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## ACCORDE USD SHORT BOND FUND PROSPECTUS

Fund manager:

Accorde Alapkezelő Zrt. (Registered office: 1123 Budapest, Alkotás utca 55-61.)

Distributors:

Concorde Értékpapír Zrt. (Registered office: 1123 Budapest, Alkotás utca 55-61.)

Custodian:

UniCredit Bank Hungary Zrt. (registered office: 1054 Budapest, Szabadság tér 5-6.)

Date of publication: 08/06/2020

Effective date: 08/06/2020

*When approving the Prospectus the National Bank of Hungary did not examine the veracity of the data included therein and does not accept any responsibility for the veracity of the information contained therein.*

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## Definitions

**Key parties in the institutional base that runs the investment funds, and the terms used in this Prospectus:**

**Fund:** the investment fund called Accorde USD SHORT BOND FUND

**Funds:** the funds managed by Accorde Alapkezelő Zrt.

**AIF:** alternative investment fund

**AIF fund manager:** an investment fund manager that manages one or more AIF’s as a regular business activity;

**AIFM directive:** Directive 2011/61/EC of the European Parliament and Directive 231/2013/EC of the European Parliament

**Member state of the AIF as per its registered office:** Hungary;

**Base currency:** the Fund’s currency of issue. If the Fund has several series issued in different currencies, then the currency of issue of the series specified in section 6 of the Management Policy shall be the base currency of the Fund;

**Fund manager:** an AIFM that possesses a licence for the pursuit of investment fund management activity, or a UCITS fund management joint-stock company; in this case, Accorde Alapkezelő Zrt. (Registered office: 1123 Budapest, Alkotás utca 55-61.);

**ÁKK:** the Hungarian Government Debt Management Agency

**Investment fund:** a collective investment scheme established and operated through the public or private issuing of investment units, with legal personality, which is managed by the investment fund manager based on a general mandate of the investors, in their interests

**Investment fund management activity:** compilation by the investment fund manager of an investment fund that is consistent with the announced investment principles, and the transfer of the individual asset components in the investment fund's portfolio (financial assets or real estate), based on the investment fund manager's decision and in accordance with the investment fund's announced investment principles

**Investment unit:** a negotiable security, issued in the manner and in the form defined in the (Hungarian) Act on Collective Investment Schemes (Kbftv), embodying a claim and other rights against the investment fund, as specified in the investment fund's management policy

**Investor:** a person who, based on a contract concluded with the investment fund manager or other investment service provider, risks his own or someone else's money or other asset, in part or in full, by exposing it to the effects of the capital markets, including any regulated market or stock exchange

**Bszt.:** Act CXXXVIII of 2007 on investment undertakings and stock exchange service providers, and on the activities that may be performed by them

**Cstv.:** Act XLIX of 1991 on bankruptcy and liquidation procedures

**Dematerialised securities:** a set of data that is created, recorded, transmitted and registered electronically, in the manner specified in the Capital Markets Act (Tpt.) and in separate legislation, containing the content elements of the securities in an identifiable manner.

**V day:** valuation day, i.e. the day of calculation of the net asset value and the day to which the trade price relates

**EMEA:** the collective term for Europe, the Middle East and Africa

**EMU:** the European Monetary Union and the member states thereof

**EU:** the European Union and the member states thereof

**Supervisory Authority or MNB:** the supervisory authority that authorises the establishment of the funds, and that monitors the activities of the fund manager and the custodian; the National Bank of Hungary, and its predecessors (ÁÉTF, ÁÉF, PSZÁF)

**Distribution Venue:** the customer service premises of the banks and investment companies listed in Annex 2 of the Prospectus

**Trading day:** every day on which actual trading (distribution) of the given fund's investment units occurs

**Distributors:** are responsible for distributing (dealing in) the investment units and for providing information to investors

**Hpt.** Act CCXXXVII of 2013 on credit institutions and financial enterprises

**Management policy:** the regulations constituting Annex No. 1 of this Prospectus, which are management policy approved by the Supervisory Authority and compliant with Schedule No. 3 of the Kbfv. and which include the specific rules applicable to the management of the fund, as well as the general terms of contract between the fund manager and the investors.

**Issuer:** the Fund

**Key Investor Information (KIID):** a short document prepared on the Investment Fund as a UCITS and containing the most important information that investors need to know;

**Government Decree:** Govt. Decree 78/2014. (III.14.) on the investment and borrowing rules applicable to collective investment schemes

**Auditor:** is responsible for auditing the fund's annual accounts and for checking its accounting records

**Custody:** safekeeping of financial assets, collection of interest, dividends, yields and repayments, and the provision of other, related services, including services related to the management of collateral (security)

**Custodian:** a Hungarian-based investment firm or credit institution possessing a licence for the provision of the custody service defined in Section 5 (2) (b) of the Bszt., namely UniCredit Bank Hungary Zrt. (registered office: 1054 Budapest, Szabadság tér 5-6.)

**MNB:** National Bank of Hungary

**Net asset value:** the value of the assets held in the fund, including accrued income and receivables from loans given, less total liabilities of the portfolio, including accrued expenses

**Open-end investment fund:** an investment fund whose investment units investors may purchase in the course of continuous distribution during the term of the fund, and whose investment units may also be redeemed (sold) during such term, in accordance with the rules set out in the investment fund's management policy.

**OECD:** Organisation for Economic Co-operation and Development

**Portfolio:** the totality of investment assets held in the given fund

**Ptk.:** Act V of 2013 on the Civil Code

**T day:** the day of submission of an order relating to a trade

**Advisors:** the fund manager may also use advisors to help it compile the portfolio of the various investment funds. The advisors must be presented in the fund's prospectus

**Prospectus:** the document, approved by the Supervisory Authority, prepared for the public issue and continuous distribution of the Investment Units, which is also a part of the Management Policy.

