investment income/ (loss)		(48 018)	(181 397)	(229 415)
Net realised gains/ (losses) on				
- securities sold	2.4, 7	(593 690)	(258 407)	(852 097)
- currencies		75 338	9 666	85 004
		(518 352)	(248 741)	(767 093)
Net realised result for the year		(566 370)	(430 138)	(996 508)
Change in net unrealised profit/ (loss) on				
- securities	7	(921 396)	(390 273)	(1 311 669)
		(921 396)	(390 273)	(1 311 669)
Result of operations		(1 487 766)	(820 411)	(2 308 177)
Movements in capital				
Subscriptions		43 271 263	18 672 121	61 943 384
Redemptions		(14 753)	(14 579)	(29 332)
		43 256 510	18 657 542	61 914 052
Net assets at the end of the year		41 768 744	17 837 131	59 605 875

Statistical information

ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - KESTREL INVESTMENT SUB-FUND

	Currency	31/12/18	-	-
Class A Shares				
Number of shares		431 098.34	-	-
Net asset value per share	EUR	96.890	-	-
Total Net Assets	EUR	41 768 743	-	-

Class M Shares

Number of shares		1.00	-	-
Net asset value per share	EUR	1.000	-	-
Total Net Assets	EUR	1.00	-	-

ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - FALCON REX INVESTMENT SUB-FUND

	Currency	31/12/18	-	-
Class A Shares				
Number of shares		186 455.74	-	-
Net asset value per share	EUR	95.660	-	-
Total Net Assets	EUR	17 837 130	-	-

Class M Shares

Number of shares		1.00	-	-
Net asset value per share	EUR	1.000	-	-
Total Net Assets	EUR	1.00	-	-

ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - KESTREL INVESTMENT SUB-FUND

Schedule of Investments

Nominal value/ Quantity	Description	Quotation Currency	Cost EUR	Market value EUR	% of net assets
Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market					
Bonds					
300 000	BRF SA - REGS - 4.75% 22/05/2024	USD	224 808	240 837	0.58
250 000	COLOMBIA TELECOMUNICACIONES SA ESP - REGS - 5.375% 27/09/2022	USD	204 535	217 751	0.52
405 000	HELLENIC PETROLEUM FINANCE PLC 4.875% 14/10/2021	EUR	429 826	423 007	1.01
250 000	MATTERHORN TELECOM SA - REGS - 3.875% 01/05/2022	EUR	251 383	243 315	0.58
315 000	NATIONAL BANK OF GREECE SA 2.75% 19/10/2020	EUR	316 865	319 892	0.77
400 000	OTE PLC 4.375% 02/12/2019	EUR	423 040	411 012	0.98
400 000	SCHLUMBERGER HOLDINGS CORP - REGS - 3.625% 21/12/2022	USD	328 902	348 269	0.83
440 000	TITAN GLOBAL FINANCE PLC 2.375% 16/11/2024	EUR	425 172	418 048	1.00
550 000	TITAN GLOBAL FINANCE PLC 4.25% 10/07/2019	EUR	570 817	556 633	1.34
Total Bonds			3 175 348	3 178 764	7.61
Shares					
4 865	ALFA LAVAL AB	SEK	93 122	91 036	0.22
349 500	ALPHA BANK AE	EUR	432 437	384 450	0.92
685	BLACKROCK INC	USD	313 294	235 386	0.56
145 295	CENERGY HOLDINGS SA	EUR	223 618	184 234	0.44
119 225	DIAGNOSTIC & THERAPEUTIC CENTER OF ATHENS HYGEIA SA	EUR	105 872	113 264	0.27
9 450	EXOR NV	EUR	530 795	446 607	1.07
20 000	FLEXOPACK SA	EUR	139 000	140 000	0.34
63 507	GREGORY SARANTIS SA	EUR	478 054	443 279	1.06
30 380	HELLENIC PETROLEUM SA	EUR	216 744	224 204	0.54
94 516	IASO	EUR	107 450	113 892	0.27
17 500	KARATZIS SA	EUR	131 500	111 125	0.27
5 707	MONDELEZ INTERNATIONAL INC	USD	199 061	199 844	0.48
16 710	MOTOR OIL HELLAS CORINTH REFINERIES SA	EUR	318 916	350 910	0.84
9 193	NESTLE SA	CHF	631 382	650 991	1.55
8 730	PARGESA HOLDING SA - BR	CHF	640 906	548 869	1.31
199 580	THRACE PLASTICS HOLDING AND CO	EUR	429 097	378 204	0.91
27 740	TITAN CEMENT CO SA	EUR	590 965	537 601	1.29
9 059	UNILEVER NV	EUR	410 372	429 578	1.03
Total Shares			5 992 585	5 583 474	13.37
Supranationals, Governments and Local Public Authorities, Debt Instruments					
780 000	HELLENIC REPUBLIC GOVERNMENT BOND 3.5% 30/01/2023	EUR	787 031	786 903	1.88
1 099 000	HELLENIC REPUBLIC GOVERNMENT BOND 4.375% 01/08/2022	EUR	1 121 540	1 141 399	2.73
400 000	HELLENIC REPUBLIC GOVERNMENT BOND 4.75% 17/04/2019	EUR	414 928	403 688	0.97
Total Supranationals, Governments and Local Public Authorities, Debt Instruments			2 323 499	2 331 990	5.58
Total Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market			11 491 432	11 094 228	26.56

ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - KESTREL INVESTMENT SUB-FUND

Schedule of Investments (continued)

Nominal value/ Quantity	Description	Quotation Currency	Cost EUR	Market value EUR	% of net assets
Investment Funds					
Open-ended Investment Funds					
26 503.673	ABERDEEN GLOBAL-CHINA A SHARE EQUITY FUND - I	EUR	334 100	296 266	0.71
47.879	ALLIANZ US EQUITY FUND	USD	85 538	81 813	0.20
2 718.618	ARCUS JAPAN FUND	JPY	395 779	349 981	0.84
714.184	AXA IM FIXED INCOME INVESTMENT STRATEGIES - US SHORT DURATION HIGH YIELD - FH	EUR	102 278	100 650	0.24
4 160	BLACKROCK GLOBAL FUNDS - EUROPEAN FOCUS FUND - A2	EUR	94 266	83 283	0.20
0.0007	BNP PARIBAS INSTICASH EUR - C	EUR	-	-	0.00
27 432.781	BNP PARIBAS INSTICASH USD	USD	3 681 303	3 706 250	8.86
8 350	DB PHYSICAL GOLD EURO HEDGED ETC	EUR	783 960	741 731	1.77
16 274.754	EUROBANK LF GREEK GOVERNMENT BOND FUND - I	EUR	419 988	472 015	1.13
74.205	FIRST EAGLE AMUNDI - INTERNATIONAL FUND - AU C	USD	429 788	407 087	0.97
217.649	FUNDLOGIC ALTERNATIVES PLC - MS ALKEON UCITS - P	EUR	302 867	256 872	0.61
1 503.844	GOLDEN CHINA FUND	USD	348 999	315 726	0.76
42 832.081	GUARDCAP UCITS FUNDS PLC - GUARDCAP GLOBAL EQUITY FUND - I	EUR	548 501	564 099	1.35
1 001	HELLAS OPPORTUNITIES FUND - IA	EUR	667 484	569 209	1.36
18 500	ISHARES MSCI BRAZIL INDEX FUND	USD	640 672	618 204	1.48
22 000	ISHARES PHYSICAL GOLD ETC	USD	452 046	484 446	1.16
3 032.724	JPMORGAN FUNDS - US VALUE FUND - C	USD	72 515	69 003	0.17
2 564.452	JPMORGAN INVESTMENT FUNDS - US SELECT EQUITY FUND - AEH	EUR	406 819	358 023	0.86
657.408	JULIUS BAER MULTIBOND - ABSOLUTE RETURN BOND FUND - B	EUR	85 417	81 939	0.20
53 708.876	LEGG MASON FUNDS ICVC - LEGG MASON IF JAPAN EQUITY FUND - A	GBP	399 647	345 034	0.83
6 220.800	LYXOR DIMENSION IRL PLC - LYXOR/TIEDEMANN ARBITRAGE STRATEGY FUND - I	USD	670 284	700 903	1.68
210 736.630	MI HAWKSMOOR OPEN-ENDED INVESTMENT COMPANY - DISTRIBUTION FUND - BA	EUR	297 816	284 661	0.68
6.919	PARADIGM CAPITAL VALUE FUND A8	EUR	199 988	179 911	0.43
13.478	PARADIGM CAPITAL VALUE FUND MS	EUR	399 999	350 516	0.84
3 534.248	PARVEST ENHANCED CASH 6 MONTHS - I	EUR	404 000	394 139	0.94
1 980.818	PARVEST EQUITY JAPAN SMALL CAP - C	EUR	195 041	156 762	0.38
1 000	PICTET - EUR SHORT TERM HIGH YIELD - P	EUR	123 370	121 560	0.29
2 989.951	PICTET - SHORT-TERM MONEY MARKET CHF - R	CHF	303 012	316 114	0.76
20 327.116	PINEBRIDGE GLOBAL FUNDS - PINEBRIDGE INDIA EQUITY FUND - R	USD	311 524	301 709	0.72
11 755	SPDR PORTFOLIO SMALL CAP ETF	USD	299 342	271 060	0.65
7 960	SPDR S&P AEROSPACE & DEFENSE ETF	USD	560 786	549 537	1.32
10 600	UBS LUX EQUITY SICAV - BRAZIL USD	USD	640 904	571 750	1.37
Total Open-ended Investment Funds			14 658 033	14 100 253	33.76
Close-ended Investment Funds					
12 303	ALPHA TRUST ANDROMEDA INVESTMENT TRUST SA	EUR	239 539	273 127	0.65
Total Close-ended Investment Funds			239 539	273 127	0.65
Total Investment Funds			14 897 572	14 373 380	34.41
Total Investments			26 389 004	25 467 608	60.97

ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - KESTREL INVESTMENT SUB-FUND

Economic and Geographical Classification of Investments

Economic classification	%	Geographical classification	%
Investment Fund	34.41	Luxembourg	21.32
Financial Services	6.29	Greece	13.69
Governments	5.58	United Kingdom	5.84
Food Producers	2.61	Ireland	5.53
Personal Goods	2.09	United States of America	5.32
Banks	1.69	Switzerland	2.87
Oil & Gas Producers	1.38	Netherlands	2.10
Construction & Materials	1.29	Jersey	1.78
Technology Hardware & Equipment	0.98	Cayman Islands	0.76
Chemicals	0.91	Brazil	0.58
Oil Equipment, Services & Distribution	0.83	Colombia	0.52
General Industrials	0.78	Belgium	0.44
Mobile Telecommunications	0.58	Sweden	0.22
Pharmaceuticals & Biotechnology	0.54		
Fixed Line Telecommunications	0.52		
Real Estate Investment Trusts	0.27		
Industrial Engineering	0.22		
	60.97		60.97

ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - FALCON REX INVESTMENT SUB-FUND

Schedule of Investments

Nominal value/ Quantity	Description	Quotation Currency	Cost EUR	Market value EUR	% of net assets
Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market					
Bonds					
175 000	HELLENIC PETROLEUM FINANCE PLC 4.875% 14/10/2021	EUR	185 728	182 780	1.03
190 000	TITAN GLOBAL FINANCE PLC 2.375% 16/11/2024	EUR	183 597	180 521	1.01
Total Bonds			369 325	363 301	2.04
Shares					
149 400	ALPHA BANK AE	EUR	184 846	164 340	0.92
379	BLACKROCK INC	USD	169 864	130 236	0.73
31 488	BRIQ PROPERTIES REAL ESTATE INVESTMENT CO	EUR	58 865	67 384	0.38
73 676	CENERGY HOLDINGS SA	EUR	111 261	93 421	0.52
51 555	DIAGNOSTIC & THERAPEUTIC CENTER OF ATHENS HYGIEIA SA	EUR	45 781	48 977	0.27
105 524	ELTECH ANEMOS SA	EUR	161 915	158 814	0.89
4 080	EXOR NV	EUR	228 280	192 821	1.08
27 296	GREGORY SARANTIS SA	EUR	202 002	190 526	1.07
24 070	HELLENIC PETROLEUM SA	EUR	181 303	177 637	1.00
40 484	IASO	EUR	46 024	48 783	0.27
7 500	KARATZIS SA	EUR	57 000	47 625	0.27
7 170	MOTOR OIL HELLAS CORINTH REFINERIES SA	EUR	136 845	150 570	0.84
3 908	NESTLE SA	CHF	270 126	276 740	1.55
4 760	PARGESA HOLDING SA - BR	CHF	349 037	299 269	1.69
16 288	QUEST HOLDINGS SA	EUR	152 242	218 259	1.22
86 066	THRACE PLASTICS HOLDING AND CO	EUR	198 857	163 095	0.91
11 788	TITAN CEMENT CO SA	EUR	250 971	228 451	1.28
5 446	UNILEVER NV	EUR	244 706	258 249	1.45
Total Shares			3 049 925	2 915 197	16.34
Supranationals, Governments and Local Public Authorities, Debt Instruments					
480 000	HELLENIC REPUBLIC GOVERNMENT BOND 3.5% 30/01/2023	EUR	481 182	484 248	2.71
359 000	HELLENIC REPUBLIC GOVERNMENT BOND 4.375% 01/08/2022	EUR	370 666	372 850	2.09
416 000	HELLENIC REPUBLIC GOVERNMENT BOND 4.75% 17/04/2019	EUR	429 850	419 836	2.35
Total Supranationals, Governments and Local Public Authorities, Debt Instruments			1 281 698	1 276 934	7.15
Total Transferable securities and money market instruments admitted to an official exchange listing or dealt in on another regulated market			4 700 948	4 555 432	25.53

ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - FALCON REX INVESTMENT SUB-FUND

Schedule of Investments (continued)

