

ETF BET Patria – Tradeville (BVB: TVBETETF)

Fund presentation, returns and statistics

Bucharest • April 2024

ETF BET Patria – Tradeville: overview

Fund presentation

- › Exchange Traded Fund listed on the Bucharest Stock Exchange (BSE) with ticker [TVBETETF](#)
- › First ETF in Romania, launched in August 2012
- › Passive investment strategy – the fund tracks the main index of the BSE, BET
- › The BET index is computed as a weighted average of prices of 20 important stocks listed on the exchange and tracks the average performance of the BSE over time
- › The fund invests in 20 of the most important Romanian companies in various industries that are listed on the BSE
- › Accumulating ETF – dividends collected by the fund are reinvested
- › The use of the BET index as a benchmark is based on a licensing agreement closed with the Bucharest Exchange
- › Fund depositary: BRD – Groupe Societe Generale.

Main features and advantages for investors

- › Any person can benefit from the expansion and profits of the most important companies listed on the Bucharest exchange by investing in the fund
- › Diversification by holding 20 stocks in various industries
- › Fast and easy investment using a brokerage account
- › Liquidity ensured by market maker - SSIF Tradeville SA
- › Possibility to invest any amount, no matter how small (starting with about RON 26 – the price of one fund unit)
- › The fund does not pay tax on collected dividends – tax advantage
- › Calculation and publishing of fund unit value in real time on [bvb.ro](#)
- › Profits and losses of investments are netted in the fund's portfolio.

Fund manager: SAI Patria Asset Management

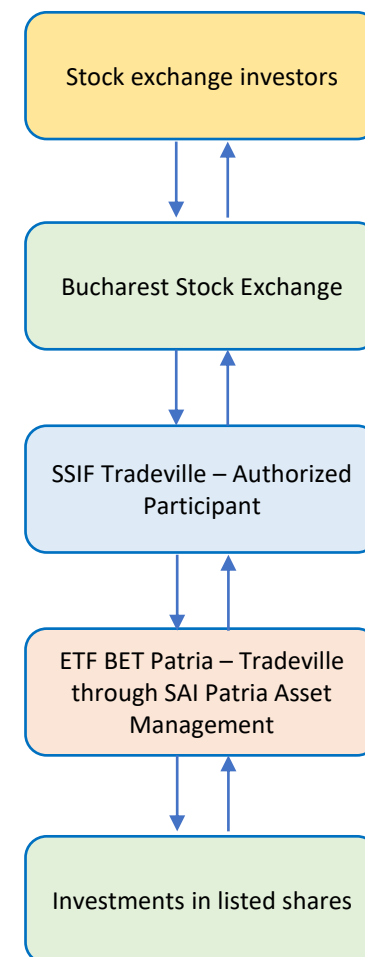
- › A company belonging to the Patria Bank Group, SAI Patria Asset Management manages the only two ETFs in Romania and four other open-end investment funds, and operates an online trading platform available at [online.patriafonduri.ro](#).



ETF BET Patria – Tradeville: overview

How does the fund work?

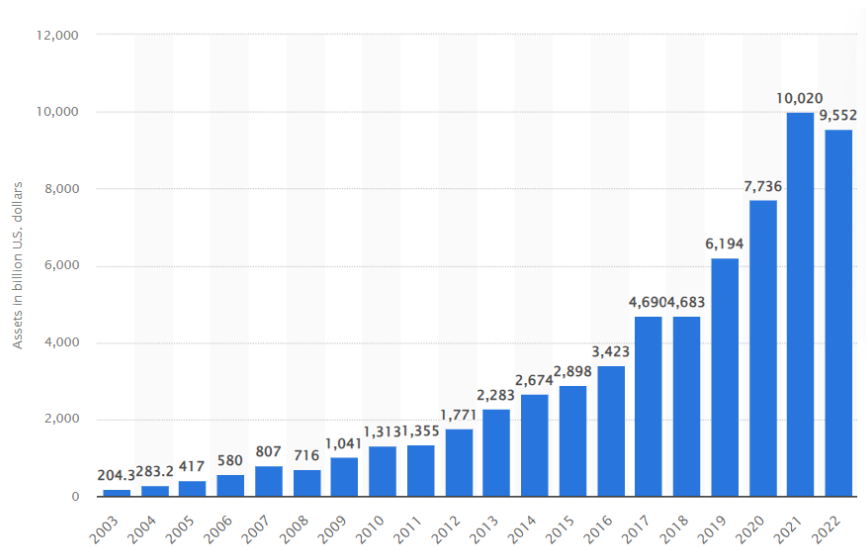
- › ETF BET Patria – Tradeville is listed on the Bucharest Stock Exchange (BSE)
- › Fund units may be bought and sold through any broker licensed to trade on the BSE, following the same procedures as the one used for buying and selling any other security available on the exchange – stocks, bonds, etc
- › SSIF Tradeville is market maker for the fund and provides liquidity for investors who want to buy or sell the fund's units
- › As an Authorized Participant (AP) for the fund, SSIF Tradeville carries out subscription and redemption transactions directly with the fund, through its manager, Patria Asset Management
- › The funds buys stocks on the exchange following subscriptions of the Authorized Participant (or sells stocks following AP redemptions)
- › Fund depositary, BRD – Groupe Societe Generale, keeps the fund's assets safe (stocks owned by the fund) and verifies fund unit value calculations.