**Act (Kbfv.):** Act XVI of 2014 on collective investment schemes and their managers, and on the amendment of certain acts related to matters financial

**Tpt.:** Act CXX of 2001 on the capital markets

**Execution Partner:** investment service providers with whom the fund manager has concluded an agreement for executing derivative transactions

### Definitions of assets

**Government securities:** debt securities issued by the Hungarian a foreign state, the MNB, the European Central Bank, or the central bank of another member state of the European Union

**Bank deposit:** means money deposited at a financial institution on which the bank pays interest and that it repays at a specified time

**Investment unit:** a security issued in series, in the investment fund's name, which embodies the investor's ownership share of the fund's assets, and thus every investor may participate, in proportion to the units held by him, in the fund's yields and capital

**Certificate:** securitised derivative products; certificates are special instruments, issued by banks, that can be created for any investment asset class or for any desired combination of asset classes

**Discount Treasury Bills:** short-term government securities that do not pay interest, but that are sold at discount prices lower than their face value, and where their face value is repaid at maturity

**ETF:** stock exchange-traded investment funds whose investment units are bought and sold directly on the stock market in the same way as stocks

**ETN:** debt securities that are bought and sold directly on the stock market in the same way as stocks

**Mortgage note:** a type of security, only issued by mortgage institutions, that is secured on property, is similar to a bond, and that helps fund the loans that are issued by such institutions

**Bond:** a debt security that assures a financial claim, where the issuer undertakes an obligation to pay, at a specified time and in a specified manner, to the then-owner of the bond, the sum of money specified on it, plus the pre-specified amount of interest due thereon

**Liquid assets:** money, a repo agreement concluded with the credit institution for government securities that is unrestricted in terms of its cancellability, government securities with publicly quoted prices, deposits unrestricted in terms of their cancellability, as well as publicly traded debt securities unrestricted in terms of their negotiability, with publicly quoted prices and with remaining maturities of at most one year.

**OTC shares:** shares (stocks) that are traded over the counter, not on a regulated market

**Shares (or stocks or equities):** securities representing ownership that are issued when joint-stock companies are founded or when their capital is increased; they embody a specified share of the company's equity proportionate to their face value, and also embody the shareholder's membership rights and obligations

**Derivative (or derivative transaction or contract):** an instrument or contract whose value depends on the value of a particular financial asset, currency, commodity or reference rate on which it is based (underlying asset), and constitutes the object of an independent trade

**Stock market shares:** shares that are traded on regulated stock markets

**Corporate bonds:** debt securities issued by a company

**Meaning of other terms used in the Prospectus and the Management Policy:** with respect to any terms used in the Prospectus and the Management Policy whose definition is not contained in the other sections of the Prospectus or Management Policy, the definitions used in the Kbtv. shall apply.

#### **Other information**

The operation of the Fund and the trading of its investment units are currently regulated by the provisions of the Kbtv.

The supervision of the Fund is conducted by the MNB.

The Fund was established in Hungary.

The detailed investment policy of the Fund can be read in the Management Policy.

# PROSPECTUS

## I. Information on the Fund

### 1. The basic data of the Fund

#### 1.1. Name of the investment fund

Accorde USD Short Bond Fund

name in English: Accorde USD Short Bond Fund

#### 1.2. Short name of the investment fund

Accorde USD Short Bond Fund

name in English: Accorde USD Short Bond Fund

#### 1.3. Registered office of the investment fund

1123 Budapest, Alkotás utca 55-61.

#### 1.4. Name of the investment fund manager

Accorde Alapkezelő Zrt.

#### 1.5. Name of the custodian

Unicredit Bank Hungary Zrt.

#### 1.6. Name of the distributor

Concorde Értékpapír Zrt.

#### 1.7. Operating form of the investment fund (private or public)

Public

#### 1.8. Type of the investment fund (open-end or closed-end)

Open-end

#### 1.9. Term of the investment fund (indefinite or definite), and if of definite term, the final date of the term

Indefinite-term

#### 1.10. Specify whether the investment fund is a harmonised fund as per the UCITS directive

Harmonised as per the AIFM directive.

#### 1.11. Number and name of the series issued by the Fund, specify how, in terms of their features, the various series differ from each other

The Fund has one series. The notional value of the investment units: 1 US Dollar. Issue and settlement currency: US Dollar.

#### 1.12. Primary asset class of the Fund (securities or property fund)

Securities fund



1.13. Indicate whether any promise regarding the protection of the Fund's capital or the yield is assured with a bank guarantee or surety insurance (capital or yield guarantee) or whether such promise is supported by the investment fund's detailed investment policy (capital or yield protection); specify the section of the management policy that provide details on the conditions relating to this

There is no capital protection or yield promise or guarantee in relation to the Fund.

