

# NN STABLE GROWTH (E)

Employee Pension Programs and Employee Investing Programs

Rating Analiz Online



## SUBFUND DESCRIPTION

data as of 28.12.2018

### Investment policy

The sub-fund invests in equity, primarily of large companies with solid foundations and excellent growth prospects, and in debt securities, mainly issued, secured or guaranteed by the State Treasury or the National Bank of Poland. The neutral level of sub-funds asset allocation in equity is 30%. The neutral level of sub-funds asset allocation in debt securities is 70%.

### Investor profile

The sub-fund is aimed at investors who are willing to invest for a period of at least 3 years, expect returns higher than in the case of bank deposits, and accept the average risk related to investing part of the sub-funds assets in equity, i.e. they take into account the risk of fluctuations in the value of their investments, in particular in a short-term perspective.

## RISK

### Investment risk

lower risk lower return potentially higher risk higher return potentially



moderate

The risk profile is determined based on the methodology used in the document: Key Investor Information. Historical data used to assign the risk category cannot predict the future risk profile of the fund. The fund objective does not include achieving the relevant risk category. The risk and return profile may change in the future. The lowest risk category (1) does not mean risk-free investment.

### Risk and performance ratios data as of 31.12.2018

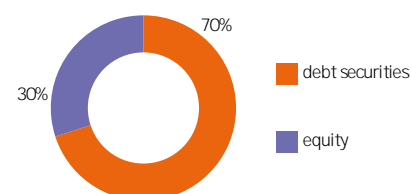
|                      | 1 year | 3 years | 5 years |
|----------------------|--------|---------|---------|
| Standard deviation   | 4,66%  | 4,57%   | 4,32%   |
| Sharpe Ratio         | -1,10  | 0,21    | -0,02   |
| Alpha Ratio          | -0,32% | -0,18%  | -0,16%  |
| Beta Ratio           | 0,95   | 1,02    | 1,00    |
| R <sup>2</sup> Ratio | 94,63% | 94,39%  | 94,11%  |
| Tracking Error       | 1,10%  | 1,09%   | 1,05%   |

The volatility of rates of return and all risk measures were calculated using monthly rates of return. WIBID 1M is accepted as the risk-free rate.

### Overview

|                         |  |
|-------------------------|--|
| Sub-fund type           | stable growth  |
| Benchmark               | 30% WIG + 35% ICE BofAML Poland Government Index + 35% ICE BofAML 1-4 Year Poland Government Index |
| Sub-fund inception date | 06.12.2000   |
| Assets (28.12.2018)     | PLN 1205.73 mil  |
| Share value             | PLN 327.27   |
| Management fee          | 1.15%  |
| Fund currency           | PLN  |

### Asset allocation



### Recommended minimum investment horizon



## TOTAL RETURNS

### Change in share value

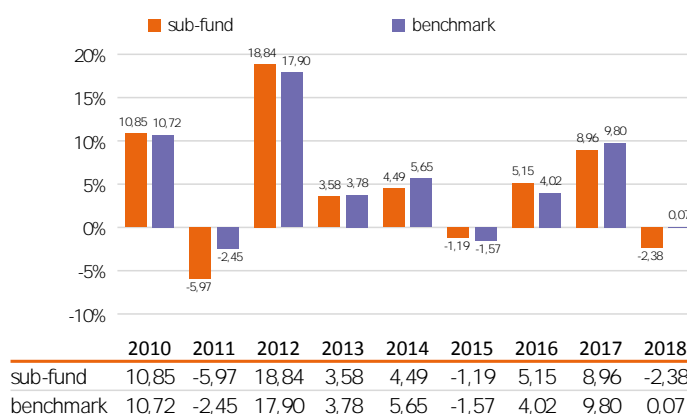
for the period from 02.05.2003 to 28.12.2018



### Sub-fund total returns % as of 28.12.2018

|           | 1 m  | 3 m   | 6 m  | 12 m  | 36 m  | 60 m  | 120 m | YTD   | max    |
|-----------|------|-------|------|-------|-------|-------|-------|-------|--------|
| sub-fund  | 0,17 | -0,33 | 1,21 | -2,38 | 11,84 | 15,48 | 70,10 | -2,38 | 153,70 |
| benchmark | 0,28 | 0,54  | 2,69 | 0,07  | 14,30 | 18,85 | 82,91 | 0,07  | 184,91 |

### Annual sub-fund total returns % for each year



## PORTFOLIO PROFILE

### Allocation of financial instruments data as of 31.12.2018

| name   | share in portfolio |
|--|--------------------|
| Government bonds with fixed %  |                    |
| Equity   | 27,69%             |
| Government index-linked bonds  | 7,27%              |
| Cash and deposits adjusted by the balance of receivables and liabilities | 4,13%              |
| Non-government bonds with fixed %  | 0,88%              |
| Non-government bonds with variable %                                     | 0,43%              |
| Government bonds with variable %   | 0,08%              |

