

ANNOUNCEMENT FOR INVESTORS
concluded according to provisions of art.19 point 3 of FSA Regulation 10/2015

During 2019, SAI MUNTENIA INVEST (hereinafter referred to as MI) modified the valuation rules for the financial instruments held in their portfolio by the funds managed by MI as follows:

Page	Text at the end of 2018	Text at the end of 2019
Page 1	<p>APPLICABLE LAW</p> <p>...</p> <ul style="list-style-type: none"> – Regulation no. 9/2014 on the authorization and functioning of investment management companies, undertakings for collective investment in transferable securities and depositaries of undertakings for collective investment in transferable securities <p>...</p> <ul style="list-style-type: none"> – Regulation 2/2018 for amending and completing some normative acts 	<p>APPLICABLE LAW</p> <p>...</p> <ul style="list-style-type: none"> – Regulation no. 9/2014 on the authorization and functioning of investment management companies, undertakings for collective investment in transferable securities and depositaries of undertakings for collective investment in transferable securities as subsequently amended and supplemented. <p>...</p>
Page 1	The valuation function for financial instruments in the portfolios of MI managed entities is carried out internally	The valuation function for financial instruments in the portfolios of MI managed entities is carried out internally, or, by an external corporate/individual valuator, member of the ANEVAR.
Page 2	The valuation method will be selected taking into account the fact that MI is the Asset Management Company for several funds that don't resemble and keeping in mind that the valuation must have an unitary approach for all the above mentioned funds..	Text deleted
Page 6	<p>6. Structured deposits are valued on the basis of the principle of daily recognition of minimum guaranteed interest of the structured deposit that will be borne by the bank. In the case of not guaranteeing a minimum interest, the valuation will be made at the minimum current account interest rate. On maturity, if the evolution of the underlying asset is within the conditions of the deposit, the positive interest difference will be recognized for the entire period of the deposit. The valuation method will be maintained throughout the deposit period.</p> <p>The data used for the valuation of the structured deposits specified under point 6 are entered into the system according to the procedures mentioned under point 1 of these Rules.</p>	Text deleted
Page 12	<p>31. Monetary market operations, ie reverse purchase / reverse repo transactions, are shown in the portfolio of managed entities as follows:</p> <p>31.1. reverse repurchases where the managed entities buy assets eligible for trading, with the counterparty's firm commitment to redeem those assets at a later date and at a price set at the date of conclusion of the transaction, are valued</p>	<p>30. Monetary market operations, ie reverse purchase / reverse repo transactions, are shown in the portfolio of managed entities as follows:</p> <p>30.1. reverse repurchases where the managed entities buy assets eligible for trading, with the counterparty's firm commitment to redeem those assets at a later date and at a price set at the date of conclusion of the transaction, are valued</p>

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	<p>through the daily recognition of the receivable that is added to the acquisition value;</p> <p>31.2. reverse repo transactions where the managed entities sell assets eligible for trading on the basis of a firm commitment to redeem those assets at a later date and at a price fixed at the date of conclusion of the transaction are valued as follows:</p> <p>31.3.. for the period between the date of receipt of the amount of the money market transaction and the date of the firm commitment of redemption, the securities subject to the operation shall be periodically assessed in accordance with the rules specified in paragraphs 1 and 10.</p> <p>31.4. during the same period, the "minus" sign shall be borne by the settlement value together with the daily recognition of the debt attached, under an asset item "money market instruments other than those traded on a regulated market", in accordance with Article 82 (g) of Government Emergency Ordinance 32/2012 - Reporting contracts on securities issued by central government.</p>	<p>through the daily recognition of the receivable that is added to the acquisition value;</p> <p>30.2. reverse repo transactions where the managed entities sell assets are not allowed</p>
Page 13	The objective of estimating the fair value of financial instruments held by MI managed entities, based on the selection and application by the external valuator of fair, adequate and transparent valuation techniques and methods, integrated into their own assessment methodology.	Text deleted
Page 13	Also, in the evaluation process conducted by the external valuator, ethical/professional conduct requirements regarding prudence, professional diligence, as well as the principles of impartiality, independence and competence will be respected. In order to ensure the reasonableness of each estimated value for the financial instruments held in the portfolios of entities managed by the MI, the outcome of the assessment reports will be verified by SNACD using the instruments mentioned in the section "VALUATION, VERIFICATION AND REVIEW OF VALUATION POLICY AND PROCEDURE".	Also, in the evaluation process conducted by the external valuator, ethical/professional conduct requirements regarding prudence, professional diligence, as well as the principles of impartiality, independence and competence will be respected. In order to ensure the reasonableness of each estimated value for the financial instruments held in the portfolios of entities managed by the MI, the outcome of the assessment reports will be verified by SNACD.
Page 13	When valuating the financial instruments in the portfolios of the entities managed by the MI, the rules specified in the regulations issued by the FSA and where a value estimation is required based on the fair value principle according to the International Valuation Standards, an external rated member of A.N.E.V.A.R. will be used.	When valuating the financial instruments in the portfolios of the entities managed by the MI, the rules specified in the regulations issued by the FSA and where a value estimation is required based on the fair value principle according to the International Valuation Standards, an external rated corporate/individual member of A.N.E.V.A.R. will be used.
Pag. 13	The input data used in the valuation process are based on credible information obtained from independent sources whenever possible and appropriate..	The input data used in the valuation process are based on credible information obtained from independent sources whenever possible.
Page 14	The valuation activity will be carried out on the basis of a service contract concluded between the external valuator (independent legal or physical person) as a service provider and MI. The external valuator provides, upon request, professional guarantees demonstrating its ability to perform its assessment function. The external valuator provides these professional guarantees in a written form.	The valuation activity will be carried out on the basis of a service contract concluded between the external valuator (corporate/individual member of the ANEVAR) as a service provider and MI. The external valuator provides, upon request, professional guarantees demonstrating its ability to perform its assessment function. The external valuator provides these professional guarantees in a written form.
Pag. 14	The basic structure of the evaluation report is as follows:	The basic structure and content of the valuation report must be in line with the International