1.14. Other information related to the given matter

There is no other information

## 2. Resolutions related to the investment fund

2.1. Depending on the operating form and type of the Fund, the date of acceptance and establishment by the fund manager of the management policy, the prospectus, the key investor information and the announcement, and the number of the fund manager's relevant resolution (for each issue, i.e. for each series)

Series	Number of Board Resolution	Date of Board Resolution
Accorde USD Short Bond Fund (Previously: Accorde USD Money Market Fund)	1/20180416	16/04/2018

2.2. Depending on the operating form and type of the Fund, the number and date of the supervisory resolution issued on the approval of the management policy, the prospectus, the key investor information and the announcement, and on the authorisation of the issue (for each series)

Series	Number of Supervisory Resolution	Date of Supervisory Resolution
Accorde USD Short Bond Fund (Previously: Accorde USD Money Market Fund)	H-KE-III-260/2018	01/06/2018

2.3. Number and date of resolution on the registration of the Fund by the Supervisory Authority

Resolution no. H-KE-III-310/2018 of 19/06/2018

2.4. Registration number (reference number) of the Fund in the registry kept by the Supervisory Authority

1111-764

2.5. Depending on the operating form and type of the Fund, the number and date of the fund manager's resolutions on the amendment of the management policies, the prospectus and the key investor information

Series	Number of Board Resolution	Date of Board Resolution
Accorde USD Short Bond Fund (Previously: Accorde USD Money Market Fund)	1/20181205	05/12/2018
Accorde USD Short Bond Fund (Previously: Accorde USD Money Market Fund)	1/20190409	09/04/2019
Accorde USD Short Bond Fund (Previously: Accorde USD Money Market Fund)	1/20200130	30/01/2020

## 2.6. Number and date of the supervisory resolutions approving amendments to the management policy

Series	Number of Supervisory Resolution	Date of Supervisory Resolution
Accorde USD Short Bond Fund (Previously: Accorde USD Money Market Fund)	H-KE-III-60/2019	18/01/2019
Accorde USD Short Bond Fund (Previously: Accorde USD Money Market Fund)	H-KE-III-420/2019	15/07/2019
Accorde USD Short Bond Fund (Previously: Accorde USD Money Market Fund)	H-KE-III-163/2020	01/04/2020

## 2.7. Other information related to the given matter

There is no other information

## 3. Risk profile of the investment fund

### 3.1. Objective of the investment fund

The Fund's objective is to achieve a competitive return on active investment policies compared to the yield of government securities issued by the United States with a maturity of 0-2 years.

### 3.2. The profile of the typical investor for whom the investment units of the investment fund are intended

We recommend the Fund to investors who would like to invest for a short term and looking for an alternative to short term US interest rates.

Shortest investment period recommended by the investment fund manager: 1 year.

### **3.3. The asset classes that the Fund can invest in, with specific reference to whether the Fund is permitted to enter into derivative transactions**

The Fund Manager invests the Fund's assets mainly in short-term US money market instruments, short-term government securities, debt securities, foreign exchange, bank deposits, repo and reverse repurchase agreements, futures.

With no significant weight, the Fund Manager can also buy low-risk corporate and other bonds as well as mortgage bonds into the Fund's portfolio.

The Fund Manager strives to have a weighted average duration of over six months during the year.

The Fund may enter into derivative transactions in compliance with legal limits.

### **3.4. Drawing attention to the section of the Fund's management policy that contains details of the risk factors of the investment fund**

Section 26 of the Management policy presents the risk factors in detail. It is essential that Investors thoroughly consider the risk factors before deciding to invest.

### **3.5. The purpose of entering into derivative transactions (i.e. whether for hedging purposes or for realising the investment objectives), possible effect of this on the various risk factors**

The Fund may only conclude derivative transactions that are necessary for reducing risk (hedging purpose) and/or that serve the effective management of the portfolio (realising investment objectives).

The positions resulting from derivative transactions may increase the risk of the Fund.

### **3.6. If, based on the investment policy of the investment fund, the aggregate risk exposure to a given institution, arising from investments in the negotiable securities or money-market instruments issued by the given institution, from deposits placed at the given institution, and from over-the-counter derivative transactions concluded with the given institution, exceeds 20% of the assets of the investment fund, drawing attention to the special risks resulting from this.**

Based on the investment policy of the investment fund, the aggregate risk exposure to several institutions (Concorde Értékpapír Zrt., UniCredit Bank Hungary Zrt., OTP Bank Nyrt., Raiffeisen Bank Zrt., ING Bank NV Magyarországi Fióktelepe, MKB Bank Zrt., Saxo Bank, Erste Befektetési Zrt.), arising from investments in the negotiable securities or money-market instruments issued by the given institution, from deposits placed at the given institution, and from over-the-counter derivative transactions concluded with the given institution, may exceed 20% of the assets of the investment fund, which increases the counterparty risk in the Fund.

Any default on the part of any one or other of the listed institutions could cause a significant fall in the net asset value of the Fund.

**3.7. If the investment fund invests substantially in asset classes not belonging among the negotiable securities or financial instruments, or replicates a specified index, drawing attention to this element of the investment fund's investment policy**

Not applicable.

**3.8. If the net asset value of the investment fund may fluctuate markedly due to a particular composition of the portfolio or to the applicable management methods, drawing attention to this fact**

Not applicable.

**3.9. If the investment fund – subject to the Supervisory Authority's approval – may invest up to 100% of its assets in various negotiable securities and money-market assets issued by an EEA member state, a local government of such state, a third country, or an international institution of which one or more member states is a member, drawing attention to this fact**

The Fund may invest up to 100 per cent of its assets in debt securities issued or guaranteed by an EEA State or an OECD Member State and issued or guaranteed by an international financial institution, subject to a maximum of 35 per cent of its assets being invested in a series of securities.

**3.10. Other information related to the given matter**

No other information.

#### **4. Availability of investor information**

**4.1. Name of the place where the Fund's prospectus, management policy, key investor information, reports serving the purpose of regular information provision, as well as announcements serving the purpose of extraordinary information provision – including information related to payments to investors and to the redemption of investment units – are available**

Payments to the Investors, the redemption of Investment Units, the Fund's daily Net Asset Value, its annual and half-year reports, its monthly portfolio reports, the official announcements pertaining to the Fund and other information related to the Fund may be viewed at the distribution venues, and on the [www.accorde.hu](http://www.accorde.hu) website, as well as on the public online platform operated by the Supervisory Authority, [www.kozzetetelek.hu](http://www.kozzetetelek.hu).