ETF funds around the world

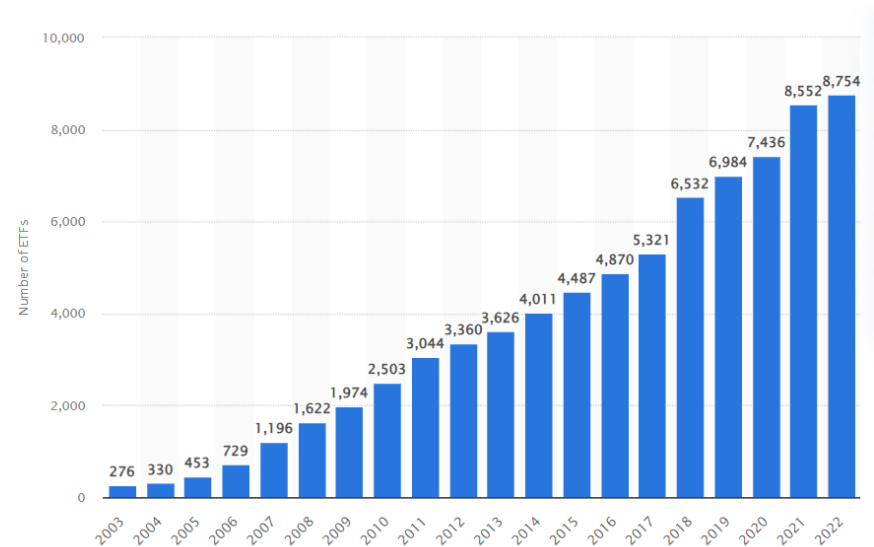
Total ETF assets (USD billion)

- › Assets of ETFs globally increased more than 5 times in 10 years, from USD 1.77 trillion in 2012 to USD 9.55 trillion in 2022 (source: statista.com)
- › At the end of 2023, total assets of ETF globally were estimated at USD 11.63 trillion by ETFGI.



Number of ETFs

- › The total number of ETF globally increased from 276 in 2003 to almost 9,000 in 2022 (source: statista.com) and over 9,900 in August 2023 (source: investopedia.com)
- › The largest ETF in the world is SPDR S&P 500 (SPY) with assets of over USD 500 billion. The fund is managed by State Street Global Advisors.



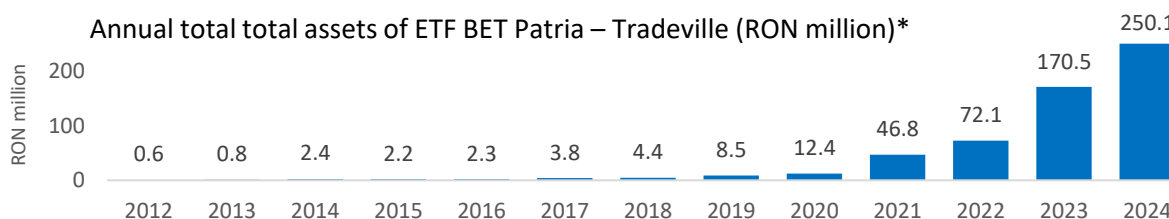
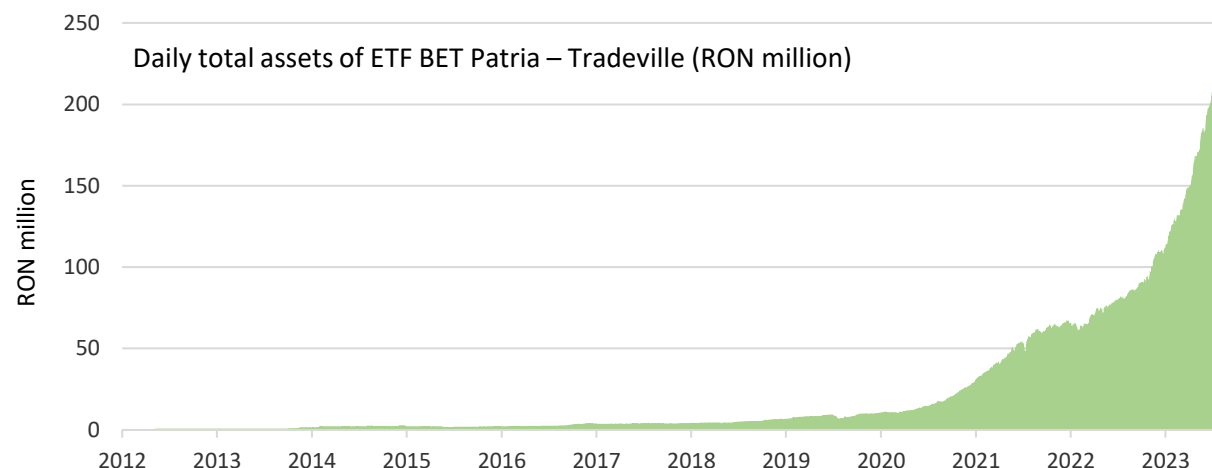
Source: statista.com, ETFGI, Investopedia.com