Nominal value/ Quantity	Description	Quotation Currency	Cost EUR	Market value EUR	% of net assets
Investment Funds					
Open-ended Investment Funds					
13 866.633	ABERDEEN GLOBAL-CHINA A SHARE EQUITY FUND - I	EUR	174 800	155 005	0.87
131.172	ALLIANZ US EQUITY FUND	USD	238 351	224 138	1.26
1 108.129	ARCUS JAPAN FUND	JPY	160 529	142 655	0.80
3 660.737	BNP PARIBAS INSTICASH EUR - C	EUR	423 988	421 665	2.36
7 511.357	BNP PARIBAS INSTICASH USD	USD	1 007 976	1 014 808	5.70
5 260	DB PHYSICAL GOLD EURO HEDGED ETC	EUR	496 840	467 247	2.62
4 382.999	EUROBANK LF GREEK GOVERNMENT BOND FUND - I	EUR	113 108	127 120	0.71
95.141	FUNDLOGIC ALTERNATIVES PLC - MS ALKEON UCITS - P	EUR	136 187	112 286	0.63
22 893.566	GUARDCAP UCITS FUNDS PLC - GUARDCAP GLOBAL EQUITY FUND - I	EUR	294 089	301 508	1.69
680	HELLAS OPPORTUNITIES FUND - IA	EUR	478 540	386 675	2.17
8 000	ISHARES MSCI BRAZIL INDEX FUND	USD	277 058	267 332	1.50
13 715	ISHARES PHYSICAL GOLD ETC	USD	284 224	302 008	1.69
9 741.014	JPMORGAN FUNDS - US VALUE FUND - C	USD	238 253	221 637	1.24
20 969.652	LEGG MASON FUNDS ICVC - LEGG MASON IF JAPAN EQUITY FUND - A	GBP	153 868	134 712	0.76
2 407.591	LYXOR DIMENSION IRL PLC - LYXOR/TIEDEMANN ARBITRAGE STRATEGY FUND - I	USD	260 985	271 265	1.52
142 523.580	MI HAWKSMOOR OPEN-ENDED INVESTMENT COMPANY - DISTRIBUTION FUND - BA	EUR	201 853	192 519	1.08
309	OSTRUM ULTRA SHORT TERM BONDS PLUS	EUR	476 036	474 257	2.66
1.730	PARADIGM CAPITAL VALUE FUND A8	EUR	50 000	44 984	0.25
10.109	PARADIGM CAPITAL VALUE FUND MS	EUR	300 000	262 900	1.47
600.934	PARVEST EQUITY JAPAN SMALL CAP - C	EUR	59 084	47 558	0.27
1 616.887	PICTET - SHORT-TERM MONEY MARKET JPY - R	JPY	121 469	128 874	0.72
10 809.022	PINEBRIDGE ASIA EX JAPAN SMALL CAP EQUITY FUND - R1	EUR	158 943	139 840	0.78
13 473.326	PINEBRIDGE GLOBAL FUNDS - PINEBRIDGE INDIA EQUITY FUND - R	USD	210 187	199 980	1.12
6 361	SPDR PORTFOLIO SMALL CAP ETF	USD	162 398	146 679	0.82
4 565	SPDR S&P AEROSPACE & DEFENSE ETF	USD	322 465	315 155	1.77
Total Open-ended Investment Funds			6 801 231	6 502 807	36.46
Close-ended Investment Funds					
20 316	ALPHA TRUST ANDROMEDA INVESTMENT TRUST SA	EUR	397 348	451 015	2.53
Total Close-ended Investment Funds			397 348	451 015	2.53
Total Investment Funds			7 198 579	6 953 822	38.99