**4.2. Other information related to the given matter**

No other information.

#### **5. Tax information**

The Fund Manager specifically reminds investors that a detailed study of the tax regulations is essential in order for them to make sound investment decisions. The following information is correct at the time of preparation of the Prospectus; however, the law may change in the meantime and therefore it is recommended that the Investor study the latest tax regulations before making a specific investment decision.

**5.1. Brief summary of the main points of the tax system applicable to the Fund and relevant to investors**

In Hungary, investment funds are not subject to corporation tax, and therefore investment funds do not pay tax on their annual profits (stemming from e.g. interest and dividend income). If the Fund invests its collected capital outside Hungary, then the Fund's tax liability is determined based on the laws of the country of the given investment and on the provisions of any double-taxation treaty which that country may have with Hungary.

The Fund's investment units are subject to a special tax at the time of preparation of this Prospectus. The base of this tax is the average asset value of the Fund's investment unit series, and the annual rate of the tax is 0.05% of this tax base. The tax payable is determined by the Fund Manager, who collects it from the Fund, declares it and pays it.

## II. Information related to issuance

### 6. Issuing of the investment units

Not applicable

## III. Detailed information on participating organisations

### 7. Information on the investment fund manager

#### 7.1. Name and company form of the investment fund manager

Name: Accorde Alapkezelő Zrt.

Company form: privately held joint-stock company

#### 7.2. Registered office of the investment fund manager

1123 Budapest, Alkotás utca 55-61.

#### 7.3. Company registration number of the investment fund manager

01-10-048486 (registered by the Company Court of the Metropolitan Court of Budapest)

#### 7.4. Date of establishment of the investment fund manager; in the case of a company established for a definite period, specify the period

Date of establishment: 4 June 2015

#### 7.5. If the investment fund manager also manages other investment funds, list these

Accorde Premium Fund of Funds

Accorde Global Fund

Accorde Abacus Fund

Accorde CVK2 Fund of Funds

Accorde CVK3 Fund of Funds

Accorde Prizma Fund

Accorde First Romanian Equity Fund

White Investment Fund

Accorde Central-European Equity Fund

Accorde Derivative Umbrella Fund

Accorde USD Short Bond Fund

Accorde Selection Equity Fund

Accorde Cuvée Fund

Accorde Spartan Greek Equity Fund

#### **7.6. Size of other managed assets**

Not applicable.

#### **7.7. Person conducting the operational management of the investment fund's working organisation, executive director and members of its supervisory organs and their positions, plus an indication of their main activities pursued outside the company, where such activities are of significance with respect to the given company**

Chairman of the company's Board of Directors: Károly Régely

Members of the company's Board of Directors, who are also its executive directors: Magdolna Mezei and Attila Gyurcsik

Members of the Supervisory Board: Mónika Veverán (Chair), Tamás Móró, Róbert Olasz

Of the above-specified persons, these hold the following significant positions outside of the Fund Manager:

Károly Régely – Concorde Értékpapír Zrt. CEO

Magdolna Mezei – Concorde Értékpapír Zrt. Deputy CEO, TC Befektetési Zrt. CEO

Mónika Veverán – Concorde Értékpapír Zrt. Director, Back Office, Controlling, Risk Management

Róbert Olasz – Concorde Értékpapír Zrt. Director, IT, Business Development

#### **7.8. Amount of the investment fund manager's registered capital, indicating the part that has already been paid**

Share capital: HUF 100,000,000, of which HUF 100,000,000 has been paid. (as at 31 December 2019)

#### **7.9. Amount of the investment fund manager's equity**

Equity: HUF 642,226k (as at 31 December 2019)

#### **7.10. Number of employees of the investment fund manager**

12 (as at 31 December 2019)

#### **7.11. Indication of the activities and tasks for which the investment fund manager may use the services of third parties**

In the interest of the more effective conduct of its activities, the Fund Manager may use the services of third parties. These activities are the following:

- Compliance
- Internal auditor
- IT internal auditor
- IT services
- keeping the books of the Fund Manager and the funds managed by the Fund Manager
- legal advice

#### **7.12. Specification of the companies used for investment management**

Not applicable.

#### **7.13. Detailed presentation of the UCITS fund manager's remuneration policy (e.g. method of calculating pay and other rewards, persons responsible for determining the pay and other rewards and, if there is a remuneration committee, the name of the members of the remuneration committee)**

A detailed presentation of the remuneration policy is available at [http://www.accorde.hu/wp-content/uploads/2020/06/2020\\_ACCORDE-JAVADALMAZ%C3%81SI-POLITIKA\\_2020\\_06\\_04.pdf](http://www.accorde.hu/wp-content/uploads/2020/06/2020_ACCORDE-JAVADALMAZ%C3%81SI-POLITIKA_2020_06_04.pdf)

### **8. Information on the custodian**

#### **8.1. Name and company form of the custodian**

Unicredit Bank Hungary Zrt.

#### **8.2. Registered office of the custodian**

1054, Budapest, Szabadság tér 5-6.

