



CLOSED-END SECTOR FUND

# iFond Financial Romania

July 2010



- iFond Financial Romania provides investors access to Proprietatea Fund shares and a diversified portfolio of Romanian issuers in the financial sector.

## iFond Financial Romania

iFond Financial Romania main features:

- managed by Intercapital Investment Management, the asset management division of Intercapital Invest, leading independent broker in Romania
- established by initial public offering, using the trading systems of the Bucharest Stock Exchange (BSE)
- invests in Romanian issuers in the sectors of investments and financial services
- provides access to shares of Proprietatea Fund (PF or Property Fund)
- the IPO is distributed through BRD – Groupe Societe Generale and Intercapital Invest, including the latter's online trading system, ktrade.ro
- the fund will be admitted to trading on BSE after the successful closing of the offering
- the successful closing of the fund's offering is guaranteed by Intercapital Invest

## iFond Financial Romania

- **Manager:** Intercapital Investment Management SA



- The asset management division of Intercapital Invest, acquired in January 2010 and owned to an extent of 99.9%. The company also manages mutual funds iFond Actiuni and iFond Monetar.

- **Manager/Distributor:** Intercapital Invest SA



- Involved in major projects on the local capital market, including the management of the World Bank's bond offering, the participation in the distribution group for the Transgaz IPO, the management of Romania's only IPOs in 2009 (funds OTP WiseRO and OTP Green Energy) and the BSE self-listing on its own regulated market.

- **Distributor:** BRD – Groupe Societe Generale

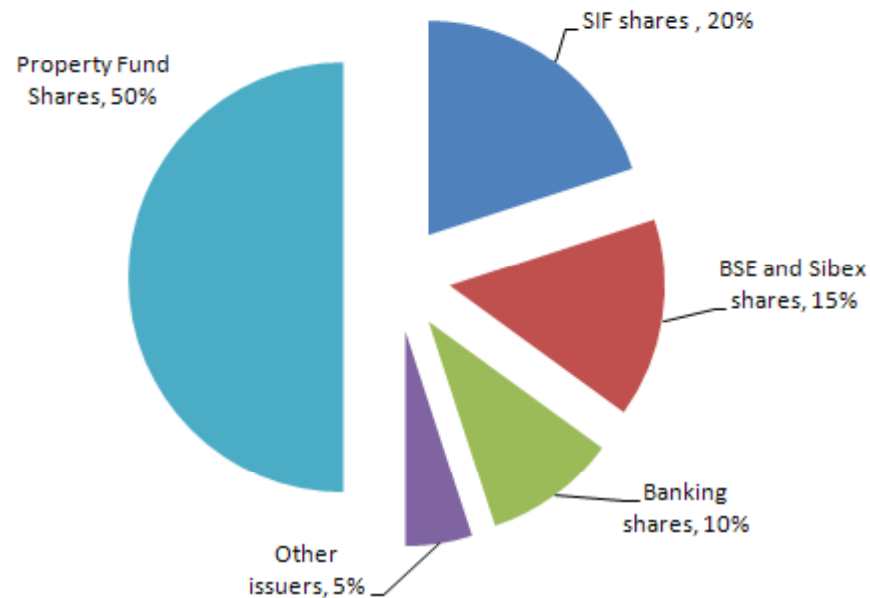


- One of the most important financial institutions in Romania

## Investment Strategy

- iFond Financial invests 50% of assets in Proprietatea Fund shares (after PF gets registered as an UCI by the National Securities Commission, CNVM). With EUR 3 Billion in assets, Proprietatea Fund will be managed by Franklin Templeton and admitted to trading on BSE.
- 20% of assets placed in shares of the 5 Financial Investment Companies (SIFs), local listed funds and most actively traded issuers in Romania, currently trading at 60% discount to NAV.
- 15% of assets placed in shares issued by the BSE and Sibex, the two securities exchanges in Romania, each listed on its own regulated market.
- 10% of assets invested in BSE-traded bank shares, including BRD – Groupe Societe Generale, Romania's second largest bank, Transilvania Bank – leading local independent bank.