Total Investments			11 899 527	11 509 254	64.52

ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - FALCON REX INVESTMENT SUB-FUND

Economic and Geographical Classification of Investments

Economic classification	%	Geographical classification	%
Investment Fund	39.00	Greece	19.01
Governments	7.15	Luxembourg	17.82
Financial Services	5.52	Ireland	7.44
Personal Goods	2.52	United States of America	4.82
Oil & Gas Producers	1.84	United Kingdom	3.87
Food Producers	1.55	Switzerland	3.23
Construction & Materials	1.28	France	2.66
Software & Computer Services	1.22	Jersey	2.62
Banks	0.92	Netherlands	2.53
Chemicals	0.91	Belgium	0.52
Electricity	0.89		
Pharmaceuticals & Biotechnology	0.55		64.52
General Industrials	0.52		
Real Estate Investment & Services	0.38		
Real Estate Investment Trusts	0.27		
	64.52		

Notes to the financial statements

1 - General

ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV SIF (the “Company” or the “Fund”) was incorporated in Luxembourg on October 20, 2017 for an unlimited period of time and qualifies as a *Société d'Investissement à Capital Variable* in the form of a corporate partnership limited by shares *Société en commandite par actions*, organized as a Specialized Investment Fund (*fonds d'investissement spécialisé*)

As at December 31, 2018, two Sub-Funds and the following share classes are available for investors:

- ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - KESTREL INVESTMENT SUB-FUND: Class A Shares;
- ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - FALCON REX INVESTMENT SUB-FUND: Class A Shares.

The Fund may issue the following share classes:

- Class A Shares are non-distributing and are reserved to the Eligible Investors (including HNW qualifying as Well-Informed Investors). The Classes of Shares are expressed in Euro.
- Class M Shares are non-distributing and are reserved to the General Partner. The Classes of Shares are expressed in Euro.

The Sub-Fund ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - KESTREL INVESTMENT SUB-FUND is an unconstrained global multi-asset, benchmark agnostic, compartment, which aims for long-term positive returns with low correlation and lower levels of volatility compared to those experienced in the major equity and bond market indices.