#### **8.3. Company registration number of the custodian**

01-10-041348

#### **8.4. Main activity of the custodian**

TEÁOR 64.19'08 Other monetary intermediation

#### **8.6. Date of establishment of the custodian**

26 March 1990

#### **8.7. Registered capital of the custodian**

HUF 24,118 million (as at 31 December 2019)

#### **8.8. The custodian's equity according to its latest financial statements furnished with an independent auditor's report**

HUF 388,066 million (as at 31 December 2019)

#### **8.9. Number of employees of the custodian**

1,744 (as at 31 December 2019)

### **9. Information on the auditor**

#### **9.1. Name and company form of the auditing company**

Könyv-Profit Könyvvizsgáló Kft.

#### **9.2. Registered office of the auditing company**

1067, Budapest, Teréz krt. 33

#### **9.3. Chamber registration number of the auditing company**

000199

#### **9.4. Name of natural person auditor**

Not applicable

**9.5. Address of natural person auditor**

Not applicable

**9.6. Chamber registration number of natural person auditor**

Not applicable

**9.7. Drawing attention to the fact that the accounting information disclosed in the annual and half-year report of the private investment fund does not need to be approved by an auditor**

Not applicable

**11. Information on the distributor (for each distributor)**

**11.1. Name and company form of the distributor**

Concorde Értékpapír Zrt.

**11.2. Registered office of the distributor**

Concorde Értékpapír Zrt.

1123 Budapest, Alkotás utca 55-61.

**11.3. Company registration number of the distributor**

Concorde Értékpapír Zrt.

01-10-043521

**11.4. Registered activities of the distributor**

Concorde Értékpapír Zrt.

66.12'08 Securities and stock-exchange agency activity (main activity)

64.99'08 Other financial intermediation n.e.c.

70.22'08 Business and other management consulting

**11.5. Date of establishment of the distributor**

Concorde Értékpapír Zrt.

12 December 1997 (Legal successor of Concorde Értékpapír Ügynökség Kft., which was founded in 1993)

**11.6. Registered capital of the distributor**

Concorde Értékpapír Zrt.

HUF 1,000,000,000 (as at 31 December 2019)

**11.7. The distributor's equity according to its latest financial statements accompanied by an independent auditor's report**

Concorde Értékpapír Zrt.

HUF 4,887,947k (as at 31 December 2019)



**11.8. Possibility of forwarding the data recorded by the distributor, relating to the investors or to their proxies, to the investment fund manager**

Pursuant to Section 106 (1) of the Kbtv., provided this Prospectus or the Management policy allow it and the Fund Manager and the Distributor agree to it, the Distributor shall inform the Fund Manager of the investors' and their proxies' data recorded by Distributor. Such forwarding of data, which this Prospectus permits with this provision, does not qualify as a breach of securities secrets or business secrets under the Tpt. The Fund Manager may, pursuant to the statutory regulations pertaining to securities secrets and to the data-protection regulations, only use the data provided to it for purposes required for its investment fund management activity, particularly for the purpose of informing investors and to support the Fund Manager's or the Fund's trading-related communications.

Budapest, 08/06/2020

Accorde Alapkezelő Zrt.

## Annex No. 1

### MANAGEMENT POLICY Relevant parts

The Fund Manager may, with the permission of the Supervisory Authority, amend the terms set out in these Regulations unilaterally. In cases specified in Section 72 (4) of the Act, the permission of the Supervisory Authority is not required.

#### 1.8. Operating form of the investment fund (private or public), possible category of investors (professional or retail)

Operating form of the fund: Public

Possible investors include both professional and retail investors.

#### 1.9. Type of the investment fund (open-end or closed-end)

Open-end

#### 1.10. Term of the investment fund (indefinite or definite), and if of definite term, the final date of the term

Indefinite-term

#### 1.11. Specification of whether the investment fund is a harmonised fund as per the UCITS directive

Harmonised as per the AIFM directive.

#### 1.12. Number and name of the series issued by the investment fund, specify how, in terms of their features, the various series differ from each other

The Fund has one series. The notional value of the investment units: 1 US Dollar. Issue and settlement currency: US Dollar.

#### 1.13. Primary asset class of the investment fund (securities or property fund)

Securities

1.14. Indicate whether any promise regarding the protection of the investment fund's capital or the yield is assured with a bank guarantee undertaken by a credit institution or with surety insurance (capital or yield guarantee) or whether such promise is supported by the investment fund's detailed investment policy (capital or yield protection); specify the section of the management policy that provide details on the conditions related to this

There is no capital protection or yield promise, or capital or yield guarantee in relation to the Fund.

## II. Information on the investment units (for each series)

### 5. ISIN code of the investment unit

Series	ISIN
Accorde USD Short Bond Fund	HU0000720784

#### 6. Face value of the investment unit

Series	Face value
Accorde USD Short Bond Fund	USD 1, i.e. one US Dollar

#### 7. Currency of the investment unit

Series	Currency
Accorde USD Short Bond Fund	USD, i.e. US Dollar

#### 8. Mode of production of the investment unit, information on issuing and sale

All the series' investment units are produced in dematerialised form as per Sections 7-9 of the Tpt., and their distribution (issuance) shall be continuous throughout the term of the Fund.

The rules applicable to the sale shall be those set out in Sections 103-111 of the Kbftv.

The sale of the investment units shall be conducted by the Distributor(s) listed in section 1.7 of the Management Policy.

With respect to the general rules pertaining to the pausing or suspension of continuous distribution, Sections 113-116 of the Kbftv. shall apply.

#### 9. Mode of evidencing and of recording the ownership title to the investment units

The Fund's Investment Units are produced as dematerialised securities, i.e. as computer-generated symbols, and cannot be printed.

