

Fondul Proprietatea ends Q3 with 122.2 ml lei profit

Fondul Proprietatea ended Q3 2020 with a profit of 122.2 million lei, compared to 252.9 million lei in the same period of 2019, but posted a nine-month loss of 726.4 million lei in a reverse trend from the similar period of 2019, when it had a profit of 1.936 billion lei, shows a report submitted to the Bucharest Stock Exchange.

"The main factor that contributed to the negative result over the first nine months of 2020 was the net loss related to the investments at fair value through profit or loss in amount of 1.885 billion lei generated mainly by (1) the decrease of 1.264 billion lei in the value of the unlisted stock following the valuation updating process (mainly at the Bucharest Airports National Company, E-Distributie and Hidroelectrica SA), which also takes into account the effect of the 940 ml lei worth of dividends distributed by the evaluated companies, and (2) the negative evolution of the price of OMV Petrom SA shares throughout this period (total impact of 642.8 million lei, share price decrease of 25.1 percent). This impact was partially offset by the gross income from the 1.218 billion lei dividends from the companies in the portfolio," the report states.

"The Fund's investment objective is to maximize returns to shareholders and increase the value of net assets per share through investments made mainly in Romanian shares and securities. Investments in shares represented 89.7 percent of the Fund's NPV as of September 30, 2020. As of the same date, its portfolio included holdings in 33 companies (7 listed and 26 unlisted), both private and state-owned," the report shows.