The objective of the Sub-fund is to seek a balanced accomplishment of three objectives: long-term growth of capital, conservation of principal and current income.

The objective of the Sub-Fund ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - FALCON REX INVESTMENT SUB-FUND is to provide long-term capital growth along with a moderate income by investing in a diversified global portfolio, including equities, bonds, fixed interest securities, alternative investments and cash. The Sub-fund may also use exchange-traded financial derivative instruments, where appropriate.

The both Sub-Funds have been launched on November 30, 2017.

2 - Significant accounting policies

2.1 Presentation of financial statements

The financial statements are prepared in accordance with Luxembourg laws and regulations relating to undertakings for Collective Investment.

They are prepared in accordance with accounting policies generally accepted in Luxembourg.

2.2 Valuation of investment in securities

The value of the assets are determined as follows:

2.2.1 The value of any investment quoted, listed, or normally dealt in on or under the rules of a Regulated Market shall be calculated by reference to the price appearing to the AIFM, in their discretion to be the latest quoted price or (if bid and offered quotations are made) the latest available middle market quotation on such Regulated Market provided that:

(i) If an investment is quoted, listed or normally dealt in on or under the rules of more than one Regulated Market, the AIFM shall adopt the price or, as the case may be, the middle quotation on the Regulated Market which, in their opinion, provides the principal market for such investment;

(ii) In the case of any investment which is quoted, listed or normally dealt in on or under the rules of a Regulated Market but in respect of which, for any reason, prices on that Regulated Market may not be available at any relevant time, the value thereof shall be either the latest used for the previous NAV calculation, and, if no prices are available after two NAV periods then the AIFM shall proceed on the basis of their reasonably foreseeable sales price, which shall be valued with prudence and in good faith;

(iii) The AIFM shall not be under any liability by reason of the fact that a value reasonably believed by them to be the latest available price or, as the case may be, middle quotation for the time being may be found not to be such; and

Notes to the financial statements (continued)

(iv) There shall be taken into account interest accrued on interest-bearing investments up to the date at which the valuation is made unless such interest is included in the price or quotation referred to above.

2.2.2 The value of any underlying investment or of any asset that is to be transferred in kind to any Sub-fund which is not quoted, listed, or normally dealt in on or under the rules of a Regulated Market shall be determined in the context of an assessment done by the General Partner.

2.2.3 The value of each unit or share in any collective investment scheme which provides for the units or shares therein to be realised at the option of the unit holder or Shareholder out of the assets of that scheme shall be the latest official net asset value of that scheme published by the agent of the respective collective investment scheme.

2.2.4 Derivative instruments shall be valued using the last close price for publicly traded derivatives or, in the absence of quoted market prices, appropriate valuation techniques as the AIFM shall from time to time determine.

2.2.5 Cash, deposits and similar property shall be valued at their face value (together with accrued interest) unless, in the opinion of the AIFM, any adjustment should be made.

2.3 Currency exchange

The value of all assets and liabilities not expressed in the reference currency of a Sub-Fund will be converted into the reference currency of such Sub-Fund at the rate of exchange on the relevant Valuation Day. If such quotations are not available, the rate of exchange will be determined in good faith by or under procedures established by the AIFM / General Partner.

Income and expenses in currencies other than the reporting currency of the respective Sub-Fund are translated at the exchange rate prevailing at the transaction date. The resulting profits or losses on translation are included in the Statement of Operations and Changes in Net Assets.

The cost of investments expressed in currencies other than the Sub-Fund's accounting currency is translated into the Sub-Fund's accounting currency at the exchange rate prevailing at the purchase date.

2.4 Net realised profit or loss on sale of investments

The net realised profit or loss on sale of investments is determined on the basis of the average cost of investments sold.

2.5 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.

2.6 Formation expenses

The Company's organisational set-up expenses, which notably include the domiciliation and corporate services fees of the Agent, will be amortised over a period of five years from the date on which the respective Sub-fund commenced business.