The Investment Units may be purchased by any person that has concluded a securities account agreement for securities account management with a securities account manager authorised for such. Under the securities account agreement, the account manager undertakes to register and manage, on a securities account opened at the account manager, the securities owned by the party that has contracted with it (account holder), to fulfil any compliant instruction of the account holder, to notify the account holder of any credits to and debits from the account, as well of the balance on the account, and, at the request of the owner, to issue a certificate on such.

10. The investors' rights assured by the investment units, a description of how the AIFM assures fair and equal treatment of investors, and and if an investor is entitled to privileged treatment, or obtains a right to such, a description of the privileged treatment, a specification of the types of investors entitled to such privileged treatment, and, in each particular case, a description of the legal and financial attachment of these investors to the AIFM or AIFMs; any other information related to the given matter

Every owner of the Investment Units:

- shall be entitled – subject to payment of the redemption commission – to sell (redeem) his investment units, or a portion of them, at the valid net asset value per unit, in accordance with the terms set out in this Prospectus and Management Policy;
- shall be entitled, upon the termination of the Fund, to participate in the remaining assets of the Fund reduced by any applicable costs, in an extent proportionate to his ownership share;

- shall be entitled to exercise the rights, defined in the Kbtv., associated with the investment units as securities.
- During the continuous distribution of the investment units, the Key Investor Information, the Management Policy, the half-year and annual annual report, as well as the latest portfolio report, shall be provided to the investor free of charge, and, during any verbal or electronic notification, his attention must be drawn to where he may access the above-listed documents;
- The prospectus must be made permanently available to the investors on a durable data medium or at the investment fund's place of publication, and a printed version of the prospectus must be provided free of charge if requested.
- The investors shall be entitled to exercise any other rights specified in the law and in the Management Policy.

Information relating to the AIFM or AIFMs is not applicable in the case of the Fund.

#### 14. Maximum and minimum, or planned, ratio of the various portfolio elements

Assets permitted by the Fund's investment policy

Assets	Asset (MIN-MAX)	Planned
<b>Current account and deposits</b>		
Current account	0-100%	10%
Bank deposit	0-100%	40%
<b>Debt securities</b>		
Hungarian government securities	0-100%	5%
Foreign government securities	0-100%	35%
Securities guaranteed by the Hungarian state	0-25%	
Securities guaranteed by a foreign state	0-100%	5%
Securities issued by international fin. institutions	0-100%	
Corporate bonds	0-100%	5%
Mortgage notes	0-100%	
ETNs	0-100%	
<b>Equity securities</b>		
Shares listed on a regulated market/stock exchange	0-100%	
<b>Collective investment schemes</b>		
Investment units	0-80%	
ETFs listed on a regulated market/stock exchange	0-80%	0%
Other collective investment schemes	0-80%	
<b>Other assets</b>		
Derivatives listed on a regulated market/stock exchange and OTC derivatives (forwards/futures, options, CFDs, swaps)	-200-200%	75%
Certificates listed on a regulated market/stock exchange	0-100%	
Repo transactions concluded for government securities	0-100%	
Securities defined in Section 2(1) d) of Govt. Decree 78/2014 (III. 14.)	0-100%	

\*using leverage

The ratio of assets may be between the values given in the table above, taking into account legal constraints and other investment limits specified in the Management Policy.

The Fund invests in respect of investment rules for AIF funds.

#### 16. The portfolio's currency exposure

The Fund may also invest in assets denominated in currencies different from the currency of the investment unit series in more than 30 per cent of the managed money. The ratio of assets denominated in one particular currency may be 0-100%, subject to any statutory restrictions, or any other investment limits defined in these Management Policy. The Fund may use derivative instruments to partially or fully hedge the currency exposure of such assets denominated in differing currencies.

#### 24. Information on derivative transactions

##### 24.1. If derivatives are used, information on whether it is possible to use the derivatives for hedging purposes or in the interest of realising the Fund's investment objectives

The Fund may conclude derivative transactions. In accordance with the Fund's general investment policy, derivative transactions may be concluded in the interest of realising the objectives defined in the prospectus and/or for hedging purposes, as part of compiling a portfolio with the risk characteristics specified in the prospectus.

Thus the Fund may only enter into derivative contracts that are necessary for reducing risk and/or for the effective compiling of the portfolio.

## IV. Risks

#### 26. Presentation of risk factors

It is essential that Investors thoroughly consider the risk factors before deciding to invest.

Risk	How characteristic is it?
Risks related to derivatives:	
Price risk associated with derivatives	
Price and sale risk associated with a collapse of the securities and capital markets	XX
Counterparty risk related to derivatives	
Risk associated with derivative instruments	
General economic risk	XX
Interest rate risk	X
Liquidity risk	XX
Equity markets risk	XX
Risk associated with operational disruptions in the markets	X
Risk associated with investment decisions	XX
Valuation risk	XX
Credit risk	X
Company risk	XX
Counterparty risk	XX
Risk associated with the custodian	X
Tax-policy risk	XX

Tax risk		X
Regulatory risk		XX
Political risk		XX
Risks associated with determining net asset value		X
Risk of suspension of trading		X
Risk that the fund will be changed to a definite-term fund		X
Risk that the fund will cease operation		X
Risk that the Fund will be terminated		X
Risks related to the Fund Manager's operation		XX
Currency risk		XX
Exchange-rate risk		XX
Risk of difference between the Risk Indicator and the true risk		XX
Other risks		X
XX	Very characteristic	
X	Characteristic	

## VI. Information on yields

### 31. The conditions and procedure for determining and paying a yield

The Fund reinvests its profits, and so does not pay a yield.

