

Dear investor,

2019 was a year of strong returns for most asset classes worldwide. Both equities and bonds have generated significant gains, with Greece being in the top position, in terms of positive returns. However, we should be aware that short-term fluctuations are largely due to the factor of psychology. Investments look more like a marathon run rather than an one breath 100m race. That is why we remain cautious when we detect excessive optimism among investors.

Greece, after a long period of uncertainty, enters a phase of "regularity". The crisis has created distressing circumstances, but it has also created opportunities. Greek bonds, issued after the Greek government debt restructuring in April 2012, started trading at just over € 0,20. Two months later they lost almost half of their value, while currently they are traded at € 1,2. Their price surged, in terms of annualized yield, sharply by almost 30% and this phenomenal number is considered as rare as the duration and severity of the Greek crisis.

Low interest rates have led to a significant increase in bond prices. Despite the fact that such trends in normal conditions last for a long time, we remain cautious. Low interest rates on bonds should 'compensate' their holder for: (a) the possible borrower's inability to repay their debt, b) the probability of interest rates rising before the bond expires, and (c) the possibility of rising inflation. When the compensation (rate - coupon) for all of the above risks is low, then investors should be cautious.

#### Investment Philosophy of 3K Investments Partners Managed Funds

We find it important to introduce you to our investment philosophy. We prefer to repeat ourselves to our older clients, in order our newcomers to get acquainted to our investment approach.

Regarding our equity portfolios, our basic principle is to approach the companies, we invest in, as partners and we seek to remain their shares for a long period. Unlike with most naive investors, we do not expect to increase our capital simply by looking forward to rising share prices. We focus on increasing profitability and corporate growth, which could lead to stock appreciation. We consider market fluctuations as an opportunity window and not as a reliable indicator of fair valuations.

The majority of the companies we hold in equity funds, are those managed by remarkable people we admire and who increase the profitability of the companies for several years, as long as they hold the steering wheel. In addition, we hasten to invest in these companies when their valuations are attractive. Even the best companies when bought at an expensive valuation, could turn out to be a bad investment, at least for some time.

Our biggest holding is "Jumbo". It is difficult to find another company that over the last 20 years converts about 1/5 of its turnover into net after tax profits and additionally has increased its sales from € 80mln to € 800mln annually.

Our biggest position in 3K Anagennisis Fund (AIF), that invests abroad is Dart Group PLC. Its founder and CEO Philip Meeson has managed to turn a \$ 10m company in 1991 into a \$ 2.5bn business.

When you have Lionel Messi (FC Barcelona soccer player) striking a free kick with a 33% success rate, your team's chance of winning is far greater than having players trying to learn the free kick technique. That's why we select the best CEOs so as to have the best team.

When we cannot find many of the above investment cases to channel our liquidity, we invest in companies that are linked to event-driven developments such as privatizations, acquisitions, spin-offs or other major business changes (turnovers). Our biggest positions in event-driven equities are stocks of Greek banks and The Greek Public Power Company.

The mutual funds we manage demonstrate the performances as set in the table below:

	31/12/2014 31/12/2019 (5 years)	31/12/2016 31/12/2019 (3 years)	31/12/2018 31/12/2019 (1 year)
<b>3K Domestic Equity Fund</b> (Unit Class - R) (Decision 29/634/08-02-2006 of HCMC Gov. gazette 264/02-03-2006 Part B')	<b>+32,79%</b>	<b>+43,91%</b>	<b>+30,01%</b>
<b>3K Greek Value Domestic Equity Fund</b> (Unit Class - R) (Decision 240/13.05.2015 of HCMC )	<i>It was not launched</i>	<b>+76,19%</b>	<b>+32,36%</b>
<b>3K Balanced Fund</b> (Unit Class - R) ( Decision 29/634/08-02-2006 of HCMC Gov.gazette 264/02-03-2006 Part B' )	<b>+75,86%</b>	<b>+66,33%</b>	<b>+30,82%</b>
<b>NN Hellas Bond Fund</b> (Unit Class - R) ( Decision 268/21-06-2017 of HCMC )	<i>It was not launched</i>	<i>It was not launched</i>	<b>+29,65%</b>

### NN Luxembourg Funds

As capital controls have been lifted in Greece since September 2019, you may also invest in NN IP Luxembourg mutual funds. The NN IP Luxembourg funds provide the opportunity to access to a wide range of international markets. Characteristically, we mention 3 NN Investment Partners mixed funds, offering a) 3 different types of risk profiles (conservative, moderate and aggressive), b) the constant exploitation of opportunities in international markets by specialized investment professionals and c) constant rebalancing to maintain the investment scope the portfolio. The track record of these funds is as follows:

	1/1/2015 - 31/12/2019 5Y	1/1/2017 - 31/12/2019 3Y	2019 1/1/19 - 31/12/19
NN (L) Patrimonial Defensives X Cap EUR	9,06%	4,18%	8,55%
NN (L) Patrimonial Balanced X Cap EUR	20,07%	10,16%	14,52%
NN (L) Patrimonial Aggressive X Cap EUR	31,77%	15,35%	20,25%

At the same time, with the abundance of solutions enabling you to grow your capital, there is the option to monitor your portfolio online daily through our e-funds application (<https://www.3kip-efunds.gr/>).

In addition, the Portfolio Management and Investment Advisory Service are here to provide you with customized investment solutions tailored to your needs and your investment profile.

We invest our money together with yours, and we are convinced that in the long run this will bear fruits.

Thank you for your trust in 3K Investment Partners. We are always at your disposal (Tel: 210 74 19 890, [info@3kip.gr](mailto:info@3kip.gr)) for communication and cooperation.

Yours sincerely,

George Koufopoulos  
Managing Director