3 - Management fees and Investment Management Fees

As remuneration for its services, the General Partner is entitled to receive from each Sub-fund a Management Fee, equal to the percentage per annum of the Net Asset value of the Sub-Fund. As remuneration for its services, the AIFM is entitled, as well, to receive from each Sub-fund an Investment Management Fee, "AIFM fee", equal to the percentage per annum of the Net Asset value of the Sub-Fund. These fees are calculated monthly and paid quarterly in arrears.

The annual rate of such fees is set as below:

Sub-Funds	Class of Shares	Management Fee p.a.	Investment Management Fee p.a.
ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - KESTREL INVESTMENT SUB-FUND	Class A Shares	0.50%	0.20%
ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - FALCON REX INVESTMENT SUB-FUND	Class A Shares	0.70%	0.30%

Notes to the financial statements (continued)

4 - Depositary and Paying Agent, Administration and Registrar & Transfer Agent Fees

Societe Generale Bank & Trust, in its capacities both as Administrator, Registrar and Transfer Agent and as Depositary and Paying Agent, is entitled to receive from the Company its customary fees payable at the end of each month and charges at rates in accordance with normal banking practice in the Grand Duchy of Luxembourg. Such fees are calculated on the basis of the average quarterly net assets of each Sub-Fund.

5 - Taxation

In accordance with current legislation in the Grand Duchy of Luxembourg, the Company is exempt from Luxembourg income and net wealth tax, and dividends paid by the Company or redemption of its Shares by the Company (if any) are exempt from withholding taxes.

The Company is subject to an annual subscription tax (*taxe d'abonnement*), generally levied at the rate of 0.01% p.a. on the Company's Net Asset Value calculated on the last Valuation Day of each month and is payable in monthly instalments.

6 - Exchange rates

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

1 EUR =	1.12690	CHF	1 EUR =	0.89755	GBP
1 EUR =	125.42070	JPY	1 EUR =	10.13500	SEK
1 EUR =	1.14315	USD			

7 - Realised and unrealised gain/ (loss) on sales of investments

Realised gain/ (loss) on securities for the period ended December 31, 2018 can be analysed as follows:

	ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - KESTREL INVESTMENT SUB-FUND	ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - FALCON REX INVESTMENT SUB-FUND
	EUR	EUR
Realised gain on sales of investments	298 357	107 430
Realised loss on sales of investments	(892 047)	(365 837)
Net Realised gain/ (loss) on sales of investments	(593 690)	(258 407)

Unrealised gain/ (loss) on sales of investments for the period ended December 31, 2018 can be analysed as follows:

December 31, 2018	ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - KESTREL INVESTMENT SUB-FUND	ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF - FALCON REX INVESTMENT SUB-FUND
	EUR	EUR
Unrealised gain on sales of investments	367 666	237 024
Unrealised loss on sales of investments	(1 289 062)	(627 297)
Net unrealised gain/ (loss) on sales of investments	(921 396)	(390 273)
Net change in unrealised gain/ (loss) on sales of investments	(921 396)	(390 273)

Unaudited information

1 - SFT Regulation

During the period ending December 31, 2018, the Fund did not engage in transactions which are the subject of EU Regulation No 2015/2365 on the transparency of securities financing transactions and of reuse. Accordingly, no global, concentration or transaction data, or information on the reuse or safekeeping of collateral is required to be reported.

2 - Remuneration policy

The remuneration policy applied by the Company is based on parameters designed to optimise its smooth, effective, substantive and lawful operation, while remaining competitive in terms of fee levels, especially as regards its executives. At the same time, it aims at eliminating the exposure to risks that have been deemed undesirable or the mitigation thereof to acceptable and safe frameworks where risk taking is allowed, as well as at the avoidance of conflicts of interest. It mainly concerns senior Management members, risk-takers in business units, staff responsible for internal control and any employee receiving total remuneration that takes them into the same remuneration bracket as senior management and risk takers.