## VII. Promise relating to the protection of the investment fund's capital and to the yield, and assuring the fulfilment of such promise

### 34. Promise relating to the protection of the capital and to the yield

#### 34.1. Guarantee or surety insurance (capital or yield guarantee) undertaken by a credit institution to assure the fulfilment of the promise relating to the protection of the capital and to the yield

Not applicable.

## VIII. Fees and costs

### 36. Size of the fees and costs applicable to the investment fund and the mode of charging them to the fund

Fund management fees are detailed in Section 36.1.

Distribution fees are detailed in section 36.3

#### 36.1. Amount of fees and costs payable to the fund management company by the investment fund, description of how they are calculated, mode of their charging to the fund and their settlement

The Fund Manager's fee and the fee for the Fund Manager's services. The Fund Manager's fee is calculated and accrued once daily based on the previous day's net asset value, and its payment is due within 15 days following the given quarter. The extent of the Fund Management Fee and the Distribution Fee, combined, shall at most be 1% per year.

#### Performance fee

Performance fee: a fee that is due to the Fund Manager if in the given year, the Fund achieves a yield higher than the benchmark. The size of the performance fee is 20% of any yield above the benchmark. In the case of performance above the benchmark during the year, the Fund Manager shall continuously accrue the performance fee payable from the Fund, while in the case of performance falling short of the benchmark, it shall reallocate the relevant amount of the hitherto accrued performance fee to the Fund. The accrued performance fees are settled once every calendar year.

**36.2. If the investment fund pays it directly, the amount of fees and costs payable to the custodian by the investment fund, description of how they are calculated, mode of their charging to the fund and their settlement**

The Custodian's fee is calculated and accrued once daily based on the previous day's net asset value. The Fund Manager pays the custodian's fee determined for the given month each month, on the last banking day of the month following the given month, to the Custodian. The extent of the Custody Fee shall be at most 0.1 % per year.

The transaction fees due to the Custodian in relation to the various transactions, as well as the securities deposit-safekeeping and other fees and costs charged on by the Custodian, shall be due in one amount concurrently with the custodian's flat fee.

In relation to determining the net asset value, the Custodian charges all costs that can be calculated in advance and that relate to relatively long periods, where possible, gradually, through accrual.

**36.3. If the Fund pays it directly, the amount of fees and costs payable to other parties, including third parties, by the investment fund, description of how they are calculated, mode of their charging to the fund and their settlement**

Distribution (volume-based) fees

The fee for the continuous distribution of the investment units, the size of which is determined in a specific contract concluded by the Fund Manager and the Distributors. The Distribution Fee is calculated and accrued together with the Fund Manager's fee in the given quarterly period once daily based on the average net asset value, and its payment is due within 15 days following the given quarter. The extent of the Fund Management Fee and the Distribution Fee, combined, shall at most be 1% per year.

Auditor's fee

The fees and costs payable to the Fund's Auditor are accrued and deducted pro rata, on a daily basis, and the amount thereof is determined in a contract that is renewed once a year. The fee shall be a maximum of HUF 1,000,000 per year.

Accountant's fee

The fees and costs payable to the Fund's Accountant are accrued and deducted pro rata, on a daily basis, in accordance with the latest effective agreement concluded with the party providing the service for the Fund. The fee shall be a maximum of HUF 1,000,000 per year.

### Supervisory fee

The Fund pays a fee to the Supervisory Authority, the annual extent of which, as at the date of preparation of the Management Policy, is 0.25 thousandths of the Fund's annual average net asset value. The fee shall be accrued on a daily basis in the Fund, and shall be paid every quarter, at the end of the month following the given quarter.

### LEI (Legal Entity Identifier) code annual maintenance fee:

Under Article 3 of Regulation (EU) No 1247/2012 laying down technical standards in relation to Regulation (EU) No 648/2012 of the European Parliament and of the Council on OTC derivatives, central counterparties and trade repositories (European markets infrastructure regulation) (hereinafter: EMIR), all market players must have an individual identification code (Legal Entity Identifier, hereinafter: LEI code). The LEI code is a reference identifier that individually identifies the counterparties participating in financial transactions. The Fund Manager registers the Fund via the Global Markets Entity Identifier (GMEI) Utility portal. The annual maintenance fee charged by the Portal is USD 100.

### Bank costs:

A fee payable on any bank transfers that need to be made in relation to the Fund's operation, the extent of which, annually, is a maximum of 0.1% of the annual average net asset value, but, per transaction, 0.025% of the HUF amount of the transfer, or min. HUF 100 and max. HUF 2000; and in the case of a foreign currency transfer, 0.05% of the amount, or min. EUR 4 and max. EUR 12, which the Fund's custodian charges to the Fund once a month.

### Agency fee:

This is calculated based on the value of the given transaction, and its rate is determined in the agreement concluded with the brokerage firm. It is built into the buy or sell price of the transaction, and is paid when the transaction is settled. The extent of the fee, annually, is maximum 0.2% of the annual average net asset value.

### Forward costs

Calculated based on the value of the futures/forward contract, this fee is determined in accordance with the agreement concluded with the given brokerage firm. It is built into the price of the futures contract, and is paid when the transaction is settled. The extent of the fee, annually, is maximum 0.2% of the annual average net asset value.

### Cost of acquiring data for analysis/research

The cost of investment recommendations, analyses, investment research, as well as data purchases (e.g. real-time data services, other vendor services) required for making investment decisions or related thereto. Maximum 0.1% of the annual average net asset value.

### Other costs arising in relation to the operation and sale of the fund:

The Fund Manager passes on the marketing and other information-related costs related to informing existing and potential Investors, as well as other, similar costs related to the operation of the Fund. Maximum 0.1% of the annual average net asset value.