ETF BET Patria – Tradeville: fund assets

Increase in fund assets

- › The fund's total assets increased from RON 12.4 million (EUR 2.5 million) at 31 Dec. 2020 to RON 250.1 million (EUR 50.3 million) at 5 Apr. 2024, **an increase of over 20 times in less than 3.5 years**
- › The fund's assets increased by 1,281% between 2021-2023 vs. +118% for assets of all Romanian open-end equity funds and -8% for assets of all open-end funds in Romania
- › Significant subscriptions of the ETF's Authorized Participant following trading activity of fund investors on the exchange: RON 23.6 million (EUR 4.8 million) in 2021 (Apr.-Dec.), RON 26.8 million (EUR 5.4 million) in 2022, RON 65.3 million (EUR 13.2 million) in 2023 and RON 49.8 (EUR 10.0 million) in Q1 2024.



	2021	2022	2023
Increase in assets of ETF BET Patria - Tradeville	+279.3%	+53.9%	+136.5%
Increase in assets of Romanian open-end equity funds	+83.8%	-12.6%	+36.1%
Increase in assets of all Romanian open-end funds	+14.3%	-31.2%	+17.0%



ETF BET Patria – Tradeville: holdings

Investment strategy

- › The ETF's main objective is tracking the main index of the Bucharest Stock Exchange, BET
- › The fund manager makes continuous adjustments to the fund's holdings to minimize the deviation between weights of shares in the fund's portfolio and weights of the same shares in the structure of the BET index
- › The relevant indicator for measuring these deviations is the *composition error*, calculated daily as sum of the absolute values of differences between weights of shares in the fund's portfolio and the weights of the same shares in the portfolio of the BET index
- › The maximum value of the composition error allowed by applicable legislation and the fund prospectus is 15.00%.

Average value of composition error 01.01.2024 – 05.04.2024

0.10%

FUND HOLDINGS

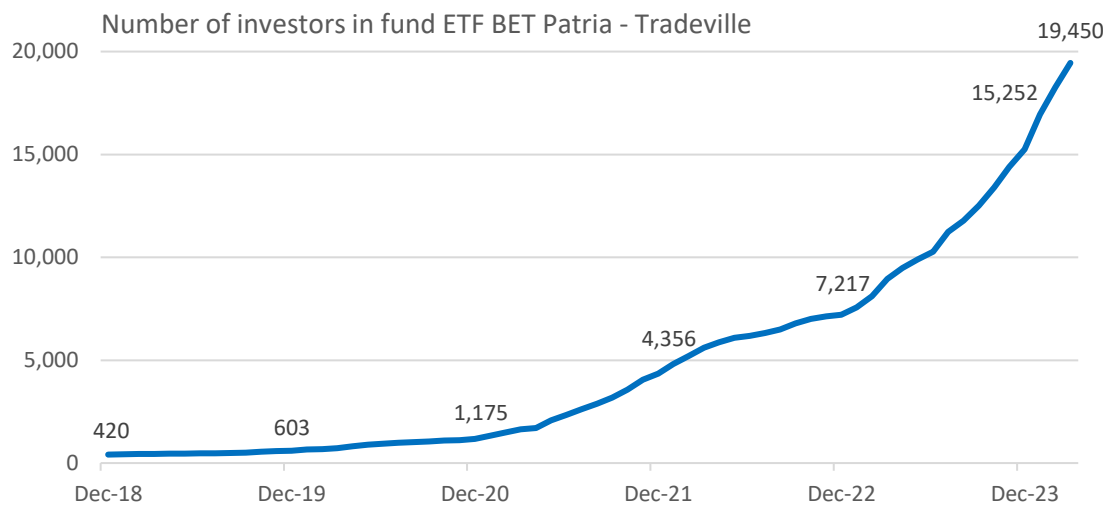
TLV	Banca Transilvania	20.1%
SNP	OMV Petrom	17.8%
H2O	SPEEH Hidroelectrica	16.9%
SNG	SNGN Romgaz	9.1%
BRD	BRD - Groupe Societe Gen.	8.6%
SNN	SN Nuclearelectrica	4.1%
EL	SE Electrica	3.3%
DIGI	DIGI Communications	3.1%
TGN	SNTGN Transgaz	2.6%
FP	Fondul Proprietatea	2.5%
M	Medlife	2.2%
ONE	One United Properties	2.2%
TTS	Transport Trade Services	1.7%
TEL	CNTEE Transelectrica	1.2%
TRP	Teraplast	1.1%
AQ	Quila Part Prod Com	1.1%
BVB	Bursa de Valori Bucuresti	0.7%
WINE	Purcari Wineries	0.7%
SFG	Sphera Franchise Group	0.7%
COTE	Conpet	0.4%
Cash		0.0%



