

PURPOSE

This document contains essential information about this investment product. This is not marketing material. The information is provided to you under a legal obligation to help you understand the nature, risks, costs, gains, and potential losses arising from this product and to help you compare it with other products.

PRODUCT

SHARES issued by SOCIETATEA DE INVESTIȚII FINANCIARE BANAT-CRIȘANA

ISIN: ROSIFAACNOR2
Trading market: Bucharest Stock Exchange (BVB or BSE) - Premium category - symbol SIF1 -
Issuer: SIF Banat-Crișana S.A., Arad, 35A Calea Victoriei, 310158, Romania,
EMAIL sifbc@sif1.ro WEB www.sif1.ro
Call TEL +40257 304 438 for more information.
Competent authority: The Financial Supervisory Authority (ASF)
Date of production: 22.12.2021

You are about to buy a product that is not simple and could be difficult to understand.

WHAT IS THIS PRODUCT?

Type

Societatea de Investiții Financiare (Financial Investment Company) Banat-Crișana ("SIF Banat-Crișana") is a joint stock company, incorporated as an investment company, authorized by ASF as an Alternative Investment Fund Manager (AIFM) and operating as a self-managed closed-end investment fund, qualified as a diversified alternative investment fund addressed to retail investors (AIFRI).

Objectives and investment policy

The investment objective of SIF Banat-Crișana is the efficient management of a diversified portfolio of quality assets, able to ensure a constant flow of income, conservation, and medium-long term capital growth, to increase shareholder value and achieve the highest possible returns of invested capital.

The investment policy aims to diversify the portfolio, the financial instruments in which SIF Banat-Crișana mostly invests are shares, fixed income instruments, and fund units. Derivative financial instruments can be used both for hedging risk and to achieve the investment objectives of SIF Banat-Crișana. The strategic allocations by asset classes and within each class are based on assessments of the individual attractiveness of investment opportunities and aim at allocating resources to investment projects in dynamic areas of the economy, in performing companies, with solid and stable assets, and a performant management. For SIF Banat-Crișana, the dividends generated by the portfolio represent a predictable source of income and liquidity, contributing to its overall stability and performance.

Sustainability risks are assessed at the level of the economic activity of the issuers in the portfolio, their integration in the investment decision-making process is in permanent connection with the investment strategy and objectives of SIF Banat-Crișana in terms of portfolio allocation.

Rewarding shareholders by distributing dividends or reinvesting them, or by repurchasing own shares under the buyback programs carried out by the Fund, may bring additional benefits to shareholders in the medium and long term.

SIF Banat-Crișana does not substantially use the leverage effect in the portfolio of financial instruments management process, respectively the methods used to increase the portfolio exposure will comply with the adopted average risk profile.

Intended retail investor

Investment in shares issued by SIF Banat-Crișana is intended for retail investors who are seeking capital maximizations over the medium and long term and are willing to accept the risks associated to investment exposure to emerging markets such as volatility of the prices or currency fluctuations. This type of investment is not suitable for investors that cannot afford any loss of their investment or require a steady income.

Term

SIF Banat-Crișana has a duration of operation as per the articles of association of 99 years.

WHAT ARE THE RISKS AND WHAT COULD I GET IN RETURN?



The synthetic risk indicator assumes you keep the product for 5 years.

The synthetic risk indicator (SRI) measures the level of risk to which the investor is exposed by purchasing shares issued by SIF Banat-Crișana. SRI is not a measure of the risk of losing the money invested, but a measure of the price increases and decreases recorded by the product in the last 5 years as a result of its fluctuations on the BVB market.

The classification of the fund in risk category 5 out of 7, medium to high risk, derives from the aggregation of market risk and credit risk in the synthetic risk indicator using the corresponding annual volatility VaR over a recommended holding period of 5 years.

Other risks not included in the synthetic risk indicator: Liquidity Risk is the risk that the product may not be bought or sold quickly enough to minimize a loss as well as the current or future risk of adversely affecting profits and capital, determined by the inability of the Fund to meet its obligations at maturity. Operational risk is the risk of loss to the Fund, arising from improper internal processes, human error and system deficiencies, risks related to the trading, settlement, and valuation of the fund's assets or from external events including legislative or legal risk.

This product does not include any protection from future market performance so you could lose some or all of your investment.

PERFORMANCE SCENARIOS

Investment	RON 50,000	1-Year	3-Year	5-Year
Scenarios				(recommended holding period)
Stress scenario	What you might get back after costs (RON)	21,015	14,734	10,734
	Average return each year (%)	-57.97%	-33.46%	-26.49%
Unfavourable scenario	What you might get back after costs (RON)	38,006	32,937	30,743
	Average return each year (%)	-23.99%	-12.99%	-9.27%
Moderate scenario	What you might get back after costs (RON)	52,304	57,488	63,185
	Average return each year (%)	4.61%	4.76%	4.79%
Favourable scenario	What you might get back after costs (RON)	72,503	101,063	130,801
	Average return each year (%)	45.01%	26.44%	21.21%

This table shows the money you could get back over the next 5 years, under different scenarios, assuming that you invest RON 50,000. The scenarios shown illustrate how your investment could perform. You can compare them with the scenarios of other products.