Administrative service fees related to authorisation and registration procedures, as well as procedures related to amending the management policy:

The fee for the MNB's procedure related to the approval of the Fund's management policy conducted as part of the supervision of the financial intermediation system, as well as the fee specified in MNB Decree 14/2015. (V. 13.) on the administrative service fee charged for the various authorisation and registration procedures conducted on behalf of fiduciary asset management companies, as well as the fees payable for MNB procedures related to the approval of mergers and demergers involving the Fund and likewise specified in the decree referred to above, are assumed by the Fund Manager.

The fees specified in the decree referred to above and payable for MNB procedures related to the amendment of the management policy are, however, payable by the Fund.

The costs are listed in the Fund's annual reports.

## **IX. Continuous distribution of the investment units**

### **41. Purchase of the investment units**

#### **41.1. Taking, settlement and execution of purchase orders, and the cut-off times for receipt of orders for same-day execution**

The Fund's investment units may be purchased on any trading day. Every working day is a trading day, with the exception of any working days that the distributor – in accordance with the statutory provisions – declares a trading holiday.

The Fund Manager distributes the investment units on behalf of the Fund via the Distributors. The distribution of the Fund's investment units shall take place at the distribution venues listed in Annex no. 2. The final cut-off time for submitting purchase orders for the investment units shall be 15.30 on the day of the order (T day); after this, the submitted orders shall be treated as T+1 trading-day orders. The Fund Manager has the right to decide on a case-by-case basis whether the Fund, based on its liquidity position, should accept orders received following the cut-off time as T-day orders. The Distributor may set a cut-off time for the taking of orders earlier than the above, and its Business Regulations may also contain additional provisions and conditions relating to distribution (dealing). The Fund Manager may advertise additional distribution venues in the future.

During the course of distribution, the amount of the investment shall equal the product of the number of investment units desired to be purchased multiplied by the net asset value per investment unit.

The distribution venues are obliged, during the opening hours advertised by them, on every banking day, to take investment-unit purchase orders from the investors (T day). The Investors – in accordance with the distributor's announcement – shall also have the option of purchasing the Fund's investment units via the electronic trading systems operated by the Distributor, if the contractual arrangement between the Distributor and the Investor provides for this possibility. The investor, in its purchase order, shall specify the value of the investment units that it wishes to buy, or the number of units, in accordance with the Distributor's business regulations.

The price at which the customer order is executed shall be the net asset value per unit determined for the day of the order (T day) (trading-settlement day price), which shall be calculated on the afternoon of the working day following the day of the order, and the Fund Manager shall display this

net asset value at the places of publication on the working day following the day of determination at the latest.

The settlement of the trade shall take place on the first (T+1 day) trading day following the acceptance of the order (T day) .

#### **41.2. Trading-settlement day for purchase orders**

The Kbfv. states as follows, and the Fund Manager shall proceed accordingly:

Section 4. 42. trading-settlement day: the day, based on the net asset value established with respect to which, purchase and redemption orders related to the collective investment securities are settled, determining at the time of execution the consideration due to the investors;

In accordance with this, the “trade-settlement day” is the day of acceptance of the order (T day).

#### **41.3. Trading-execution day for purchase orders**

Purchase orders shall be executed on the first trading day (T+1 day) following the acceptance of the order (T day), in the case of all the series.

### **42. Redemption of the investment units**

#### **42.1. Taking, settlement and execution of redemption orders, and the cut-off times for receipt of orders for same-day execution**

The Fund’s investment units may be redeemed on any trading day. Every working day is a trading day, with the exception of any working days that the distributor – in accordance with the statutory provisions – declares a trading holiday.

The distribution of the Fund’s investment units shall take place at the distribution venues listed in Annex no. 2. The final cut-off time for submitting redemption orders for the investment units shall be 15.30 on the day of the order (T day); after this, the submitted orders shall be treated as T+1 trading-day orders.\* The Fund Manager has the right to decide on a case-by-case basis whether the Fund, based on its liquidity position, should accept orders received following the cut-off time as T-day orders. The Distributor may set a cut-off time for the taking of orders earlier than the above, and its Business Regulations may also contain additional provisions and conditions relating to redemption. The Fund Manager may advertise additional distribution venues in the future. The distribution venues are obliged, during the opening hours advertised by them, on every banking day, to take investment-unit redemption orders from the investors (T day). The investors – in accordance with the Distributor’s announcement – shall also have the option of redeeming the Fund’s investment units via the electronic trading systems operated by the Distributor, if the contractual arrangement between the Distributor and the Investor provides for this possibility. The investor, in its redemption order, shall specify the value of the investment units that it wishes to redeem, or the number of units, in accordance with the Distributor’s business regulations.

The price at which the customer order is executed shall be the net asset value per unit determined for the day of the order (T day) (trading-settlement day price), which shall be calculated on the afternoon of the working day following the day of the order, and the Fund Manager shall display this net asset value at the places of publication on the working day following the day of determination at the latest.

The settlement of the redemption shall take place on the first (T+1 day) working day following the acceptance of the order (T day).

#### **42.2. Trading-settlement day for redemption orders**

The Kbtv. states as follows, and the Fund Manager shall proceed accordingly:

Section 3. 30. trading-settlement day: the day, based on the net asset value established with respect to which, purchase and redemption orders related to the collective investment securities are settled, determining at the time of execution the consideration due to the investors;

In accordance with this, the “trade-settlement day” is the day of acceptance of the order (T day).

#### **42.3. Trading-execution day for redemption orders**

Redemption orders shall be executed on the first (T+1 day) working day following the acceptance of the order (T day).

Budapest, 08/06/2020

Accorde Alakezelő Zrt.