### Open currency positions data as of 31.12.2018

| name  | share in portfolio |
|-------|--------------------|
| PLN   | 94,37%             |
| ZAR   | 2,50%              |
| EUR   | 1,06%              |
| RON   | 0,94%              |
| CZK   | 0,72%              |
| other | 0,40%              |

### Sectoral allocation data as of 31.12.2018

| name                     | share in portfolio |
|--------------------------|--------------------|
| Finance                  | 11,89%             |
| Electricity              | 5,95%              |
| Public utility companies | 2,32%              |
| Consumer companies       | 2,16%              |
| Industrial companies     | 1,73%              |
| Commodities              | 1,36%              |
| Consumer staples         | 0,95%              |
| Telecommunications       | 0,89%              |
| IT                       | 0,61%              |
| Construction             | 0,53%              |
| other                    | 71,60%             |

### Top holdings in the portfolio

acc. to financial statements of 30.06.2018

| name            | share in portfolio |
|-----------------|--------------------|
| IZO823          | 10,50%             |
| PS0421          | 7,91%              |
| Cash            | 6,55%              |
| PS0422          | 5,78%              |
| OK0419          | 4,80%              |
| DS1023          | 4,29%              |
| US/USD/20190425 | 3,87%              |
| PS0721          | 3,79%              |
| DS0725          | 3,72%              |
| DS0726          | 3,29%              |

### Geographic allocation data as of 31.12.2018

| name           | share in portfolio |
|----------------|--------------------|
| Poland         | 86,41%             |
| United States  | 5,02%              |
| Hungary        | 3,15%              |
| Czech Republic | 2,40%              |
| South Africa   | 1,06%              |
| Croatia        | 0,85%              |
| Serbia         | 0,58%              |
| Greece         | 0,22%              |
| Ukraine        | 0,10%              |
| Austria        | 0,08%              |
| other          | 0,12%              |

## FUND MANAGER



**Michał Witkowski**  
Fund Manager / Senior Analyst  
Equity Team  
11 years experience



**Krzysztof Prus**  
Senior Portfolio Manager of Fixed Income  
Fixed Income Team  
20 years experience

## GLOSSARY

**Standard deviation** is one of the most popular statistical measures that shows how much the total returns of the fund have changed in the past. The higher the ratio, the higher the risk of the investment in a fund share.

**R<sup>2</sup>**, i.e. the square of the Pearson product-moment correlation coefficient, is one of more popular statistical measures showing the degree of correlation of a series of data with a benchmark.

**Sharpe Ratio** describes to what extent the achieved rate of return rewards the risk taken by the investor by investing in high-risk assets. The measure enables to maximise the return and also minimise the risk, which can be achieved by selecting a fund with the highest positive value of the ratio.

**Alfa** is a measure indicating the possibility and scale of change in the price of the analysed instrument on the assumption that the value of the benchmark does not change. It can be a positive or negative value.

**Beta** is a measure showing the sensitivity to changes in the price of the analysed instrument in comparison with the change of a benchmark. A beta of 1.0 means that the expected 10% increase in the value of a benchmark will result in a 10% increase in the value of the analysed instrument (the share value in the case of funds). The higher the beta value, the riskier the investment.

**Tracking Error** enables to evaluate the consistency of effects of the investment policy of a manager with benchmark's returns. The lower the TE value, the smaller the possible resulting differences.

**Rating Analiz Online** is fund's rating taking into account both quantitative (such as returns) and qualitative factors. A fund analysis involves an in-depth examination of the four basic areas that determine the current behaviour of the fund and its behaviour in the future: managers and the investment process, investment policy and portfolio, portfolio characteristics, returns of the fund, the risk, costs and fees. The more stars are awarded, the better the rated quality of the fund. To put it very simply, 4 or 5 stars mean that relevant funds are worthy of interest in the first place because their characteristics show potential performance beyond the average in the relevant group.

**Benchmark** is a point of reference to evaluate results of fund's asset management. The following may be used, among others, as a benchmark: stock market index, inflation, return on certain government bills, or their relevant combinations. WIG – Warsaw Stock Exchange Index, the main index of the Warsaw Stock Exchange including stocks of companies listed on the primary market. ICE BofAML Poland Government Index is an index describing the market of Polish government bonds with fixed interest the maturity date of which exceeds 1 year. ICE BofAML 1-4 Year Poland Government Index is an index describing the market of Polish government bonds with fixed interest the maturity date from 1 year to 4 year.

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