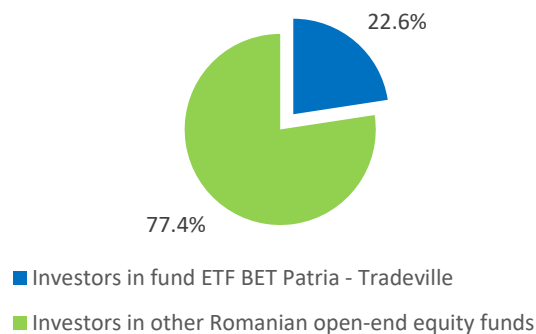
ETF BET Patria – Tradeville: investors

Number of investors

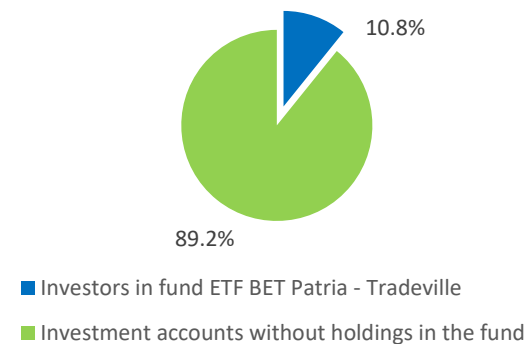
- › The number of investors in the fund **increased 36 times in five years**, from 420 at Dec. 2018 to 15,252 at Dec. 2023
- › At the end of Mar. 2024 the number of investors in the fund was 19,450, an increase of 28% compared to the end of 2023
- › At the end of January 2024 the fund **recorded 22.6% of all investors in Romanian open-end equity funds**
- › At the end of 2023 11% of investment accounts opened on the Bucharest Stock Exchange held ETF BET Patria – Tradeville fund units (excluding accounts that held only Government bonds).



Share of investors in ETF BET Patria - Tradeville out of total investors in Romanian open-end equity funds at la 31.12.23



Share of investors in ETF BET Patria - Tradeville out of total investment accounts opened on the BSE* at 31.12.2023



source: Patria Asset Management, AAF; *source: FCI; excluding accounts that held only Government bonds



ETF BET Patria – Tradeville: returns

Fund returns

- › **ETF BET Patria – Tradeville was the best-performing Romanian open-end equity fund in 2021 – 2023**

Top-performing Romanian open-end equity fund in the last 3 calendar years (2021-2023)

+74.96%

- › Trading with premium on the BSE:

Average trading premium of BSE daily price over NAV since listing

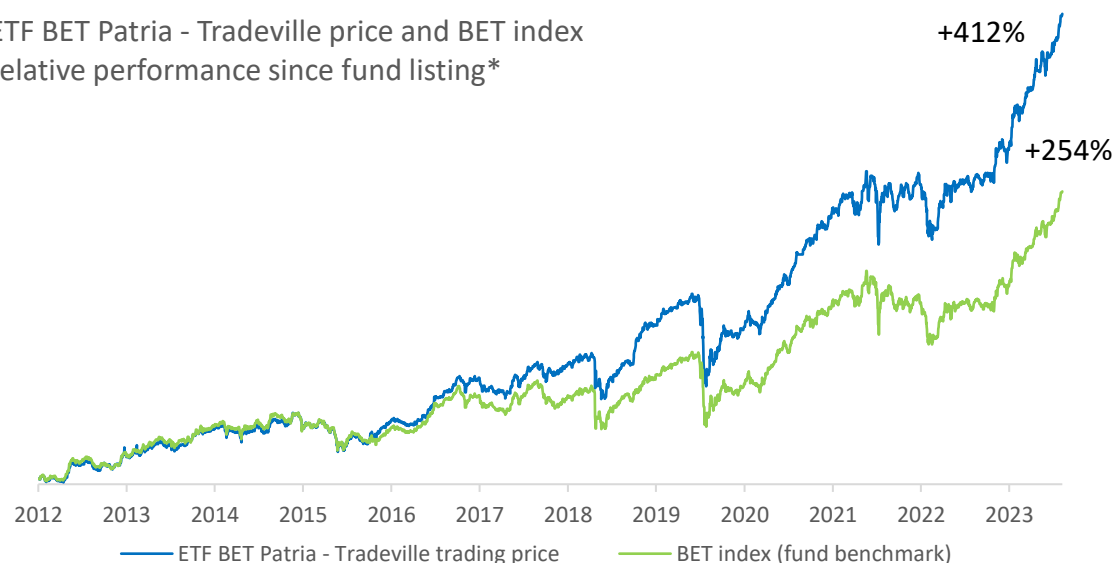
0.29%

- › Relevant trading price:

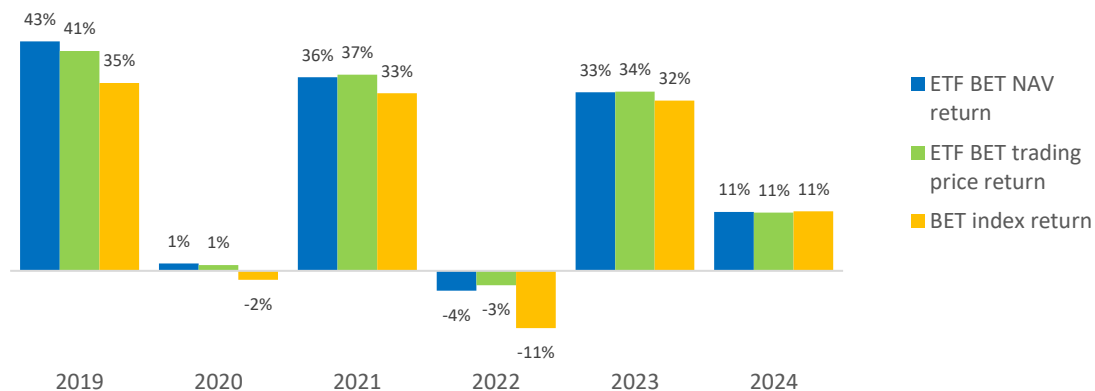
Correlation between trading price/NAV and between trading price/BET index

0.9997 and **0.9915**

ETF BET Patria - Tradeville price and BET index relative performance since fund listing*



Annual ETF BET Patria - Tradeville returns vs. BET index returns



source: Patria Asset Management, BSE; all returns in RON; *data until 05.04.2024



ETF BET Patria – Tradeville: trading

Trading of fund units on the Bucharest Stock Exchange

- › ETF BET Patria – Tradeville recorded trades on the BSE of RON 132.9 million (EUR 26.9 million) during the last 12 Months ended at 12 Mar. 2024
- › **The fund was the 17th most liquid issuer on the BSE** by value of trades during this period, taking into account all shares, bonds, fund units and certificates traded on all markets operated by the exchange (a total of 754 issues) :

Position of ETF BET Patria –
Tradeville in BSE liquidity ranking
12 Mar. 2023 – 12 Mar. 2024

17

- › The value of trades with the fund's units in March 2024 was RON 22.3 million (EUR 4.5 million), representing an annualized value of RON 267.6 million (EUR 54.0 million). ETF BET Patria – Tradeville was the 15th most liquid issue on the BSE in March
- › Liquidity for the fund's units on the exchange ensured by the market maker – SSF Tradeville
- › First day of trading for the fund's units on the BSE was 29.08.12.

Issue	Value of trades (RON million)
Fondul Proprietatea	3,127.56
SPEEH Hidroelectrica*	2,135.52
Banca Transilvania	2,090.08
OMV Petrom	1,586.02
SNGN Romgaz	890.93
BRD - Groupe Societe Generale	579.27
SN Nuclearelectrica	474.42
Transport Trade Services	339.58
SE Electrica	337.97
ONE United Properties	332.68
Digi Communications NV	293.38
Aquila Part Prod Com	187.56
SNTGN Transgaz	181.87
Medlife	167.87
Government bonds R2512AE	144.41
Erste Group Bank	137.87
ETF BET Patria - Tradeville	132.86
Teraplast	121.47
CNTEE Transelectrica	118.88
Lion Capital	105.62
Government bonds R2508AE	94.31
Arobs Transilvania Software	89.28
Evergent Investments	87.65
BRK Dow Turbo Long 30850 certificate	73.61
Purcari Wineries	72.95

Source: Patria Asset Management analysis at 12.03.24 using BSE data; *value for last six months



ETF BET Patria – Tradeville: costs and performance

Fund costs

› Costs paid by fund ETF BET Patria – Tradeville:

- Management fees
- Depositary, custody and settlement fees
- Trading fees
- Banking fees
- Fees paid to the Financial Supervision Authority
- Costs for the fund's financial audit
- Listing costs paid to the Bucharest Stock Exchange
- BET index usage license fees paid to the BSE
- Investor registry fees paid to the Central Depository
- LEI code maintenance fees.

