

Newsletter - October, 2018



STRATEGIC OBJECTIVES

- ✓ Achieving higher value and higher quality for the assets under management by increasing the asset management's efficiency
- ✓ Increasing the speed and efficacy of the rebalancing and optimization processes of the portfolio.
- ✓ Investments in new companies of private-equity type in order to improve the portfolio performance.

TYPE OF THE INVESTMENT COMPANY

SIF Moldova SA is classified as an Alternative Investment Fund Manager (AIFM) authorized by the Financial Supervisory Authority under no. 20 of January 23, 2018.

MANAGEMENT

The company is self-managed in unitary system, by a Board.

Executive management:

Claudiu Doros - CEO

Catalin Iancu - Deputy CEO

(ASF Opinion no. 400, 401,402 /July 13, 2017)

IDENTIFICATION DATA

ASF Register No.: PJR071AFIAA/040002

Bucharest Stock Exchange: SIF2; ISIN: ROSIFBACNOR0

Bloomberg: BBGID BBGOO0BMN5F5; Reuters: SIF2.BX

LEI: 254900Y1O0025N04US14

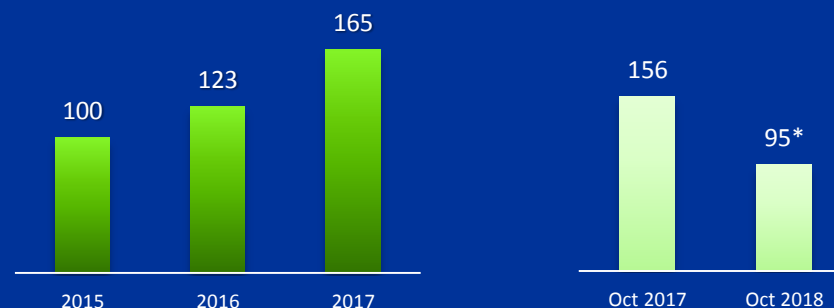
CONTACT

phone: 004 0234 576740 ; fax: 004 0234 570062

e-mail: sifm@sifm.ro; web site: www.sifm.ro

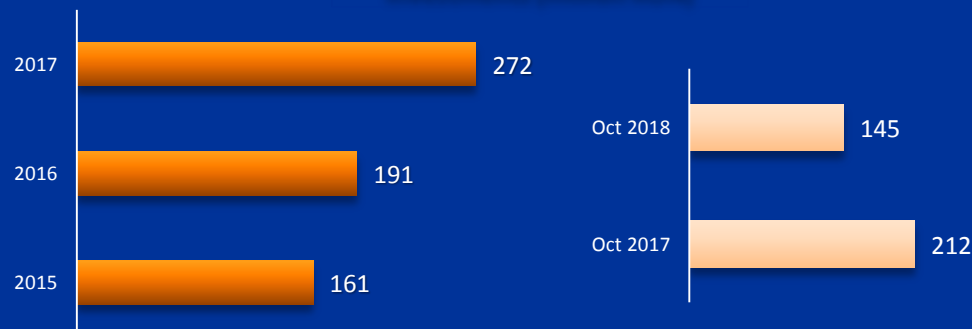
SHAREHOLDERS	Residents weight in share capital %	Non-residents weight in share capital %	Total shareholders
Individuals	37.1	0.3	5,756,702
Corporate	48.4	14.2	200
TOTAL	85.5	14.5	5,756,902

Net profit (million RON)



* The net result at October 31, 2018 is RON 95 mn, composed of net profit (RON 61 mn) and net gain on disposal of assets reflected in retained earnings (RON 34 mn) - accounting treatment according to IFRS 9

Investments (million RON)



Assets under management

VALUES / STRUCTURE

Number of shares	1,013,179,176	
	RON	EUR*
Fair value	0.1	0.02
Share Capital	101,317,917	21,742,042
Market cap	1,205,683,219	258,730,302
Total Assets	2,049,070,544	439,714,709
Net Assets Value	1,901,880,578	408,128,879

*EUR/RON = 4.6668 (www.bnr.ro)

RON/share	Aug 2018	Sep 2018	Oct 2018
NAV/share**	1.9106	1.9092	1,9189
Price SIF2	1.3400	1.2100	1,1900
Discount %	30	37	38

** The number of shares used in the calculation of the NAV/share (991,113,939) has resulted by decreasing, from the total number of shares, the shares acquired under the ongoing buyback program (according to the applicable regulations).