The scenarios presented are an estimate of future performance based on evidence from the past and are not an exact indicator. The amount you get will vary depending on how the market performs and how long you keep the investment.

The stress scenario shows what you might get back in extreme market circumstances and it does not take into account the situation where the Fund is not able to fulfil its payment obligations.

The figures shown include all the costs of the product itself, but do not include the costs that you pay to your intermediary or broker.

The figures do not take into account your personal tax situation, which may also affect the amount you get back.

WHAT HAPPENS IF THE ISSUER IS UNABLE TO PAY OUT?

The Fund's shareholders may face a financial loss due to non-fulfilment of payment obligations by the Issuer, obligations arising from the type of financial instrument in case of insolvency, inability to pay.

This financial instrument is not covered by any investor compensation or guarantee system.

To cover any risks related to professional liability arising from professional negligence in the activities that the Issuer may carry out, it permanently holds additional own funds.

WHAT ARE THE COSTS?

The Reduction in Yield (RIY) shows what impact the total costs you pay will have on the investment return you might get. The total costs consider one-off, ongoing, and incidental costs.

The amounts shown here are the cumulative costs of the product itself, for three different holding periods. They include potential early exit penalties. The figures assume you invest 50,000 RON. The figures are estimates and may change in the future.

COST OVER TIME

The intermediary through whom you trade this product or who advises you on this product may charge you other costs. In this case, it will provide you with information about those costs and show you the impact of all costs on your investment over time.

Investment Scenarios	50,000 RON	1-Year	3-Year	5-Year (recommended holding period)
Total costs (RON)		301	947	1,657
Impact on return (RIY) per year (%)		0.601%	0.627%	0.654%

COMPOSITION OF COSTS

The table below shows the impact each of the different types of costs on the investment return you might achieve at the end of the recommended holding period and the meaning of the different cost categories.

This table shows the impact on return per year			
One-off costs	Entry costs	N/A	Commissions paid to the intermediary for the purchase and / or sale of SIF1 shares
	Exit costs	N/A	
Ongoing costs*	Portfolio transaction costs	0.074%	The impact of the costs of us buying and selling underlying investments for the product
	Other ongoing costs	0.770%	The impact of the costs we pay each year for the management of the financial assets portfolio, including the cost of remuneration.
Incidental costs	Performance fees	0.00%	Not the case
	Yield commissions	0,00%	Not the case

* These costs are already included in the calculation of net annual earnings per share.

HOW LONG SHOULD I HOLD IT AND CAN I TAKE MONEY OUT EARLY?

Recommended holding period: 5 years

The shares issued by SIF Banat-Crișana have no minimum required holding period. You can sell (trade) your shares on Bucharest Stock Exchange during the market trading days.

HOW CAN I COMPLAIN?

A complaint regarding the product or the conduct of the issuer or its personnel which may affect the right or interests of investors may be lodged in the following ways:

- **lodging at the registered office** of the company or its branch, Monday - Friday, in working days, between 08-16 hours;
- **by post**, at the registered office of SIF Banat-Crișana or Company's branch, at the addresses:

Headquarters: 35A Calea Victoriei, Arad 310158, Romania, telephone: +40257 304 438, fax: +40257 250 165,

Bucharest branch: 46-48 Serghei Vasilievici Rahmaninov Str., 3rd floor, sector 2, Bucharest, 020199, Romania

- **by fax**, at +4 0257 250 165;
- **by e-mail**, at sifbc@sif1.ro or comunicare@sif1.ro

OTHER RELEVANT INFORMATION

The depositary bank for SIF Banat-Crișana assets is **BANCA COMERCIALĂ ROMÂNĂ SA**.

The Net Asset Value and the Net Asset Value per Share calculated by SIF Banat-Crișana and certified by the Depositary of the Fund are published monthly on the website www.sif1.ro and www.bvb.ro on the page dedicated to the issuer SIF1.

The daily price of SIF1 shares can be followed on the website of the market operator where the Fund is listed, www.bvb.ro

Additional information about the issue prospectus and the rules of the fund, reports, and financial statements of SIF Banat-Crișana are published on the website www.sif1.ro where are available free of charge in both Romanian and English.

SIF Banat-Crișana can only be held liable for statements in this document that are misleading or are inaccurate and inconsistent with the corresponding parts of SIF Banat-Crișana's prospectus.

The taxation of the gains made from the investments in shares is made according to the fiscal legislation in force.