The fund announced reductions of operating costs in Dec.2023:

- Management fee: from 0.100% to 0.075%/month
- Depositary fee: from 0.019% to 0.015%/month
- Settlement fee: from 0.013% to 0.010%/settled value
- Custody fee: from 0.06% to 0.05%/year.

- › Annual impact of costs over performance after cost reductions estimated at **1.51%** (*total expense ratio*)
- › All costs are paid by the fund, not by investors. All NAV returns calculations are net returns, presented net of costs.

- › Investors do not pay fees to SAI Patria Asset Management or ETF BET Patria – Tradeville (investors only pay trading fees to brokers used for trading on the BSE)
- › ETF BET Patria – Tradeville has [the lowest management fee of all Romanian open-end equity funds](#), of 0.90% per year vs. an average of 3.14% per year for actively-managed Romanian open-end equity funds and an average of 1.60% per year for Romanian index funds excluding ETF BET Patria - Tradeville

ETF BET position in ranking of
Romanian open-end equity funds with
lowest management fees

1st

- › [Tax advantage](#): the fund does not pay tax on collected dividends, unlike dividends collected by individual investors or by non-resident open-end funds
- › The fund's savings by not paying tax on dividends was [represented approx. 80% of the funds' total costs in 2023](#) (or 40% of total management fees paid by the fund when excluding the special dividend paid by Fondul Proprietatea).



ETF BET Patria – Tradeville: alternatives

Replication of BET index by buying individual stocks

- › Replication of the BET index by buying the individual stocks in its portfolio requires a large amount

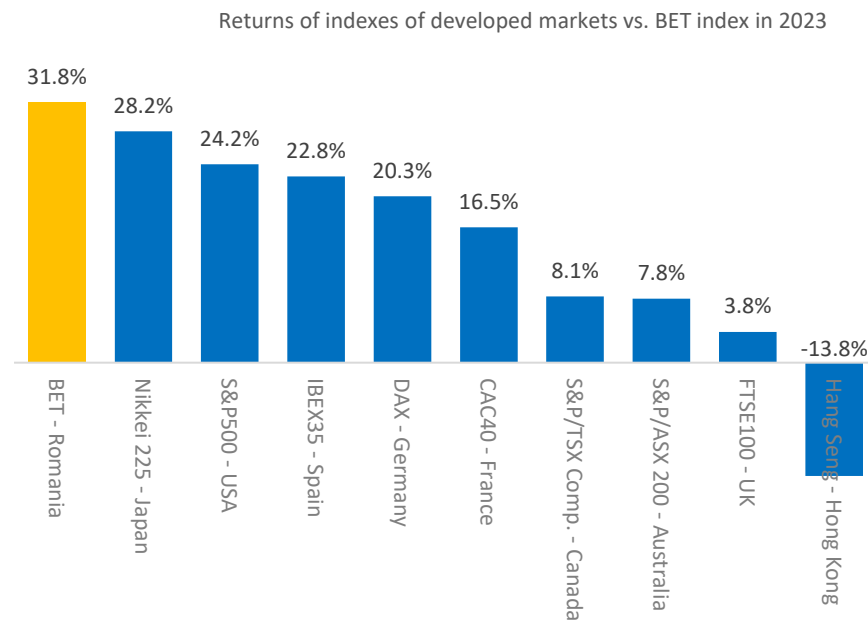
Minimum amount for replicating the BET index by buying individual stocks by an investor*

RON **19,455** (EUR **3,915**)

- › The minimum amount for individual replication of a basket containing the 10 largest issues in the BET index, using their weights in the index, is RON 1,429 lei* (EUR 288)
- › For comparison, the minimum amount that can be invested in fund ETF BET Patria – Tradeville is the value of a single fund unit (RON 25,91 or EUR 5.22 at la 05.04.24)
- › Individual replication of an index also requires significant trading activity, especially when implementing a regular investments schedule, as well as continuous adjustment of the portfolio's structure in order to accurately track the structure of the replicated index.

Index ETFs on developed markets

- › ETFs tracking indexes of developed markets – lower operating costs, but returns below the return of the BET index:



Investments in actively-managed funds

- › Average RON return of Romanian actively-managed open-end equity funds in 2023 was +22.1% vs. +33.4% return of ETF BET Patria – Tradeville, and +41.7% vs. +75.0% for 2021 – 2023.