ASSETS STRUCTURE	% of total assets
Shares, of which	85.3
• listed	75.2
• unlisted	10.1
Non – UCITS Securities (fond units)	8.8
Monetary instruments (deposits, cash)	3.0
Other assets	2.9

SECTOR EXPOSURE (share portfolio)	% of total assets
Financial	42.1
Energy	19.2
Manufacturing	8.3
Real estate	6.9
Pharmaceutical industry	2.2
Other	6.6

TOP COMPANIES	Weight > 1% of total assets
BANCA TRANSILVANIA	38.31
OMV PETROM	9.32
AEROSTAR	5.42
ROMGAZ	5.16
TRANSGAZ	4.70
PROFESSIONAL IMO PARTNERS	3.04
TESATORIILE REUNITE	2.83
SIF BANAT CRISANA	2.17
BIOFARM	2.16
STRAULESTI LAC ALFA	1.89
AGROLAND CAPITAL	1.66
AGROINTENS	1.60
MECANICA CEHLAU	1.10
SIF TRANSILVANIA	1.04
TOTAL	80.31



PERFORMANCE / RISK INDICATORS

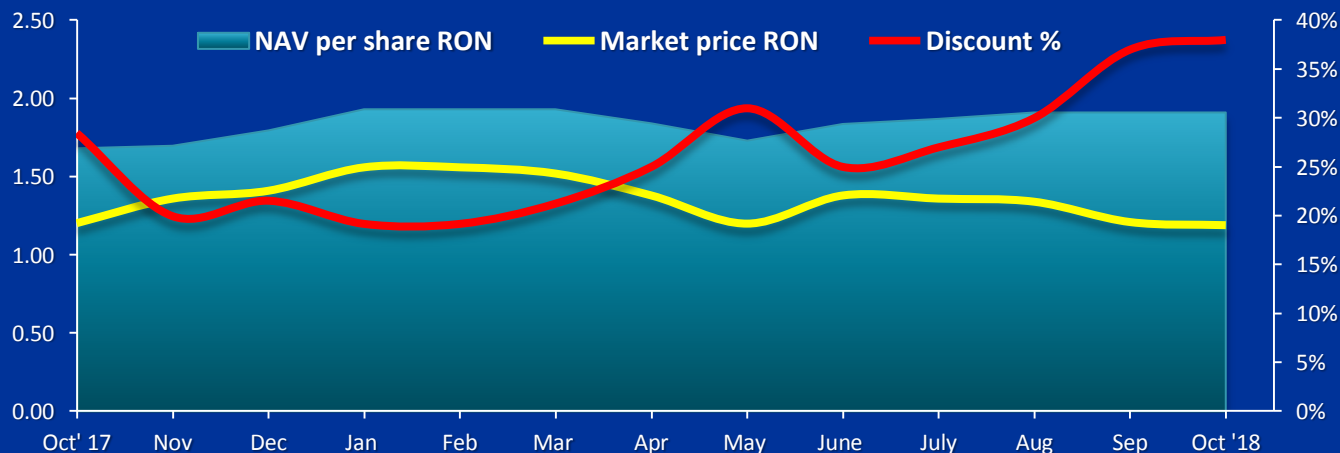
Returns: SIF2 NAV/share, SIF2 share, BET FI

Returns on Oct, 2018 (%)	SIF2 share	BET-FI	SIF2 NAV/share
1 M	-1.65	-1.94	0.51
3 M	-12.50	-4.70	2.58
6 M	-14.02	-8.60	3.99
12 M	-1.16	-1.40	14.00

The price series and the historical NAV/share series taken into account at the calculation of the yield/risk indicators are adjusted with the corporate events of the issuers.

Risk Analysis (1Y, daily series): SIF2 share / BET-FI

Indicator	SIF2 share	BET-FI
Annualized volatility (%)	25.18	11.09
Beta	1.72	1



- ✓ Exposure to the market risk quantified by SIRR: 14.14%
- ✓ The Synthetic Indicator of Risk and Return (SIRR) calculated based on annualized volatility of the monthly NAV from the last 3 years of activity, places SIF Moldova portfolio in the medium risk category (currently is classified in the 5th class; 5th in December 31, 2017).

Investment projects - “private equity” approach SIF Moldova Group



“Baba Novac Residence” Bucharest - ownership 100%

- ✓ 6 blocks, 363 apartments - completion 2019
- ✓ 80% of the apartments were sold by October 2018
- ✓ 121 apartments completed by the end of 2018 – the buyers will begin their reception



“Atria Urban Resort” Bucharest – ownership 50%

- ✓ The project is a phased out development of 1400 apartments on an area of approximately 9 ha, in 4 stages
- ✓ Positioning – North West of Bucharest
- ✓ Under construction Phase 1 – building 1 – stage: 4th floor



“Veranda Mall” Bucharest - ownership 37%

- ✓ GLE – 67000 sqm; GLA – 27000 sqm
- ✓ Occupancy rate – 97%
- ✓ Expansion in progress – 6300 sqm – fitness, offices, commercial spaces (completion in Q4 2018) , cinema (completion in Q2 2019)



“Blueberries Farm” - developed by Agointens SA, ownership 100%

- ✓ In exploitation and under preparation - 67 ha
- ✓ It is aimed to reach an area of 84 ha by 2020



Mecanica Ceahlau - Piatra Neamt - ownership: 73 %

- ✓ Manufactures and sells agricultural machines. Its portfolio includes more than 20 product groups for agriculture (for working the soil, seeding, crop maintenance);
- ✓ The company is a distributor of STEYR and PROJET machinery.
- ✓ Development strategy:
 - development of new equipment and products for Romanian market
 - export to neighboring countries