Target asset allocation after closing of the IPO:



## Argumentation and goals

- Fond Concept:
  - Stock evaluations are low and attractive for long-term investments
  - The financial services sector is one of the most dynamic sectors of Romanian economy
  - 5 years after the establishment of Proprietatea Fund, investors still do not have efficient access to PF stock due to PF not being listed
- Goals
  - Providing access to Proprietatea Fund shares (after PF gets registered as an UCI, but before its listing), one of the most important issuers on the Romanian market
  - Long-term investments in shares of the 5 SIFs, currently traded at an average discount of 60% to the NAV
  - Investments in the shares of the most important private institutions of the local capital market, BSE and Sibex, companies whose growth potential is proportional to the development of the capital market, and in the banking sector.

## Fund features

- iFond Financial is established by an initial public offering carried out through BSE systems
- IPO price: RON 202.00/fund unit
- Face value: RON 200.00/fund unit
- Minimum number of fund units that can be subscribed: 1 fund unit worth RON 202.00
- Value on offer: 10,000 fund units worth RON 2,020,000
- Offer increase clause in case of oversubscription to a maximum of 40,000 fund units worth RON 8,080,000
- CNVM approval no.: 28/20.07.2010
- Fund registration number in CNVM Registry: CSC08FIIR/400018
- Fund life: 5 years with extension possibility

## Offering features

### Fund release schedule:

- post-IPO exchange trade takes place in 3 working days after the last offering day
- settlement of trade takes place after three working days
- fund life starts after one working day (fund issue date)

- Public offering subscription period: July 22 – August 11, 2010
- Requirement for successful closing of offering: by subscription of a minimum of 5,000 fund units worth RON 1,010,000
- Guarantee of successful closing of offering: based on the commitment of Intercapital Invest to subscribe the necessary number of units for the successful closing of the offering, in case this is not attained by the end of the IPO period
- Offering distribution channels:
  - Intercapital Invest offices
  - BRD – Groupe Societe Generale network
  - Ktrade online trading system of Intercapital Invest
  - Through any broker authorized by CNVM that signs a distribution contract with the fund's manager until July 26, 2010

## Subscription procedures

- Subscriptions shall be made only at the offices of the distributors – Intercapital Invest, BRD or brokers who signed a distribution contract with the fund's manager
- The subscription CANNOT be made through brokers who did not sign a distribution contract with the fund's manager or previous to CNVM's approving the distribution contract. These are investment fund specific distribution procedures required by CNVM and the legislation applicable to investment funds
- Each investor shall fill out the subscription form in three original copies, at one of the distributors' offices. Subscriptions by mail or fax are not accepted
- The forms shall be accompanied by proof of payment (copy of the payment order or documentary proof of a custody agent undertaking the settlement), as well as by the subscriber's identification papers as per the issue prospectus:
  - ID card or booklet for resident individuals;
  - registration certificate, act of incorporation, confirmation of company details, delegate proxy and identity card for resident legal entities;
  - documents required as per the prospectus for other investor categories

## Closing and allocation procedures

- Intercapital Invest enters the sell order for the fund units selling offer in the trading system of BSE. Authorized brokers, who have previously signed a distribution contract with the manager, introduce buy orders representing valid subscriptions in the IPO
- The post-IPO exchange trade is performed via the BSE trading systems, three working days after the last subscription day. This is the allocation date
- The transaction is settled three working days after the settlement of the transaction
- The fund's life starts one working day after the date of the transaction's settlement. This is the issue date
- The management company shall send each investor a statement of account with the number of allocated units, within ten working days after the transaction is performed
- The procedure for the Fund's admission to trading on the Bucharest Stock Exchange will take place after closing of the public offering

## Why iFond Financial Romania?

- Romanian shares are currently traded at a significant discount . Investors may identify value in their long term growth potential by partially investing their savings in iFond Financial.
- Proprietatea Fund is one of the most important projects in the history of the Romanian financial market, but investors still do not have a fast and flexible access to PF shares.
- The risk carried by Proprietatea Fund is offset by a diversified portfolio of attractive issuers listed on the local capital market: the most important listed funds (the 5 SIFs), two exchanges, some of the major banks in Romania.
- The successful closing of the fund's initial public offering is guaranteed by Intercapital Invest.
- Upon the closing of the offering the fund will be listed on the Bucharest Stock Exchange. The BSE preliminary agreement for the listing was already obtained.
- iFond Financial Romania is an innovative product launched by Intercapital Invest, leading Romanian independent broker.

## iFond Financial Romania

- Additional Information:

### **SSIF Intercapital Invest SA**

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- The fund's prospectus summary in English and additional information about the fund and its offering are available on [www.intercapital.ro](http://www.intercapital.ro)