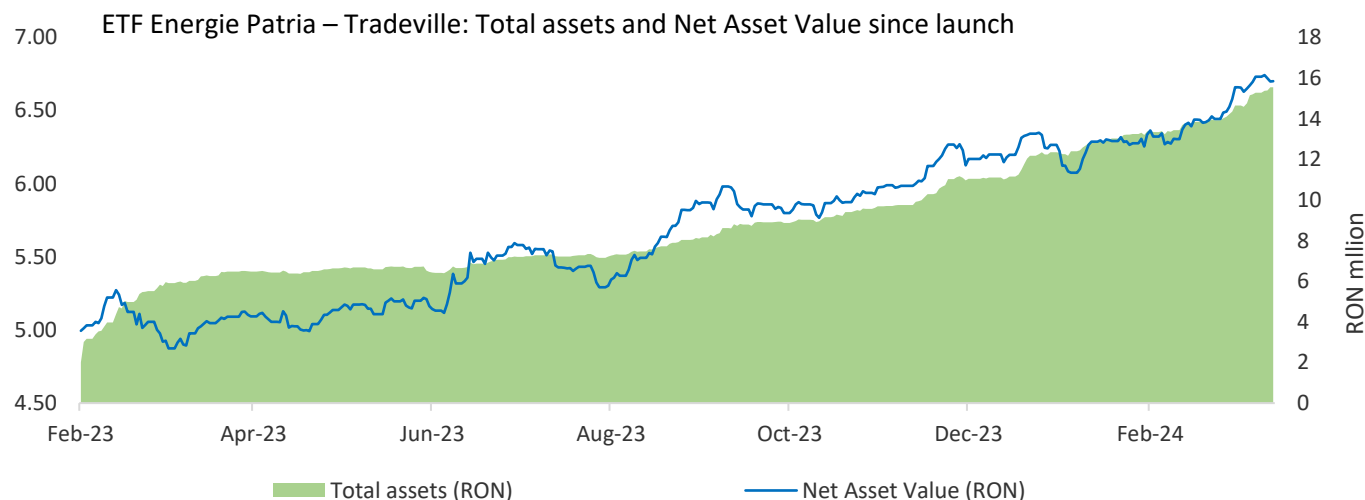
ETF Energie Patria – Tradeville: the first Romanian sector ETF

Fund overview

- › First sector ETF in Romania and the second ETF managed by Patria Asset Management
- › The fund tracks the BET-NG sector index of the Bucharest Stock Exchange for the energy and related utilities sector
- › The fund was launched at the beginning of 2023 and is traded on the Bucharest Stock Exchange (ticker symbol PTENGETF) starting with 22.02.23
- › The fund had total assets of RON 15.5 million (EUR 3.1 million) at 05.04.2023 and 3,169 investors at the end of March 2024
- › The fund's return in RON was +24.0% from launch until 31.12.23 and of +8.07% from the end of 2023 until 4 Apr. 2024.

FUND HOLDINGS

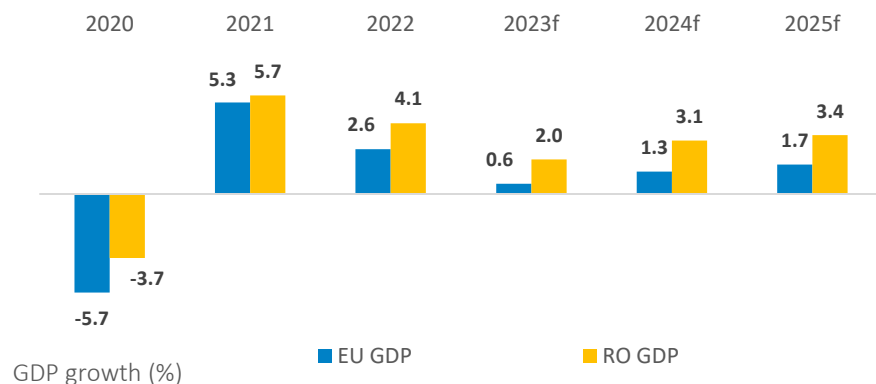
SNP	OMV Petrom	30.1%
H2O	SPEEH Hidroelectrica	19.5%
SNG	SNGN Romgaz	17.2%
SNN	SN Nuclearelectrica	7.8%
EL	SE Electrica	6.3%
TGN	SNTGN Transgaz	4.9%
TEL	CNTEE Transelectrica	2.3%
COTE	Conpet	0.8%
RRC	Rompetrol Rafinare	0.5%
OIL	Oil Terminal	0.2%
PTR	Rompetrol Well Serv.	0.2%
Cash		10.3%



Outlook

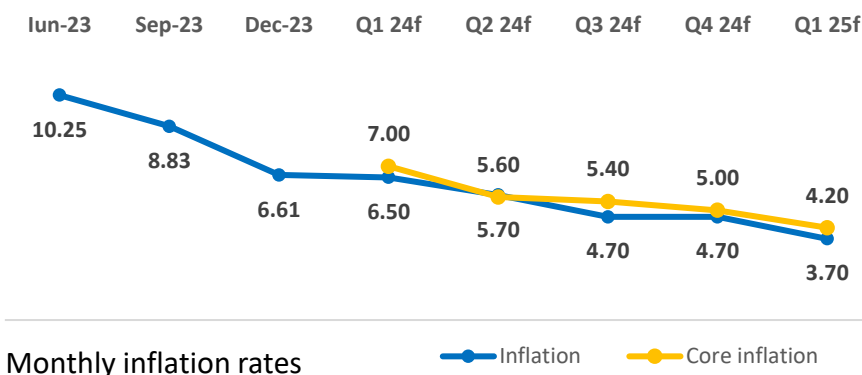
GDP growth

- › Economic expansion and GDP growth are the basis of the long-term performance of Capital Markets
- › A growing economy means that companies expand their businesses and, generally, increase their profitability
- › Expectations for the Romanian economy remain positive for the near future, with economic growth estimated at 3.1% in 2024 and 3.4% in 2025.