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	<p>a. summary of the valuation; b. premises of the valuation; c. description of the valued asset; d. description of specific markets; e. valuation approaches; f. reconciliation of results; conclusions; g. annexes.</p> <p>The valuation report must contain at least the following information:</p> <p>a. the valuator's opinion; b. legal description of the property / description of the guarantee portfolio; c. property inspection; d. purpose of the valuation; e. recipient of the valuation; f. type of estimated value; g. underlying assumptions and limiting conditions; h. any derogations from the valuation standards; i. main information underlying the valuation approaches; j. sources of information; k. applied valuation techniques; l. annexes (photos, relevant documents); m. Signatures and stamps.</p> <p>The responsible person within the SNACD will ensure that valuation methodologies are applied consistently and formalized fully in the valuation reports.</p>	<p>Valuation Standards, valid at the date of the valuation report.</p> <p>The responsible person within the SNACD will ensure that valuation methodologies are applied consistently and formalized fully in the valuation reports.</p>
Pag. 14	<p>Validation of valuation models is ensured by MI employees appointed by MI's BoD decision. They can not be selected from the employees of the departments responsible for the valuation of assets in the portfolios of the entities managed by MI, they must have sufficient specialized knowledge and should not have been involved in the process of designing the respective model (s).</p>	<p>Validation of valuation models is ensured by MI employees, which have attributios in these regard. They can not be selected from the employees of the departments responsible for the valuation of assets in the portfolios of the entities managed by MI, they must have sufficient specialized knowledge.</p>
Pag. 15	<p>The assessment of the policy and the related procedure will take into account at least the following aspects and elements:</p> <ul style="list-style-type: none"> - the competence and independence of the personnel performing valuation of assets, the level of professional training; - the correlation between the specific investment strategies in place for each of the entities managed by MI; - verification of the accuracy in selectiing the source of information and the techniques used in the valuation process (verifications will be carried out before using and accessing new data sources in terms of credibility, relevance and independence, adapting methodologies to the purpose of the valuation, applying validated and approved models); - analyzing differences or other issues raised in the valuation process and identifying measures to reduce the likelihood of other similar issues; - verifying the accuracy of choosing the appropriate moment for the closure of the accounting registers containing the values to be used for the valuation; - checking corrections for adjustments to the size and liquidity of positions and their correlation with market conditions and other relevant information wherever possible; 	<p>The assessment of the policy and the related procedure will take into account at least the following aspects and elements:</p> <ul style="list-style-type: none"> - the competence and independence of the personnel performing valuation of assets, the level of professional training; - the correlation between the specific investment strategies in place for each of the entities managed by MI; - verification of the accuracy in selectiing the source of information and the techniques used in the valuation process (verifications will be carried out before using and accessing new data sources in terms of credibility, relevance and independence, adapting methodologies to the purpose of the valuation, applying validated and approved models); - analyzing differences or other issues raised in the valuation process and identifying measures to reduce the likelihood of other similar issues; - checking corrections for adjustments to the size and liquidity of positions and their correlation with market conditions and other relevant information wherever possible;

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	<p>correlation with market conditions and other relevant information wherever possible;</p> <ul style="list-style-type: none"> - the analysis of the substantiation of the model (s) chosen, used in the valuation and of its main characteristics, the data and source (s) from which it originates and the assumptions used.. 	

Version in force for the valuation rules for the financial instruments held in their portfolio by the funds managed by MI can be downloaded from the link below:

<http://www.sifmuntenia.ro/en/investments/net-asset-value/rules-applied-nav-calculation/>

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