An important parameter for the design and implementation of remuneration policy is proportionality. It is estimated that the company, despite its licensing as Alternative Investment Fund Manager, does not have a complex structure and its other activities and its size allow it to be relatively flexible as regards the remuneration policy.

The general remuneration policy is more inclined to fixed remuneration and less to variable remuneration. Variable remuneration is provided when important goals are achieved and in conjunction with corporate financial results.

Any additional variable remuneration is usually provided in cash. In the case of an option plan, the placement price was not far from the market prices, while it concerned almost all staff.

Methodology for Determination

The Company has appointed a remuneration committee, consisting of the Chairman of the Company's Board of Directors and a person of recognised status and experience that is not related to the Company.

The committee, after considering the annual - usually - staff evaluation and following communication with the competent officers of each branch for any explanations - clarifications, shall propose to the Board of Directors the general fixed remuneration policy that should be followed. At the same time, in November, the heads of the departments have the opportunity to submit to the remuneration committee proposals for the reward of specific employees for whom they are responsible.

The committee shall also propose a range of fees for executives who are considered to be of minor importance to the operation of the Company. The final decision shall be taken by the Board of Directors, which shall consider a number of parameters in view of its ultimate purpose for the smooth operation of the Company and the Group. For example:

- The research and study of the competitive environment
- Meritocracy and fair reward of both executives and other employees of all levels, combined with their overall performance
- Legislation and working rules
- The interest of its shareholders and the expected profitability of the Company and the Group
- The avoidance of excessive risk taking and the avoidance of conflicts of interest
- The impact of salary and non-salary cost on the liquidity, capital adequacy ratios etc.

Any variable fees are not guaranteed and are at the sole discretion of the Company and are usually related to the performance or consistency of employees in achieving the relevant goals set. The prevailing economic circumstances and the financial condition and viability of the company in the given period are significant factors for the provision of variable fees. Variable fees, when paid, are considered as not significant as a percentage on the turnover and the general operating costs. Part of the variable fees may not be in cash, but in Company shares or other financial instruments managed by the company, when the conditions for such moves allow it or are considered favourable.

Unaudited information (continued)

Variable fees not exceeding 100% of the fixed annual fees per employee shall not be subject to the pay-out deferral limitation. Said fees shall not imply limitations in terms of their liquidity, when concerning pay-outs of UCITS units or pension plans, other than the relevant contractual limitations in force.

The remuneration policy and, subsequently, the remuneration of managers and staff are annually reviewed. The extremely volatile and unstable economic environment of recent years has resulted in a more regular - at the discretion of the Board of Directors - review, sometimes leading indeed to painful consequences, both in terms of wages and human resources.

Due to the size and structure of the Company, the control of the remuneration policy shall be carried out collectively mainly by the Board of Directors, making every effort for its compliance with the principle of good administration and for reflecting a sense of justice.

The Company has concluded an agreement with an insurance company and provides a pension plan to some of its staff, deeming it as to the interest both of the Company and employees.

The organisational structures, the nature, the internal entity structure and the size of the company allow the uninterrupted control of risks the Company is exposed to and the smooth design of its remuneration policy. Furthermore, any existing risks are limited by the choice of financial instruments and the avoidance of investments that are complicated, obscure and therefore difficult to control. The internal procedures for the smooth operation of the various branches, the avoidance of various risks and the avoidance of conflicts of interest are considered adequate, while no significant cases of malfunction have been observed or reported in the context of financial and investment activity.

Alpha Trust Breakdown remuneration 2018

Total Gross Salary Fees	Variable Fees	% on Total
1 743 979	151 563	8.69%

Senior Level Variable Fees	Staff Variable Fees	Total Variable Fees
56 700	94 863	151 563

Total Gross Salary Fees	Senior Level Fees	Staff Fees
1 743 979	406 456	1 337 523

ALPHA TRUST FALCON INVESTMENT S.C.A. SICAV-SIF

Annual report included audited financial statements