Inflation

- › Another factor that impacts stock market trends is the level of interest rates in an economy
- › Decreasing interest rates lead to raising stock prices and make equity investments more attractive than fixed-income investments
- › Interest rates depend on inflation levels. Inflation has followed a downward trend in Romania in recent months. The National Bank of Romania expects this trend to continue.



Partners

Authorized Participant and market maker

- › SSIF Tradeville is market maker for funds ETF BET Patria – Tradeville and ETF Energie Patria – Tradeville, ensuring liquidity for investors
- › The company is also an Authorized Participant for the two funds, executing subscription and redemption transactions directly with the funds.



Depository

- › BRD – Groupe Societe Generale is the depository of funds ETF BET Patria – Tradeville and ETF Energie Patria – Tradeville, and keeps the assets of the two funds safe according to legal requirements
- › Another important role of the depository is certifying the calculation of fund unit values (Net Asset Value or NAV).



GROUPE SOCIETE GENERALE

Bucharest Stock Exchange

- › Bucharest Stock Exchange (BSE) manages the market on which the two funds trade
- › Additionally, the Bucharest Stock Exchange calculates and publishes the BET and BET-NG indexes that serve as benchmarks for the two funds
- › The Central Depository, a company belonging to the BSE Group, maintains the investor registries of the two ETFs.



Auditor

- › 3B Expert Audit is the financial auditor of funds managed by Patria Asset Management.



Shareholder

- › Patria Bank is the majority shareholder of Patria Asset Management.



ETF BET Patria - Tradeville

	2023	2024*
Total assets	+137%	+47%
Number of investors	+111%	+28%
Return	+33%	+12%

Source: Patria Asset Management; *data for 31.12.23-05.04.24; increase in number of investors is presented for 31.12.23-31.03.24



IMPORTANT INFORMATION

Patria Asset Management SA, manager of funds presented in this document, is a company which is majority-owned by Patria Bank SA with headquarters in Bucharest, 42 Pipera Road, 10th floor, Romania, NSC (CNVM) decision 275/13.02.2008, reguistration number in FSA registry PJR05SAIR/320025/13.02.2008, e-mail office@patriafonduri.ro, www.patriafonduri.ro, phone number 0372 538 671.

Investments in funds have risks, including the risk that targeted performance may not be reached or that the investment will incur a loss due to specific conditions of markets and instruments in which the funds invest. The risks of investments may include other risks such as credit risk, liquidity risk, counterparty risk, operational risk or durability risk.

This is a marketing communication. Please read the prospectuses and essential information documents of the funds before taking a final investment decision. The prospectuses and essential information documents of the funds are available on www.patriafonduri.ro and at the manager's headquarters, in Romanian language. Past performance of the funds is not a guarantee of future returns. The performance is subject to taxation which depends on the personal circumstance of each investor and which may change in the future. The return of fund units depends on the funds' investment strategy and on the evolution of markets and assets in their portfolios, and is usually proportional with their risk. Additional information about the funds and their risks are available on www.patriafonduri.ro.

The net asset value of funds managed by SAI Patria Asset Management was certified by their depositary. This document is based on own analyses of SAI Patria Asset Management and using information from other sources, as mentioned throughout the document.

Fund depositary: BRD – Groupe Societe Generale, NSC (CNVM) decision 4338/09.12.2003, registration number in FSA register PJR10DEPR/400007, with headquarters in Bucharest, 1-7 Ion Mihalache Boulevard, sector 1, post code 011911, Romania, phone 021 200 8375, www.brd.ro. Fund auditor: 3B Expert Audit, CAF Romania authorization 073/31.05.2001, with headquarters in Bucharest, 114 Aurel Vlaicu Street, sector 2, Romania, phone 021 211 7459, www.auditor.ro. Fund identification data: ETF BET Patria - Tradeville is traded on the Bucharest Stock Exchange with ticker symbol TVBETETF, FSA decision 606/09.07.2012, registration number in FSA registry CSC06FDIR/400080; ETF Energie Patria - Tradeville is a fund traded on the Bucharest Stock Exchange with ticker symbol PTENGETF, FSA authorization 2/12.02.2023, registration number in FSA register CSC06FDIR/400128.

